

# KARNALYTE RESOURCES INC. ANNOUNCES 2024 YEAR END RESULTS AND PROVIDES CORPORATE UPDATE

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SASKATOON, SK (CNW- March 21, 2025) - Karnalyte Resources Inc. ("Karnalyte" or the "Company") (TSX: KRN) today announced its financial results and corporate highlights for the financial year ended December 31, 2024.

## 2024 - YEAR IN REVIEW

In 2024, Karnalyte made strides in advancing its Wynyard Project, focusing on completing its NI 43-101 Compliant Technical Report. This included pursuing strategic cost-saving measures, including overseas equipment sourcing, with support from Gujarat State Fertilizers and Chemicals ("GSFC") and leadership from Wood PLC. The company also optimized operations by selling non-essential assets, generating \$261,000 in proceeds.

Karnalyte also initiated a review of its development strategy to explore the economic potential of increasing magnesium chloride production alongside its Potash Project.

The company strengthened its corporate leadership with the permanent appointments of Danielle Favreau as CEO and Christie Gradin as CFO, and the election of Sanjeev Varma to the board.

Overall, the year was marked by value-supporting initiatives aimed at cost efficiency, project development, and increased business development activities.

## POTASH - WYNYARD POTASH PROJECT

*Market Update* - The market conditions for potash strengthened slightly in 2024. Despite relatively low selling prices, the strong affordability among agricultural producers resulted in robust demand for potash driving record sales volumes for major producers.


In the long-term, demand is expected to stay strong especially for Canadian potash as continued geopolitical uncertainty makes the Saskatchewan region an attractive supply jurisdiction. Industry investments in potash further demonstrate strong market demand, boosting industry confidence and underscoring a positive long-term outlook for the sector. These investments highlight the importance of potash in global agricultural markets and affirm the value of Karnalyte's project.

## UPDATE TO THE NATIONAL INSTRUMENT 43-101 COMPLIANT TECHNICAL REPORT

The Company continued to make progress on its NI 43-101 compliant technical report, a foundational step to demonstrate the value of Karnalyte and its assets, and a key precursor to any mine construction. As previously announced, industry leading solution mining and engineering firm ERCOSPLAN ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") is assisting with the technical report,

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including the update of the mineral resource estimation and the mine plan for brine field development as the basis for the mineral reserve estimate. The company anticipates the technical report will be completed in 2025 and looks forward to the new corporate development opportunities that will follow this key milestone.

Karnalyte remains steadfast in its commitment to potash development, which is supported by significant global demand and a robust offtake agreement. This strategic focus is underpinned by the recognition that potash is a critical commodity essential for agricultural productivity and food security.

## **NITROGEN - THE PROTEOS NITROGEN PROJECT**

The Proteos Nitrogen Project is a proposed regional-scale nitrogen fertilizer plant to be located in central Saskatchewan, with a nameplate capacity of 700 metric tonnes per day (“MTPD”) ammonia and 1,200 MTPD urea. Our primary target market is local, independent wholesalers within a ~400-kilometre radius of Saskatoon, Saskatchewan, with a secondary target market of Midwest USA wholesalers near the Canadian border. This project is being paused while the Company focuses on its Wynyard Potash Project and the review of its development strategy.

## **REVIEW OF DEVELOPMENT STRATEGY**

In 2024, Karnalyte announced a review of its development strategy to evaluate the economic potential of increasing magnesium chloride production at the Company’s Wynyard Project by developing magnesium assets alongside the Potash Project. This work included an assessment of the potential for co-production of magnesium chloride and potassium chloride using advanced solution mining technologies.

Carnallite, also known as hydrated potassium magnesium chloride, is abundant within the Company’s mineral deposit. As part of its review, the Company has been studying and evaluating the economic opportunity of developing carnallite for the co-production of magnesium chloride and potassium chloride. The aim is to significantly increase magnesium chloride production, compared to previous studies, through the use of advanced solution mining technologies.

Magnesium is listed as one of Canada’s 34 critical minerals and is a key mineral in the clean technologies and advanced manufacturing value chains. Additionally, Magnesium chloride serves as a key raw material in the production of various chemicals, including magnesium metal, magnesium hydroxide, magnesium oxide, and magnesium carbonate. These chemicals are used in high-tech applications such as semiconductor manufacturing, lithium-ion battery production, and in industries including metallurgy, pharmaceuticals, agriculture and wastewater treatment, driving the demand for magnesium chloride

The study has been progressing as scheduled and the Company anticipates the review to be completed in the first half of 2025.

## ASSET SALES

On March 13, 2025, Karnalyte listed three parcels of farmland for sale that are not core to the focus on advancing the Potash Project. The proceeds from the sale will be directed towards supporting the company's development activities, advancing its project plan and to fund working capital requirements.

## OUTLOOK FOR 2025

In 2025, Karnalyte Resources Inc. plans to complete the update to its NI 43-101 technical report, optimize construction and operation plans, and enhance project sustainability. The Company also plans to complete the review of its development strategy. The company will continue to optimize its asset portfolio, ensuring efficient resource allocation to support project development. Karnalyte is committed to delivering value to its stakeholders through strategic initiatives, disciplined financial management, and sustainable growth. Additionally, the company will intensify its business development activities, seeking strategic partnerships and investment opportunities to advance its projects and move them forward to development.

## 2024 YEAR END RESULTS AND SELECTED ANNUAL INFORMATION

On December 31, 2024, the Company had cash of \$.9 million, a positive working capital of \$.5 million, and no debt.

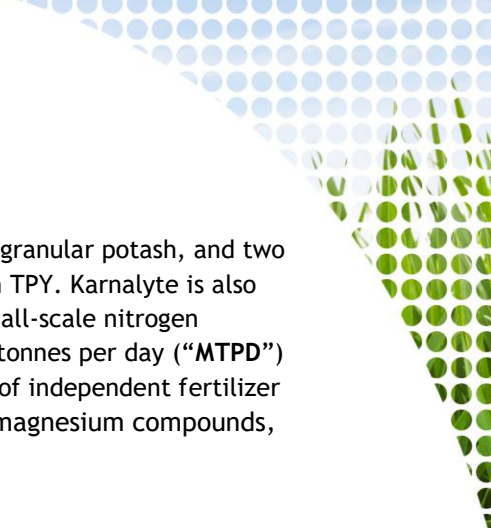
The following information has been summarised from the Company's audited financial statements. Karnalyte's 2024-year end financial statements, management's discussion and analysis, and annual information form are available at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Company's website at [www.karnalyte.com](http://www.karnalyte.com).

### Selected annual results (CAD \$ thousands)

	Year ended December 31		
	2024	2023	2022
Total revenue	-	-	-
Interest and other income	67	133	62
Net and comprehensive loss	(1,659)	(1,422)	(1,728)
Basic and diluted per share	(0.03)	(0.03)	(0.04)
Total current assets	1,225	2,716	4,209
Total assets	6,875	8,378	9,883
Total current liabilities	721	572	628
Total liabilities	2,010	1,891	2,006
Total shareholders' equity	4,865	6,487	7,877

## ABOUT KARNALYTE RESOURCES INC.

Karnalyte Resources Inc. is a development stage company focused on two fertilizer products, potash and nitrogen, to be produced and manufactured in Saskatchewan. Karnalyte owns the Wynyard Potash Project,



with planned phase 1 production of 625,000 tonnes per year (“TPY”) of high grade granular potash, and two subsequent phases of 750,000 TPY each, taking total production up to 2.125 million TPY. Karnalyte is also exploring the development of the Proteos Nitrogen Project, which is a proposed small-scale nitrogen fertilizer plant with a nameplate production capacity of approximately 700 metric tonnes per day (“MTPD”) of ammonia and approximately 1,200 MTPD of urea, and a target customer market of independent fertilizer wholesalers in Central Saskatchewan. Also under consideration is the secondary magnesium compounds, on Canada’s critical minerals list.

## **ABOUT THE WYNYARD POTASH PROJECT**

The Wynyard Potash Project is a construction ready solution mining potash project located in Wynyard, Saskatchewan, with planned phase 1 production of 625,000 TPY of high grade granular potash, and two subsequent phases of 750,000 TPY each, taking total production up to 2.125 million TPY. All environmental permits remain valid, preliminary detailed engineering is complete, and the existing offtake agreement with Gujarat State Fertilizers & Chemicals Limited remains in effect. Further development is dependent on improved potash prices and obtaining financing.

## **ABOUT GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED**

Gujarat State Fertilizers & Chemicals Limited (“GSFC”) is a leading Indian Fortune 500 chemicals and fertilizer company that has been in business for more than 50 years. GSFC currently operates one ammonia plant that was commissioned in the year 2000, and two urea plants that were established in 1969, at its fertilizer production complex in Vadodara, Gujarat State, India.

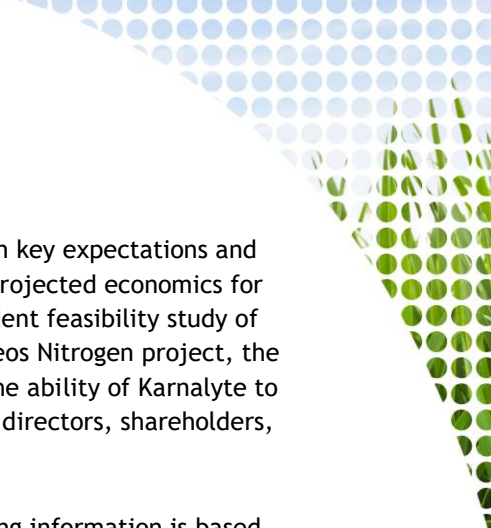
As the Company’s strategic partner and single largest shareholder, GSFC remains committed to the Company and the Wynyard Potash Project and is fully supportive of the Company pursuing the development of the Proteos Nitrogen Project. GSFC has also confirmed to the Company that it will continue to support the structuring of the most cost-effective financing package for the development of the Wynyard Potash Project, as GSFC has consistently offered to the Company since becoming a shareholder in 2013.

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## **FORWARD-LOOKING STATEMENTS**

Certain information included in this press release is forward-looking, within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “plan”, “intend”, “forecast”, “future”, “guidance”, “may”, “predict”, “project”, “should”, “strategy”, “target”, “will” or similar words or phrases suggesting future outcomes or language suggesting an outlook.



The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Karnalyte, including, without limitation, assumptions as to: projected economics for the Company's planned potash production facility, the confirmation in an independent feasibility study of Karnalyte's assumptions regarding the technical and economic viability of the Proteos Nitrogen project, the ability of Karnalyte to obtain financing on terms favourable to the Company, and the ability of Karnalyte to receive, in a timely manner, the necessary approvals from the Company's board of directors, shareholders, regulatory authorities, and other third parties.

Karnalyte believes the expectations and assumptions upon which the forward-looking information is based are reasonable. However, no assurance can be given that these assumptions and expectations will prove to be correct. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Without limiting the generality of the foregoing, readers are cautioned that the Company has not received a feasibility study prepared by a third party with respect to the Proteos Nitrogen project.

Actual results may vary from the forward-looking information presented in this press release, and such variations could be material. Risk factors and uncertainties could cause actual results to vary from the forward-looking information in this press release. Additional information on forward-looking statements and other factors that could affect Karnalyte's operations and financial results are included in documents on file with Canadian securities regulatory authorities and may be accessed through the Company's profile on the SEDAR+ website ([www.sedarplus.ca](http://www.sedarplus.ca)).

These forward-looking statements are made as of the date hereof and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.