

KARNALYTE RESOURCES INC. ANNOUNCES 2025 THIRD QUARTER RESULTS AND CORPORATE HIGHLIGHTS

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SASKATOON, SK (CNW- November 13, 2025) - Karnalyte Resources Inc. ("Karnalyte" or the "Company") (TSX: KRN) today announced its financial results and corporate highlights for the third quarter ended September 30, 2025.

Q3 2025 HIGHLIGHTS

UPDATE TO NATIONAL INSTRUMENT 43-101 COMPLIANT TECHNICAL REPORT

During the quarter, Karnalyte continued to advance its NI 43-101 compliant technical report, which remains a key milestone in demonstrating the value of the Company's assets and advancing toward mine development. The Company remains actively engaged with its team of qualified professionals to review and refine the key technical sections, ensuring the report meets the highest industry standards for accuracy and completeness.

The report remains on track for completion in 2025, positioning Karnalyte to pursue future corporate development opportunities. The Company remains committed to advancing its potash project, underpinned by strong global demand and a robust offtake agreement. Potash's role as a vital agricultural input continues to reinforce the Company's long-term value proposition.

REVIEW OF DEVELOPMENT STRATEGY

Karnalyte's review of its development strategy, initiated in 2024, continues to move forward. This strategic review focuses on assessing the economic potential of expanding magnesium chloride production at the Wynyard Project by developing magnesium resources alongside the Potash Project.

The Company is actively assessing the co-production of magnesium chloride and potassium chloride through conventional solution mining technologies. The underlying resource, carnallite (hydrated potassium magnesium chloride), is abundant within Karnalyte's mineral deposit. This ongoing analysis is aimed at unlocking additional value through the potential integration of alternate magnesium compounds into the existing project framework. Although the review was initially expected to be completed by the end of 2025, the timeline has been extended to prioritize the update to the NI 43-101 compliant technical report.

OUTLOOK FOR 2025

In 2025, Karnalyte Resources Inc. is focused on several key initiatives:

- completing the update to its NI 43-101 technical report;
- advancing its development strategy review; and
- continuing to optimize operations.

The Company will continue to optimize its asset portfolio, ensuring efficient resource allocation to support project development. Additionally, the Company will continue to intensify its business development activities, seeking strategic partnerships and investment opportunities to advance its projects and move them forward to development. Karnalyte is committed to delivering value to its stakeholders through strategic initiatives, disciplined financial management, and sustainable growth.

2025 THIRD QUARTER RESULTS

At Sept 30, 2025, the Company had cash of \$600,000 and positive net working capital of \$624,000 and no debt. Karnalyte's Third Quarter 2025 Financial Statements and Managements' Discussion and Analysis are available at www.sedarplus.com and on Karnalyte's website at www.karnalyte.com.

The following information has been summarised from the Company's Condensed Interim Unaudited Financial Statements.

	Sept 30, 2025	Sept 30, 2024
Total revenue	-	-
Net and comprehensive loss	(509)	(267)
Basic and diluted per share	(0.01)	(0.01)
Total current assets	1,075	1,537
Total assets	6,295	7,190
Total liabilities	2,255	1,942
Total shareholders' equity	4,040	5,248

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.

ABOUT THE WYNYARD POTASH PROJECT

The Wynyard Potash Project is a development stage 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 the continued strength of 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. GSFC is the Company’s strategic partner and single largest shareholder.

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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 Plus website (www.sedarplus.com).

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.