

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1          Name and Address of Company**

Loyalist Exploration Limited (“Loyalist” or the “Company”)  
Suite 204, 133 Richmond Street West,  
Toronto, Ontario M5H 2L3

**Item 2          Date of Material Change**

February 12, 2025

**Item 3          News Release**

The press release attached as Schedule “A” was released on February 12, 2025 by a newswire company in Canada.

**Item 4          Summary of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 5          Full Description of Material Change**

The material change is described in the press release attached as Schedule “A”.

**Item 6          Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7          Omitted Information**

Not applicable.

**Item 8          Executive Officer**

Errol Farr, President and CEO  
Email: efarr001@icloud.com  
Tel: 647-296-1270

**Item 9          Date of Report**

February 13, 2025



## **Loyalist Exploration Announces Letter of Intent for Gold Property Acquisition in the Timmins Mining District and \$600,000 Concurrent Financing**

*THIS NEWS RELEASE IS NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. NEWS AGENCIES*

**Toronto, Ontario – TheNewswire - February 12, 2025 – Loyalist Exploration Limited. (CSE: PNGC)** (“Loyalist” or the “Company”) is pleased to announce that the Company has entered into a binding letter of intent dated February 12, 2025 (the “LOI”) to option (the “Option”) a 100% interest in the Gold Rush property (the “Gold Rush Property” or the “Property”), located approximately 30 kilometres (“km”) west of Timmins, Ontario from a prospector in Timmins (the “Optionor”). The Property is composed of 41 contiguous mineral claims and is located within the “Timmins Gold Camp”. Mineralization within the Timmins Gold Camp is not necessarily indicative of mineralization at the Property. 15 drill holes were completed between 2021-24 for approximately 1,650 meters.

### **Historical Gold Rush Property Highlights:**

1. *Location.* 30 kilometres (“km”) west of Timmins, Ontario, located within the Timmins Gold Camp.
2. *Historical drilling.* 15 completed drill holes with best assay 2.08 g/t Au and 11.5 g/t Ag over 1 m (Sanatana Resources Inc Assessment report dated January 22, 2022, page 113).
3. *Accessibility.* Road access & trails. Property less than 30 km drive from Timmins, Ontario.
4. *Environmental, social concerns.* No lakes, homes, camps, surface rights owners nearby.
5. Three high priority prospects, North Shaft Zone, North Vein Area & Mid Point Area. Additional property prospects merit future exploration.
6. *Size.* 41 contiguous cells, composing an aggregate size of approximately 2026 acres.
7. Potential for future growth, additional gold-silver mineralization and property expansion.
8. Attractive geological location for additional discoveries such as Cu, Zn, Ni, PGE etc.
9. Assessment reserve. Approximately \$513,000 worth of credits in reserve to distribute across the 41 mining cells.

Information on the property has been provided by the Optionor in addition to assessment reports located on the Ontario Government’s Mining Lands Assessment System (MLAS).

Errol Farr, Loyalist’s President & Chief Executive Officer commented, “*We are very pleased to make the strategic acquisition in the prolific Timmins Gold Camp. The optioning of the Gold Rush Project aligns with Loyalist’s strategy of acquiring low-cost, high-upside exploration projects and gives the Company and its shareholders exposure to the prolific gold district. We will continue to look at all opportunities to add value and optionality for Loyalist’s shareholders and enhance our portfolio.*”

### **The Option Agreement**

Pursuant to the terms of the Option, Loyalist shall have the right to earn a 100% interest in the Property. In order to exercise the Option, Loyalist shall:

- a) pay to the Optionor aggregate cash consideration of \$160,000 as follows:
  - i. \$25,000 upon execution of the definitive option agreement (“**Definitive Agreement**”);

- ii. \$35,000 on the first anniversary date of the Definitive Agreement;
  - iii. \$45,000 on the second anniversary date of the Definitive Agreement;
  - iv. \$55,000 on the third anniversary date of the Definitive Agreement;
- b) issue to the Optionor an aggregate of 20,000,000 common shares (“**Shares**”) in the capital of Loyalist as follows:
  - i. 3,000,000 Shares upon the execution of the Definitive Agreement;
  - ii. 4,000,000 Shares on the first anniversary date of the Definitive Agreement;
  - iii. 5,000,000 Shares on the second anniversary date of the Definitive Agreement;
  - iv. 8,000,000 Shares on the third anniversary date of the Definitive Agreement;
- c) Complete total accumulated exploration expenditures on the Property in the amount of:
  - i. \$100,000 by the first anniversary date of the Definitive Agreement;
  - ii. \$300,000 by the second anniversary date of the Definitive Agreement;
  - iii. \$700,000 by the third anniversary date of the Definitive Agreement;
- d) grant to the Optionor a 2.0% net smelter returns royalty (the “**NSR**”) on the Property with an option for Loyalist to re-purchase 50% of the NSR (i.e 1.0% of the 2.0% NSR) at any time at a price of \$1,000,000; and
- e) Grant to the Optionor a right of first refusal to perform exploration activities on the Property to be defined in the Definitive Agreement.

### **Concurrent financing**

The Company is also pleased to announce a non-brokered private placement consisting of the sale of up to 60,000,000 units of the Company (each, a “**Unit**”), at a price of \$0.01 per Unit, for gross proceeds of up to \$600,000 (the “**Offering**”).

Each Unit will consist of one (1) Share and one (1) Share purchase warrant (each, a “**Warrant**”). Each Warrant will be exercisable into one (1) Share (each, a “Warrant Share”) at a price of \$0.05 per Warrant Share for a period of thirty-six (36) months following the date of issuance.

In connection with the Offering, the Company may pay finder’s fees equal to 8% of the gross proceeds in cash and issue 8% non-transferable warrants (the “Finder Warrants”) to various registered dealers or finder’s, representing up to 8% of the Units sold through such registered dealers or finders in the Offering. Each Finder Warrant will entitle the holder thereof to purchase one (1) Share at a price of \$0.05 per Share for a period of thirty-six (36) months from the closing date of the offering.

Certain insiders of Loyalist may participate in the Offering, which would constitute a "related party transaction", as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* (“MI 61-101”). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the acquired securities by such insiders will not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

All of the securities issued and issuable in connection with the Offering will be subject to a hold period expiring four months and one day after the date of issuance of the securities. Completion of the Offering is subject to the receipt of all required regulatory approvals, including the approval of the Canadian Securities Exchange (the “**Exchange**”).

The securities offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S.

persons absent registration or an applicable exemption from registration requirements. This release does not constitute an offer for sale of securities in the United States.

It is anticipated that the first closing of the Offering will occur on or about February 28, 2025, with a final closing no later than March 28, 2025.

### **Qualified Person**

Stephen Balch, Independent director for Loyalist, who is a qualified person as defined by NI 43-101, has reviewed and approved the technical contents of this press release.

Drilling data disclosed in this news release relates to historical drilling results. The Company has not undertaken any independent investigation of the sampling, nor has it independently analyzed the results of the historical exploration work in order to verify the results. The Company considers these historical drill results relevant as the Company is using this data as a guide to plan exploration programs. The Company's current and future exploration work includes verification of the historical data through drilling.

**Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) have reviewed or accept responsibility for the adequacy or accuracy of this release.**

### **About Loyalist Exploration Limited**

Loyalist Exploration Limited is a mineral exploration company focused on acquiring, exploring, and developing quality mineral properties in Canada.

**For further information please visit the Company's website at [loyalistexp.ca](http://loyalistexp.ca) or contact:  
Loyalist Exploration Limited**

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*This News Release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, statements, exploration results, potential mineralization, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions, as well as the anticipated size of the Offering, the Offering price, the anticipated closing date and the completion of the Offering, the anticipated use of the net proceeds from the Offering and the receipt of all necessary approvals. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, an inability to complete the Offering on the terms or on the timeline as announced or at all, capital market conditions, restriction on labour and international travel and supply chains, and those risks set out in the Company's public documents filed on SEDAR+. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.*