



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
AND MANAGEMENT INFORMATION CIRCULAR**

Date and Time: September 11, 2024 at 11:00 am EDT

Place: Suite 204, 133 Richmond Street West,
Toronto, Ontario M5H 2L3

August 13, 2024

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.

LOYALIST EXPLORATION LIMITED

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, SEPTEMBER 11, 2024**

TO: The shareholders of Loyalist Exploration Limited

NOTICE IS HEREBY GIVEN that the annual general and special meeting of the shareholders of Loyalist Exploration Limited (the “**Corporation**” or “**Loyalist**”) will be held at the offices of the Corporation at Suite 204, 133 Richmond Street West, Toronto, Ontario M5H 2L3 at 11:00 am EDT (the “**Meeting**”), for the following purposes:

- (1) to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2023, together with the reports of the auditors thereon;
- (2) to set the number of directors a three (3) and to elect directors of the Corporation for the ensuing year;
- (3) to re-appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors for the ensuing year;
- (4) to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Corporation’s new long-term incentive plan;
- (5) to consider and, if deemed appropriate, pass with or without variation, a special resolution approving the Share Exchange Agreement (the “SEA”) between Millbrook Minerals Inc. (“Millbrook”) and the Corporation; and
- (6) to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice of meeting is the management information circular (the “**Circular**”), a form of proxy and a financial statement request form.

Voting by Proxy

Registered shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out therein, and in the Circular accompanying this Notice of Meeting. A proxy will not be valid unless it is received by Computershare Investor Services Inc., in accordance with the instructions specified on the form of proxy. The chairman of the Meeting has the discretion to accept proxies received after that time.

DATED at Toronto, Ontario, this 13th day of August 2024.

BY ORDER OF THE BOARD OF DIRECTORS

Errol Farr
President, CEO, and Director

MANAGEMENT INFORMATION CIRCULAR

INFORMATION CONTAINED IN THIS CIRCULAR

This management information circular (the “**Circular**”) is being furnished to holders (the “**Shareholders**”) of common shares (“**Common Shares**”) in the capital of Loyalist Exploration Limited (the “**Corporation**” or “**Loyalist**”) in connection with the solicitation of proxies by management of the Corporation for use at the annual general and special meeting of Shareholders to be held at 11:00 am (EST) on Wednesday, September 11, 2024, at the offices of the Corporation at Suite 204, 133 Richmond Street West, Toronto, Ontario M5H 2L3 and any adjournment(s) or postponement(s) thereof (the “**Meeting**”) for the purposes set forth in the notice of meeting dated August 9, 2024 (the “**Notice of Meeting**”).

No person has been authorized to give any information or make any representation in connection with the Share Exchange or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Share Exchange and the Share Exchange Agreement (the “**SEA**”) in this Circular are qualified in their entirety by reference to the complete text of the SEA, a copy of which is attached to this Circular as Schedule “**A**”. Shareholders are urged to carefully read the full text of the SEA.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under the heading “*Glossary of Terms*”. Information contained in this Circular is given as of August 13, 2024, unless otherwise specifically stated.

The information concerning Millbrook Minerals Inc. (“**Millbrook**”) in this Circular, including the schedules hereto, has been provided by or on behalf of Millbrook for inclusion in this Circular. Although the Corporation has no knowledge that any statements contained herein taken from or based on such documents, records or information provided by or on behalf of Millbrook are untrue or incomplete, the Corporation assumes no responsibility for the accuracy of the information contained in such documents, records or information or for any failure by Millbrook to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Corporation.

This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase the securities to be issued under or in connection with the Share Exchange, or the solicitation of a proxy, in any jurisdiction, to or from any person to whom it is unlawful to make such offer, solicitation of an offer or proxy solicitation in such jurisdiction. Neither the delivery of this Circular nor any distribution of the securities to be issued under or in connection with the Share Exchange will, under any circumstances, create any implication or be treated as a representation that there has been no change in the information set forth herein since the date of this Circular.

THE SECURITIES ISSUABLE PURSUANT TO THE SEA HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY CANADIAN SECURITIES REGULATORY AUTHORITY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES REGULATORY AUTHORITY, NOR HAS ANY CANADIAN SECURITIES REGULATORY AUTHORITY, PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Corporation at nominal cost. The cost of this solicitation will be borne by the Corporation. The Notice of Meeting, this Circular and a form of proxy (the “**Proxy**”), which includes a financial statement request form, will be mailed to beneficial owners of Common Shares commencing on or about August 13, 2024.

RECORD DATE

The board of directors of the Corporation (the “**Board**”) has set the close of business on July 24, 2024, as the record date (the “**Record Date**”) for determining which Shareholders shall be entitled to receive notice of and to attend and

vote at the Meeting. Only Shareholders of record as of the Record Date are entitled to receive notice of and to attend and vote at the Meeting. Persons who acquire Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting.

APPOINTMENT OF PROXYHOLDERS

The persons named in the accompanying Proxy as proxyholders are management's representatives. A Shareholder has the right to appoint a person or company who need not be a Shareholder, other than the persons designated in the enclosed Proxy, to attend and act on behalf of the Shareholder at the Meeting. A Shareholder wishing to exercise this right may do so either by striking out the printed names and inserting the desired person or company's name in the blank space provided in the Proxy or by completing another proper Proxy. To be valid, the Proxy must be signed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney. The Proxy, to be acted upon, must be deposited with the Corporation, c/o its agent, Capital Transfer Agency, Suite 920 390 Bay St., Toronto, Ontario, M5H 2Y2, Canada Telephone: +1 (416) 350-5007, by telephone or over the internet as specified on the form or proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s). The chairman of the Meeting has the discretion to accept proxies received after that time. Failure to properly complete or deposit a Proxy may result in its invalidation.

VOTING OF PROXIES

If the Proxy is completed, signed and delivered to the Corporation, the persons named as proxyholders therein shall vote or withhold from voting the Common Shares in respect of which they are appointed as proxyholders at the Meeting in accordance with the instructions of the Shareholder appointing them, on any show of hands and/or on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the persons appointed as proxyholders shall vote accordingly. The Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to all amendments, variations and other matters, which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the Proxy.

If no choice is specified by a Shareholder with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the persons designated by management in the Proxy will vote the Common Shares represented thereby IN FAVOUR of such matter.

NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to attend and vote at the Meeting. Most Shareholders are "non-registered shareholders" because the shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased their Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice of Meeting, this Circular and the Proxy, which contains a financial statement request form (collectively, the "**Meeting Materials**"), to the depositories and Intermediaries for distribution to Non-Registered Holders.

Management of the Corporation does not intend to pay for Intermediaries to forward the Meeting Materials or any other proxy-related materials for the Meeting to Non-Registered Holders who are objecting beneficial owners under

National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Non-Registered Holders who are objecting beneficial owners will not receive the Meeting Materials or any other proxy-related materials unless the objecting beneficial owner's Intermediary assumes the cost of delivery.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) receive a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder, but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete and deliver the Proxy; or
- (b) more typically, receive a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to attend and vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided, or in the case of a proxy authorization form, follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.

REVOCABILITY OF PROXY

Any Shareholder returning the enclosed Proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairperson of the Meeting prior to the commencement of the Meeting. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no director, executive officer or proposed nominee for election as a director of the Corporation, or any associate or affiliate of such director, officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities of the Corporation or otherwise, in any matter to be acted on at the Meeting, other than the election of directors of the Corporation.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation's authorized capital consists of an unlimited number of Common Shares without par value. The Common Shares are the only issued and outstanding voting securities of the Corporation, and the holders thereof are entitled to one vote for each Common Share held. As at the close of business on July 24, 2024, being the Record Date, there were a total of 190,531,368 Common Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the votes attached to the issued and outstanding Common Shares.

FORWARD-LOOKING STATEMENTS

Certain statements in this Circular, including the documents incorporated by reference herein, are forward-looking statements that are not historical facts. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "pro forma", "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "seeks", "likely" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

In particular, the Circular contains forward-looking statements relating to the Share Exchange including, without limitation: the timing of the Meeting; the satisfaction or waiver of the conditions to the Share Exchange; the completion of the Share Exchange and the anticipated Effective Date; the various steps to be taken pursuant to the Share Exchange; the anticipated benefits and effect of the Share Exchange; certain strategic benefits and operational, competitive and cost synergies, including, but not limited to, statements relating to expected synergies following the completion of the Share Exchange, the treatment of Millbrook Shareholders under tax laws and the ability of Millbrook and Loyalist to satisfy the conditions to complete the Share Exchange and the anticipated expenses of the Share Exchange. These statements are based upon assumptions and are subject to certain material risks and uncertainties. In addition, the anticipated dates provided throughout this Circular may change for a number of reasons, such as unforeseen delays or the need for additional time to satisfy conditions for the completion of the Share Exchange. Although Loyalist believes that the expectations represented in such forward-looking statements are based on reasonable assumptions, there can be no assurance that such expectations will prove to be correct. In respect of the forward-looking statements and information concerning the likelihood that the Share Exchange will be consummated and the anticipated benefits of the completion of the Share Exchange, Loyalist and Millbrook have provided such statements and information in reliance on certain assumptions that they each believe are reasonable at this time, including assumptions as to the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, stock exchange and shareholder approvals where applicable; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Share Exchange; general assumptions respecting the business and operations of both Loyalist and Millbrook, including that each business will continue to operate in a manner consistent with past practice and pursuant to certain industry and market conditions; and other expectations and assumptions concerning the Share Exchange.

Since forward-looking statements address future events and conditions, they involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Risks and uncertainties inherent in the nature of the Share Exchange include but are not limited to: (i) completion of the Share Exchange is subject to several conditions that must be satisfied or waived; (ii) the Share Exchange Agreement may be terminated in certain circumstances; and (iii) the other risks identified under the heading "*Risk Factors Relating to the Share Exchange*". For all these reasons, Shareholders should not place undue reliance on the forward-looking statements contained in this Circular. In addition, this Circular contains certain other forward-looking statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, Millbrook's goals, ongoing objectives, strategies and outlook of Millbrook, Loyalist and the resulting corporate structure and other statements that are not historical facts. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond Millbrook's and Loyalist's control, could affect operations, business, financial condition, performance and results of Millbrook or Loyalist that may be expressed or implied by such forward-looking statements and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to the following: (i) general economic, industry and market segment conditions; (ii) changes in applicable environmental, taxation and other laws and regulations, as well as how such laws and regulations are interpreted and enforced; (iii) changes in operating risks,

including fluctuations in commodity prices, and pricing environments; (iv) increased competition; (v) stock market volatility; (vi) ability to maintain current and obtain additional financing; (vii) industry consolidation; (viii) the execution of strategic plans; (ix) the outcome of legal proceedings; (x) the ability of Millbrook or Loyalist to continue to develop and grow their respective businesses; (xi) geopolitical risks; and (xii) Loyalist management's success in anticipating and managing the foregoing factors, as well as the risks described under the headings "*Information Concerning Millbrook– Risk Factors*" and "*Information Concerning Loyalist – Risk Factors*" in this Circular, and also described in the schedules and in the documents incorporated by reference.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this Circular are based upon what Loyalist management currently believes to be reasonable assumptions, actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this Circular and other than as specifically required by law, Loyalist assumes no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The financial statements of, and the summaries of financial information, concerning Loyalist contained or incorporated by reference in this Circular are reported in Canadian dollars and have been prepared in accordance with IFRS.

GLOSSARY OF TERMS

Unless the context otherwise requires, when used in this Circular the following terms shall have the meanings set forth below. Further, capitalized terms used herein that are not defined in this Circular have the meanings given to them in the Share Exchange Agreement, a copy of which is attached as Schedule "A" to this Circular.

1. **Affiliate** has the meaning ascribed thereto in National Instrument 45-106 *Prospectus Exemptions* in effect on the date of the Share Exchange Agreement;
2. **Applicable Securities Laws** means, with respect to any Person, any and all applicable securities Laws of the provinces and territories of Canada and the respective rules and regulations under such Laws together with applicable published instruments, notices and orders of the Securities Authorities, and the applicable rules and policies of the Canadian Securities Exchange ("CSE") and any other market or marketplace on which securities of Loyalist, as applicable, are traded, listed or quoted;
3. **Board** means the board of directors of Loyalist;
4. **Business Day** means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Ontario;
5. **CBCA** means the Canada *Business Corporations* and the regulations made thereunder;
6. **Circular** means this notice of annual and special meeting of shareholders and management information circular of Loyalist with respect to, amongst others, the proposed Share Exchange involving Loyalist, Millbrook and the Millbrook sShareholders, including all appendices attached hereto and documents incorporated by reference, to be sent to Shareholders in connection with the Meeting, and includes any amendments thereto;
7. **Common Shares** means common shares in the capital of Loyalist;

8. **Contract** means any legally binding agreement, arrangement, commitment, engagement, contract, deed, instrument, franchise, licence, partnership, joint venture, indenture, obligation or undertaking to which a person or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound or affected or to which any of their respective properties or assets is subject;
9. **Corporation or Loyalist** means Loyalist Exploration Limited, a corporation existing under the federal laws of Canada;
10. **CSE** means the Canadian Securities Exchange.
11. **Depository** means Capital Transfer Agency, who will, among other things, exchange certificates representing Common Shares for certificates representing Millbrook Shares in connection with the SEA;
12. **Director** means the Director appointed pursuant to the Canada Business Corporations Act (“CBCA”);
13. **Governmental Entity** means:
 - A. any international, multinational, supranational, national, federal, provincial, state, regional, municipal, local or other government, governmental, quasi-governmental, administrative body, authority or public department with competent jurisdiction exercising legislative, judicial, regulatory or administrative functions of or pertaining to international, multinational, supranational, national, federal, provincial, state, regional, municipal, local or other government, including any central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor-in council, ministry, agency or instrumentality, domestic or foreign;
 - B. any subdivision or authority of any of the above;
 - C. any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or
 - D. any securities exchange.
14. **IFRS** means International Financial Reporting Standards formulated by the International Accounting Standards Board, required for publicly accountable enterprises by the Canadian Accounting Standards Board, as updated and amended from time to time;
15. **Intermediary or Intermediaries** means one or more brokers, custodians, nominees or other intermediaries holding Common Shares;
16. **Laws** means any laws, including, without limitation, supranational, national, provincial, state, municipal and local civil, commercial, banking, tax, personal and real property, security, mining, environmental, water, energy, investment, property ownership, land use and zoning, sanitary, occupational health and safety laws, treaties, statutes, codes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, bylaws, rules, regulations, ordinances, protocols, codes, guidelines, policies, notices, directions or other legal requirements of any Governmental Entity or arising under the common law or principles of law or equity, and the term “applicable” with respect to such Laws in the context that refers to any Person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over such person or its business, undertaking, property or securities;
17. **Long Term Incentive Plan** has the meaning ascribed thereto in “*Approval of Long Term Incentive Plan*”;
18. **Loyalist Options** means all options to purchase Common Shares outstanding immediately prior to the Effective Time and issued pursuant to the Stock Option Plans;

19. **Loyalist Properties** means the Lost Molly property owned by Loyalist;
20. **Material Adverse Change** means, in respect of any Person, any one or more changes, events or occurrences, and **Material Adverse Effect** means, in respect of any Person, an effect which, in either case, either individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (whether absolute, accrued, conditional, contingent or otherwise), capitalization, financial condition or results of operations of that person and its subsidiaries taken as a whole, other than any effect:
- A. affecting the global mining industry in general;
 - B. relating to the market price of gold or relating to changes in currency exchange rates, interest rates, credit rates, monetary policy or inflation;
 - C. relating to any action or inaction taken by any person to which such action or inaction has been expressly consented to in writing or as expressly permitted by the Share Exchange Agreement;
 - D. relating to any generally applicable change in applicable Laws or regulations (other than orders, judgments or decrees against that person or any of its subsidiaries) or generally applicable change in IFRS, or the interpretation thereof;
 - E. relating to any natural disaster;
 - F. relating to the announcement of the Share Exchange Agreement or the pendency of the Share Exchange;
 - G. relating to a change in the market trading price of shares or trading volume of that person, it being understood that the causes underlying such change in the market price or trading volume may be taken into account in determining whether a Material Adverse Change occurred;
 - H. provided, however, that such effect referred to in clause A, B, C, D, E or F above does not primarily relate only to (or have the effect of primarily relating only to) that person and its subsidiaries, taken as a whole, or disproportionately adversely affect that person and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which that person and its subsidiaries operate;
21. **Material fact** and material change have the meanings ascribed thereto for the purposes of Applicable Securities Laws;
22. **Meeting** means the annual and special meeting, including any adjournments or postponements thereof, of the Shareholders to be held, among other things, to consider and, if deemed advisable, to approve the Share Exchange Resolution;
23. **MI 61-101** means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*;
24. **Misrepresentation** means a misrepresentation for the purposes of Applicable Securities Laws or any of them;
25. **NI 43-101** means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;
26. **NI 51-102** means National Instrument 51-102 *Continuous Disclosure Obligations*;
27. **Millbrook** means Millbrook Minerals Inc, a corporation formed under the CBCA.

28. **Millbrook Board** means the board of directors of Millbrook;
29. **Millbrook Properties** has the meaning ascribed thereto in “*Approval of the Share Exchange – Background to the Share Exchange*”;
30. **Millbrook Shareholders** means, at any time, the holders of Millbrook Shares;
31. **Millbrook Shares** means common shares in the capital of Millbrook;
32. **Parties** means Loyalist, Millbrook, Millbrook Shareholders and Party means either of them;
33. **Person** or **person** means an individual, partnership, association, body corporate, joint venture, business organization, trustee, trust, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status;
34. **Proxy** means the form of proxy provided to Registered Shareholders by Loyalist for use in respect of the Meeting;
35. **Record Date** means close of business on July 24, 2024, and is the record date for determining Shareholders who are entitled to receive notice of and vote at the Meeting, including any adjournment or postponement thereof;
36. **Regulatory Approval** means any consent, waiver, permit, exemption, consent, review, ruling, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by applicable Law or a Governmental Entity, in each case required or otherwise advisable under applicable Law in connection with the Share Exchanges contemplated by the Share Exchange Agreement;
37. **Representatives** means any subsidiary, officer, director, employee, consultant, representative (including for greater certainty any financial or other advisors) or agent;
38. **Securities Act** means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder;
39. **Securities Authorities** means, collectively, the British Columbia Securities Commission, the Ontario Securities Commission, and any other applicable securities commission;
40. **SEDAR** means the System for Electronic Document Analysis and Retrieval;
41. **Share Exchange Agreement** means the agreement among Loyalist, Millbrook and the Millbrook Shareholders, dated as of August 12, 2024, substantially in the form attached as Schedule “A,” as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms and the terms hereof;
42. **Share Exchange Resolution** means the resolution of the Shareholders approving the Share Exchange and other related matters, substantially in the form set out in Schedule “B”;
43. **Shareholder Approval** means, collectively, the approval by: (i) a simple majority of the votes cast on the Share Exchange Resolution by Shareholders, voting as a single class, present in person or by proxy at the Meeting (excluding Common Shares held by certain “interested parties” and “related parties” of any interested parties (as such terms are defined in MI 61-101) in accordance with the requirements of MI 61-101);
44. **Shareholders** means, at any time, the holders of Common Shares;

45. **Long**
46. **Stock Option Plan** has the meaning ascribed thereto in “*Approval of Long Term Incentive Plan*”;
47. **Subsidiary** has the meaning ascribed thereto in National Instrument 45-106 *Prospectus Exemptions* in effect on the date of the Share Exchange Agreement;
48. **Tax Act** means the *Income Tax Act* (Canada), and the regulations thereunder as may be amended from time to time;
49. **Tax and Taxes** includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, windfall profits, branch, value added, ad valorem, property, capital, net worth, production, sales, use, licence, excise, franchise, employment, sales taxes, use taxes, value added taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, pension plan premiums, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums or contributions, health insurance, health taxes, stamp taxes, occupation taxes, premium taxes, mining taxes, alternative or add-on minimum taxes, goods and services tax or customs duties;
50. **Transfer Agent** means Capital Transfer Agency.

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

The Board is recommending three persons (the “**Nominees**”) for election at the Meeting. Each of the three persons whose name appears below is proposed by the Board to be nominated for election as a director of the Corporation to serve until the next annual general meeting of the Shareholders or until the director sooner ceases to hold office.

It is the intention of the persons named in the enclosed form of proxy to vote FOR the Nominees as directors of the Corporation for the ensuing year, at a remuneration to be fixed by the Board, unless the Shareholder has specified in the Shareholder’s proxy that the Shareholder’s Common Shares are to be withheld from voting on the election of such directors.

The number of directors may be fixed or changed from time to time by ordinary resolution. The Corporation currently has three directors, all of whom are standing for election at the Meeting. It is the intention of the persons named in the enclosed form of proxy to vote FOR the resolution setting the number of directors at three.

The following table (and notes thereto) states the name, province and country of residence of each Nominee, all offices of the Corporation now held by him, the period of time for which he has been a director of the Corporation, and the number of Common Shares of the Corporation beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof:

Name, Province and Country of Residence	Present Principal Occupation	Current Position(s) with the Corporation	Director Since	Number of Common Shares ⁽¹⁾
John O’Donnell ⁽³⁾ Ontario, Canada	Business Executive	Director, Chairman of the Board	February 13, 2023	500,000
Stephen Balch ⁽³⁾ Ontario, Canada	Business Executive	Director	May 18, 2021 to September 28, 2021 September 2, 2022	1,250,000
Errol Farr ⁽³⁾ Ontario, Canada	Business Executive	Director, President and CEO, Interim CFO	March 25, 2024	Nil

Notes

- (1) Information about principal occupation, business or employment, not being within the knowledge of the Corporation, has been furnished by respective persons set forth above. The information with respect to the Common Shares beneficially owned, controlled, or directed is not within the direct knowledge of the Corporation and has been obtained from SEDI or furnished by the respective individuals.
- (2) Mr. O’Donnell also holds 1,500,000 Options.
- (3) Member of the Audit Committee. Mr. O’Donnell’s wife also owns 500,000 Common Shares.
- (4) Mr. Balch also holds 1,900,000 Options.

The following is a short biography of the proposed directors:

John O’Donnell, CEO and Director

Mr. O’Donnell is a businessman and lawyer (licensed but not currently active), primarily involved in the field of corporate finance and securities law. Mr. O’Donnell has an extensive background serving as counsel to, or as a director, officer, or chairman of several successful law firms, private and publicly traded technology,

biotechnology, and resource companies with projects located around the globe. Mr. O'Donnell is also Chairman of the Board of Peloton Minerals Corporation, Chairman, director, and CEO of AFR NuVenture Resources Inc., and Chairman, director, and Interim CEO of Enerev5 Metals Inc.

Stephen Balch

Stephen Balch has served as the Vice President of Exploration of Canada Nickel Company Inc. and President and CEO of Homeland Nickel Inc. He has a strong technical background with over 34 years experience in the mining industry as a consulting geophysicist and developer of innovative technology. He has worked with major mining companies such as Inco Limited, Falconbridge Limited and Anglo American and junior companies including FNX Mining, Wallbridge Mining, Orford Mining, and Noble Mineral Exploration. He was a co-founder of Aeroquest International Limited and helped take the company public in 2004 on the TSX Venture.

Errol Farr

Errol Farr is the Corporation's President and CEO and interim CFO. Corporate Secretary of Homeland Nickel Inc. Errol is also CFO of Big Tree Carbon Inc., AFR NuVenture Resources Inc., Enerev5 Metals Inc. and Zonetail Inc. He is the former CFO of Magna Terra Minerals Inc., Mammoth Resources Corp., Anaconda Mining Inc. He was CFO, CEO and Chair of the Board at Adex Mining Inc. and Reliant Gold Corp. and a Director at American Rare Earths and Materials. Errol is a CPA.

Orders

To the best of management's knowledge, no proposed director of the Corporation is, or within the ten (10) years before the date of this Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

except for as described below:

- (i) Mr. Balch was a director on November 15, 2022 when the Company announced that it would not be able to file the interim financial report, management discussion and analysis and related Certifying Officer certificates for the third quarter ended September 30, 2022 by the filing deadline, November 29, 2022. In connection with the delay, the Company applied to the Ontario Securities Commission requesting a management cease trade order ("MCTO") be imposed to restrict trading in the Company's securities by the CEO, CFO and directors of the Company, which was granted. The Company made the required filings and the MCTO lapsed on January 31, 2023.
- (ii) John F. O'Donnell is a director of AFR NuVenture Resources Inc. ("AFR") (formerly African Metals Corporation) for which a cease trade order (the "CTO") was issued against its securities by the British Columbia Securities Commission (the "BCSC") on December 1, 2016, for failure to file financial statements. At the time, AFR was insolvent and unable to pay its auditors to complete its financial statements. AFR's dire financial situation existed prior to Mr. O'Donnell becoming a director of AFR. Mr. O'Donnell agreed to attempt to resolve AFR's difficulties and on October 5, 2018, a special meeting of shareholders was held to approve, by special resolution, the sale

of substantially all of AFR's assets. On December 6, 2018, AFR completed the sale of its assets and has since been restored to fiscal and corporate health and good standing. As a result of these efforts, on December 17, 2020, the BCSC fully revoked the CTO and on August 30, 2021, the TSX Venture Exchange having confirmed that AFR had met the requirements to be listed as a TSXV Tier 2 company, AFR's listing was transferred from NEX to the TSX Venture Exchange. Mr. O'Donnell is now Chairman, President, and CEO of AFR.

- (iii) Errol Farr is a director of Zonetail Inc. ("**Zonetail**") for which a cease trade order (the "CTO") was issued against its securities by the Ontario Securities Commission (the "OSC") on May 7, 2024, for failure to file financial statements. At the time, Zonetail was unable to pay its auditors to complete its financial statements. On June 28, 2024, the OSC fully revoked the CTO.

Bankruptcies

To the best of management's knowledge, no proposed director of the Corporation is, or within ten (10) years before the date of this Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

To the best of management's knowledge, no proposed director of the Corporation has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

To the best of management's knowledge, no proposed director of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

RE-APPOINTMENT AND REMUNERATION OF AUDITORS

At the Meeting, Shareholders will be asked to re-appoint McGovern Hurley LLP as auditors of the Corporation and to authorize remuneration to be fixed by the Board. McGovern Hurley LLP will hold office until the next annual general meeting of the Shareholders or until its successor is appointed.

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting.

APPROVAL OF LONG-TERM INCENTIVE PLAN

The legacy plan, being the Stock Option Plan, provides that Stock Options may be issued to directors, officers, employees or consultants of the Company. The Stock Option Plan is a "rolling" plan, whereby the number of Shares issuable under the Stock Option Plan, together with all the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Shares.

The Company is proposing to replace the Stock Option Plan with a new long-term incentive plan (the "LTIP"), which is a rolling 10% plan that provides for the grant of DSUs, RSUs and Stock Options. The introduction of the LTIP is expected to provide the Company with the maximum flexibility of granting a range of awards to promote the creation and preservation of long-term value, while avoiding the administrative burden of managing three separate plans and providing greater transparency to Shareholders by simplifying the information about the security-based

compensation arrangements of the Company into one accessible document. All prior awards under the Stock Option Plan will be continued under the provisions of the LTIP.

The purpose of the LTIP is to align the interests of those directors, officers, employees and consultants designated by the Board as being eligible to participate in the LTIP with those of the Company and its shareholders and to assist in attracting, retaining and motivating key employees by making a portion of the incentive compensation of participating employees directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company. In particular, the LTIP is designed to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of directors, key employees and consultants of the Company; (b) encouraging such directors, key employees and consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors, key employees and consultants with the interests of the Company.

Grants under the LTIP are available to directors, officers, key employees and consultants of the Company, as determined by the Board. The aggregate number of Shares the Company proposes to be issuable under the LTIP is 10% of the current issued and outstanding Common Shares as at the date of Grant, or 19,053,137 as of the Record Date, which is the same number as under the Stock Option Plan.

The full text of the LTIP is enclosed to this Circular as Schedule "C". A copy of the LTIP will also be available upon request from the Company's Corporate Secretary at Suite 204, 133 Richmond Street West, Toronto, Ontario M5H 2L3. Shareholders are encouraged to review the full text of the LTIP.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution to approve the LTIP (the "LTIP Resolution"):

"BE IT RESOLVED THAT:

1. the LTIP, be, and is hereby, ratified, affirmed and approved until the next annual shareholder meeting of the Corporation;
2. the form of the LTIP may be amended by the Board in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without requiring further approval of the Shareholders;
3. any director or officer of the Corporation is hereby authorized to execute and deliver and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the foregoing resolution; and
4. notwithstanding that this resolution has been passed by the Shareholders of the Corporation, the adoption of the proposed LTIP is conditional upon receipt of final approval from the CSE and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the Shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

The Board has concluded that the approval of the LTIP is in the best interests of the Corporation. Accordingly, the Board unanimously recommends that Shareholders ratify, confirm and approve the LTIP by voting FOR the LTIP Resolution at the Meeting. Proxies received in favour of Management will be voted in favour of the LTIP Resolution unless the Shareholder has specified in the proxy that his or her Shares are to be voted against such resolution.

APPROVAL OF THE SHARE EXCHANGE AGREEMENT

Reasons for the Share Exchange Agreement

In unanimously determining that the Share Exchange is fair from a financial point of view to Shareholders, and is in the best interests of the Corporation, the Board considered and relied upon a number of factors, including the following:

- The Share Exchange is the preferred opportunity available to Loyalist and the Shareholders after undertaking a process to consider various strategic alternatives, which included, discussions with third parties and the consideration of other strategic alternatives.

- The Share Exchange results in the acquisition of the Millbrook Properties through the acquisition of the Millbrook Shares.
- The Share Exchange did not require the Corporation to incur any future option payments or royalties to acquire mineral projects of merit.
- The Millbrook Properties have considerable history and past exploration making them very prospective properties.
- The Millbrook management team is comprised of very experienced geoscientists and professionals who are dedicated to the projects.

In addition to the foregoing the Board also considered the following factors in reaching its conclusions:

- The Share Exchange Resolution must be approved by at least a majority of the votes cast by the disinterested Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat, and by not less than a simple majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by such Shareholders that are required to be excluded pursuant to MI 61-101). Accordingly, Shareholders have an opportunity to vote on the Share Exchange.
- The obligations of Millbrook and Loyalist to complete the Share Exchange are subject to a limited number of conditions.
- The conclusion by the Loyalist Board that the Share Exchange is likely to be completed in accordance with its terms and within a reasonable time, with closing of the Share Exchange currently expected at the end of September, 2024.

The Board also considered various risks and other potential negative factors relating to the Share Exchange, including:

- The conditions precedent to the obligations of Millbrook and Loyalist to complete the Share Exchange and the rights of Millbrook and Loyalist to terminate the Share Exchange Agreement in certain circumstances.
- There are risks to Loyalist if the Share Exchange is not completed, including the costs incurred in proceeding towards completion of the Share Exchange, the diversion of management's attention away from the conduct of Loyalist's business, and the potential impact on Loyalist's current business relationships (including with future and prospective employees, suppliers and partners) and financial position.
- The limitations contained in the Share Exchange Agreement on Loyalist's ability to solicit additional interest from third parties.
- The fact that the Share Exchange will necessitates various approval requirements from Shareholders in order to proceed and the impact thereof on the Shareholder approval requirements with respect to the Share Exchange Resolution and on other procedural matters.

The foregoing discussion of the information and factors considered and given weight by the Loyalist Board is not intended to be exhaustive. In reaching the determination to approve the Share Exchange, the Loyalist Board did not assign any relative or specific weights to the foregoing factors, and individual directors may have given different weights to different factors.

Recommendation of the Board

The Board unanimously determined that the Share Exchange is in the best interests of the Corporation and that the Share Exchange is fair from a financial point of view to Shareholders. Accordingly, the Board has unanimously approved the Share Exchange and unanimously recommends that Shareholders vote FOR the Share Exchange Resolution.

Shareholder Approval of the Share Exchange

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, the Share Exchange Resolution approving the Share Exchange. The full text of the Share Exchange Resolution is set out in Schedule "B" to this Circular. The Share Exchange Resolution will require the affirmative vote of at least a majority of the votes cast by the disinterested Shareholders who vote in person or by proxy at the Meeting. In accordance with MI 61-101, Loyalist will be required to receive "minority approval" (as defined in MI 61-101) of the

Share Exchange Resolution, meaning the approval of a simple majority of Shareholders excluding any other persons required to be excluded from such vote in accordance with MI 61-101. See “*Certain Securities Laws Matters – Canadian Securities Laws Matters – MI 61-101 Protection of Minority Security Holders in Special Share Exchanges.*”

Effect of the Share Exchange

If the Share Exchange is Completed

If the Share Exchange is approved by the Shareholders and the other conditions set out in the Share Exchange Agreement are either satisfied or waived, the Corporation will issue to the Millbrook Shareholders, 200,000,000 common shares of Loyalist in exchange for 100% of the outstanding shares of Millbrook.

If the Share Exchange is not Completed

If the Share Exchange is not approved by the Shareholders or if the Share Exchange is not completed for any other reason, Loyalist will remain a reporting issuer. If the Share Exchange is not completed, it is expected that Loyalist’s management will operate the business in a manner similar to that in which it is being operated today and that Loyalist will continue to be subject to the same risks and opportunities that it currently faces. See “*Risk Factors Relating to the Share Exchange*”.

Consideration for the Share Exchange

Upon the closing of the Share Exchange, Millbrook Shares will be exchanged for Common Shares, resulting in a maximum of 200,000,000 Common Shares issued pursuant to the exchange of Millbrook Shares. Notwithstanding the foregoing, the definitive aggregate number of Common Shares to be issued pursuant to the SEA is contingent on the number of Millbrook Shares that will be exchanged by the Vendors.

The Share Exchange is currently anticipated to be completed by September 30, 2024. For a complete description of the mechanics of the Share Exchange, please see the Share Exchange Agreement, a copy of which is attached as Schedule “A” to this Circular.

SUMMARY OF THE SHARE EXCHANGE AGREEMENT

The Share Exchange will be carried out pursuant to the Share Exchange Agreement. The following is a summary of the principal terms of the Share Exchange Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Share Exchange Agreement, which has been filed by Loyalist on SEDAR at www.sedarplus.ca and to which is attached to this Circular as Schedule “A”. Copies of the Share Exchange Agreement are also available for inspection by Shareholders at the principal executive office of the Corporation located at Suite 204, 133 Richmond Street West, Toronto, Ontario M5H 2L3.

The following summary of the Share Exchange Agreement is included solely to provide Shareholders with information regarding the terms of the Share Exchange Agreement. It is not intended to provide factual information about the Parties or any of their respective affiliates. The Share Exchange Agreement contains representations and warranties by the Parties that were made only for purposes of that agreement and as of specific dates. The assertions embodied in those representations and warranties are qualified by information that has been included in Loyalist’s public disclosures, as well as potential additional non-public information. Accordingly, Shareholders should not rely on the representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Share Exchange Agreement, which subsequent information may or may not be fully reflected in the public record. Shareholders are urged to read the Share Exchange Agreement in its entirety.

- Millbrook is a mineral exploration company with three exploration properties in the Province of Newfoundland and Labrador, Canada consisting of the Rolling Pond, Springdale, and Hungry Hills properties.

- Each of the Millbrook Shareholders who sign the Agreement (the “Vendors”) has agreed to sell, and the Purchaser has agreed to purchase their Millbrook Shares on the terms and conditions hereinafter set out in the Exchange Agreement.
- The total issued and outstanding shares in Loyalist upon completion of the Share Exchange herein shall be as follows:

	#	%
Shares issued to the Vendors pursuant to this agreement	200,000,000	34.82
Existing Loyalist shareholders		
Common shares	190,531,368	33.17
Warrants *	104,788,189	18.24
Stock options **	9,080,000	1.58
New expected private placements	70,000,000	12.19
Total existing Publico shareholders (on a fully diluted basis)	374,399,557	65.18
Total Shares expected after completion of Share Exchange	574,399,557	100.00

* The warrants expire between May 2025 and February 2028 and have a weighted average exercise price of CDN \$0.09 per warrant.

** The options expire between October 2024 and May 2028 and have a weighted average exercise price of CAD\$0.08 per share.

- The Vendors will sell, assign and transfer to Loyalist, on Closing, subject to all conditions being met prior to Closing, and Loyalist covenants and agrees that it will purchase from the Vendors, all of the issued and outstanding Millbrook Shares which they hold or to which they are entitled to hold in exchange for an aggregate of 200,000,000 common shares in the capital stock of Loyalist (assuming all of the Millbrook Shareholders sell their Millbrook Shares) on the basis of 10 Loyalist Shares for every one Millbrook Share. The parties hereto have determined that the Market Price of the Loyalist Shares to be received is the fair market value of the Loyalist Shares and the Millbrook Shares at the date and time of the Exchange Agreement. The share exchange is intended to be a tax-free roll-over pursuant to Section 85 of the Income Tax Act (Canada).
- The Share Exchange shall close on or before September 30, 2024, subject to extensions of up to 60 days.
- The Share Exchange contemplated therein are conditional upon Loyalist receiving from the Vendors all documents necessary, in the sole and arbitrary discretion of Loyalist, in relation to the approval of all necessary regulatory, corporate and stock exchange approvals, and the Vendors will, where required, enter into such escrow or pooling arrangements which may be imposed by any securities commission or other securities regulator or stock exchange having jurisdiction.
- The Exchange Agreement contains standard representations and warranties.
- Where one or more of Vendors does not execute all documents, instruments and agreements requested by the Loyalist, the Purchaser shall not be required to complete the Share Exchange contemplated in the Share Exchange Agreement, but such failure to complete the Share Exchange with one or more Vendors shall not restrict Loyalist from completing exchange Share Exchange with the other Vendors and the Share Exchange Agreement is not conditional on execution by all Vendors.

CERTAIN SECURITIES LAWS MATTERS

Canadian Securities Laws Matters

MI 61-101 Protection of Minority Security Holders in Special Transactions

MI 61-101 is intended to regulate the Share Exchange to ensure equality of treatment among securityholders, generally, usually requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties and, in certain instances, independent valuations and approval and oversight of the Share Exchange by a special committee of independent directors. The protections of MI 61-101 apply to “related-party transactions” (as defined in MI 61-101).

John O’Donnell may be considered a related party as he is Chairman of the Board of Loyalist and owns 1,000,000 Common Shares of Loyalist (approximately 0.5% of the total issued and outstanding Common Shares of Loyalist). He is also Chairman of Millbrook and owns 3,300,000 Millbrook Shares (16% of the issued and outstanding shares of Millbrook). Mr. O’Donnell declared his interest and refrained from voting on the Share Exchange Agreement for both Millbrook and Loyalist and Mr. O’Donnell’s Common Shares of Loyalist will be excluded in determining whether approval of the Share Exchange by the disinterested Shareholders has been obtained.

Fair Market Value Not More Than 25% of Market Capitalization - The Share Exchange is exempt from the formal valuation requirements of MI 61-101 as no securities of the Corporation are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the U.S. other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.. and at the time the Share Exchange is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Share Exchange, insofar as it involves interested parties, exceeds 25 per cent of the issuer’s market capitalization,

MI 61-101 also requires the Corporation to disclose any “prior valuations” (as defined in MI 61-101) of Loyalist or its material assets or securities made within the 24-month period preceding the date of this Circular. After reasonable inquiry, neither Loyalist nor any director or senior officer of the Corporation has knowledge of any such “prior valuation”. Disclosure is also required for any bona fide prior offer for the Common Shares or that is otherwise relevant to the Share Exchange during the 24 months before the Share Exchange Agreement was agreed to. There has not been any such offer during the 24 months before the Share Exchange Agreement was agreed to.

No “related party” is expected to directly or indirectly receive a “collateral benefit” in connection with the Share Exchange.

Reporting Issuer Status and CSE Listing

Loyalist is a reporting issuer in the provinces of Ontario and British Columbia and will continue to be a reporting issuer in those provinces after the Share Exchange has closed. The Common Shares are listed on the CSE and trade under the symbol “PNGC”. The Share Exchange is subject to CSE approval. Further, it is a condition of closing of the Share Exchange that the Common Shares issuable to the Millbrook Shareholders pursuant to the Share Exchange Agreement be conditionally approved for listing on the CSE (subject to customary conditions). Listing is subject to Loyalist fulfilling all of the requirements of the CSE.

Distribution and Resale of Common Shares under Canadian Securities Laws

The distribution of the Common Shares pursuant to the Share Exchange will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian securities legislation. The Common Shares received pursuant to the Share Exchange will not bear any legend under Applicable Securities Laws and may be resold through registered dealers in each of the provinces and territories of Canada provided that: (a) Loyalist is and has been a reporting issuer in a jurisdiction in Canada for the four (4) months and one (1) day immediately preceding the trade; (b) the trade is not a “control distribution” as defined in National Instrument 45-102 *Resale of Securities*; (c) no unusual effort is made to prepare the market or to create a demand for the Common Shares; (d) no extraordinary commission or consideration is paid to a person or company in respect of such sale; and (e) if the selling shareholder is an insider or officer of Loyalist, the selling shareholder has no reasonable grounds to believe that Loyalist is in default of Applicable Securities Laws.

RISK FACTORS RELATING TO THE SHARE EXCHANGE

If the Share Exchange is approved at the Meeting, all Millbrook Shareholders will become shareholders of Loyalist and will be subject to all of the risks associated with the operations of Loyalist. Those risks include the factors affecting forward-looking statements, described in this Circular, the risk factors relating to Loyalist set forth in “*Information Concerning Loyalist*”, the risks relating to Millbrook set forth in “*Information Concerning Millbrook*”, and under the sub-headings “*Forward-Looking Statements*”. In addition to those risk factors set out elsewhere in this Circular, Millbrook Shareholders should carefully consider each of the following factors, which relate to the Share Exchange:

Completion of the Share Exchange is Subject to Several Conditions that Must be Satisfied or Waived

The completion of the Share Exchange is subject to a number of conditions precedent, some of which are outside of the control of Loyalist and Millbrook, including receipt of the Regulatory Approvals and Shareholder Approval. In addition, the completion of the Share Exchange is conditional on, among other things, no Material Adverse Effect in respect of Loyalist having occurred since the date of the Share Exchange Agreement. Moreover, a substantial delay in obtaining required approvals could result in the Share Exchange not being completed. There can be no certainty, nor can Loyalist or Millbrook provide any assurance, that these conditions will be satisfied or waived, and if satisfied or waived, when they will be satisfied or waived.

Failure to Complete the Share Exchange Could Negatively Impact the Market Price of the Common Shares

If, for any reason, the Share Exchange is not completed, there are risks that the announcement of the Share Exchange and the dedication of substantial resources of Loyalist to the completion thereof could have a negative impact on Loyalist’s current business relationships (including with future and prospective employees, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Corporation. In addition, failure to complete the Share Exchange for any reason could materially negatively impact the trading price of the Common Shares. If the Share Exchange is not completed and the Board decides to seek an alternative transaction, there can be no assurance that it will be able to find a party willing to pay a consideration for the Common Shares that is equivalent to, or more attractive than, the consideration payable pursuant to the Share Exchange. In addition, if the Share Exchange is not completed, Loyalist will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects.

Termination in Certain Circumstances

Each of Loyalist and Millbrook has the right to terminate the Share Exchange Agreement in certain circumstances. Accordingly, there can be no certainty, nor can Millbrook provide any assurance, that the Share Exchange Agreement will not be terminated by either of Loyalist or Millbrook prior to the completion of the Share Exchange. If, for any reason, the Share Exchange Agreement is terminated, there is no guarantee that equivalent or greater purchase prices for the Common Shares will be available from an alternative party. Also, in this situation, it is possible that the market price of the Common Shares be adversely affected.

INFORMATION CONCERNING LOYALIST

The following information about Loyalist should be read in conjunction with the documents incorporated by reference under this heading and the information concerning Loyalist appearing elsewhere in this Circular. The following information is presented on a pre- Share Exchange basis and reflects the business, financial and share capital position of Loyalist. See “Forward-Looking Information” in this Circular in respect of forward-looking statements that are included in this section and in the documents incorporated by reference herein.

Documents Incorporated by Reference

The following documents filed by Loyalist with the securities commissions or similar regulatory authorities in the Provinces of British Columbia and Ontario are specifically incorporated by reference in, and form an integral part of, this Circular:

- (a) the audited annual financial statements of Loyalist for each of the financial year ended December 31, 2023, together with the notes thereto and the auditor's report thereon;
- (b) the management's discussion and analysis of the financial condition and results of operations of Loyalist for the financial year ended December 31, 2023;

Any document filed by Loyalist with certain securities commissions or similar regulatory authorities in Canada after the date of this Circular and prior to the date of the Share Exchange is completed shall be deemed to be incorporated by reference in this Circular.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein, or in any other subsequently filed document which is also incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute part of this Circular, except as so modified or superseded.

Copies of the documents incorporated or deemed to be incorporated by reference may also be obtained on request without charge from Loyalist at Suite 204, 133 Richmond Street West, Toronto, Ontario, M5H 2L3, telephone: 416-848-0106, and are electronically available through the SEDAR website at www.sedarplus.ca.

Overview

Loyalist was incorporated pursuant to the provisions of the *Canada Business Corporations Act* on October 4, 2017. As of the date hereof, Loyalist does not have any subsidiaries.

Summary Description of the Business

Loyalist is a Canadian-based company engaged in the evaluation, acquisition and exploration of base and precious mineral properties in Canada, with the intent of developing and bringing the properties into production, if commercially feasible. Loyalist's only current asset is its option interest in the Lost Molly property in Northern Ontario which has been largely inactive.

Loyalist is a reporting issuer in the provinces of Ontario and British Columbia. The Common Shares have been listed for trading on the CSE since March 4, 2020 under the trading symbol "PNGC".

Consideration

An aggregate number of **200,000,000** Common Shares will be issued to Millbrook Shareholders pursuant to the Share Exchange, representing approximately 104.97% of the current number of issued and outstanding Common Shares, on a non-diluted basis as of the date of this Circular. Upon completion of the Share Exchange, there will be 390,531,368 Common Shares issued and outstanding, assuming no Loyalist Options or Warrants are exercised prior to the closing of the Share Exchange and without considering any Common Shares issued pursuant to the concurrent private placement. The Corporation is currently undertaking a common share financing for up to \$350,000 which will result in the issuance of up to 70,000,000 common shares. The Corporation also has 104,788,180 warrants outstanding with a weighted average price of \$0.09 and 9,080,000 stock options outstanding with a weighted average price of \$0.08 per share. The fully diluted shares outstanding are 574,399,557.

Description of Common Shares

The authorized share capital of Loyalist consists of an unlimited number of Common Shares without nominal or par value.

Each Common Share entitles the holder to one vote for each Common Share held at all meetings of Shareholders, to participate ratably in any dividend declared by the board of directors of Loyalist on the Common Shares, and to receive Loyalist's remaining property in the event of the voluntary or involuntary liquidation, dissolution, winding-up or other distribution of Loyalist's assets.

Trading Price and Volume

The Common Shares are listed and posted for trading on the CSE under the trading symbol "PNGC". During 2023 and to the date of this document, the Common Shares have traded in a range of \$0.035 and \$0.005. On June 3, 2024, being the trading day prior to the public announcement that Loyalist and Millbrook had entered into the LOI relating to a transaction, the closing price of the Common Shares on the CSE was \$0.005. The trading price is still \$0.005 as at the date of this Circular.

Ownership of Securities

The following table sets forth the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of the directors and officers of Loyalist (together with their respective associates and affiliates) as of the date hereof:

Name, Province and Country of Residence	Present Principal Occupation	Current Position(s) with the Corporation	Director/Officer Since	Number of Common Shares ⁽¹⁾
John O'Donnell	Lawyer and Business Executive	Chairman and Director	February 2023	500,000 ⁽²⁾
Errol Farr	Accountant and Business Executive	CEO and Director	April 2024	Nil
Steve Balch	Geologist and Business Executive	Director	September 2022	1,250,000

Notes:

- (1) This information has been furnished by the respective directors and officers.
- (2) Mr. O'Donnell's spouse owns a further 500,000 Common Shares

Prior Sales

Other than as described below, during the 12-month period prior to the date of this Circular, Loyalist has not issued any Common Shares or any securities that are exercisable for Common Shares.

Financial Statements

The audited annual financial statements and management's discussion and analysis for the years ended December 31, 2023, as well as the unaudited interim financial statements and management's discussion and analysis for the three-month periods ended March 31, 2024 are available on SEDAR at www.sedarplus.ca.

Dividend Policy

Loyalist has paid no dividends on Common Shares in the 24-month period prior to the date of this Circular. There are no restrictions on Loyalist's ability to pay dividends in its articles, and it has no plans to declare a dividend in the future or to alter its dividend policy.

Expenses of the Share Exchange

The aggregate expenses of Loyalist and Millbrook in connection with the Share Exchange are estimated to be approximately \$20,000. These expenses include legal advisory fees, and the costs associated with applications to regulatory authorities and the preparation, printing and mailing of the Meeting Materials.

Risk Factors

Whether or not the Share Exchange is completed, Loyalist will continue to face many of the risks that it currently faces with respect to its business and affairs. Certain of these risks have been disclosed under the section entitled “*Forward-Looking Information*” and “*Risk Factors Relating to the Share Exchange*”, which should be carefully reviewed and considered by Shareholders before a decision concerning the Share Exchange is made. Further information on risk factors can be found in the “Risk Factors” section of Loyalist’s management’s discussion and analysis for the period ended March 31, 2024, which section is specifically incorporated by reference into this Circular. A copy of such document is available on SEDAR at www.sedarplus.ca under Loyalist’s profile.

Auditors, Transfer Agent and Registrar

The auditors for Loyalist are McGovern Hurley LLP, located at 251 Consumers Road, Suite 800 Toronto, Ontario, Canada, M2J 4R3, first appointed in 2019. Capital Transfer Agency, ULC is Loyalist’s registrar and transfer agent, located 390 Bay St. Suite 920, Toronto, ON M5H 2Y2.

INFORMATION CONCERNING MILLBROOK

The information concerning Millbrook contained in this Circular has been provided by Millbrook for inclusion in this Circular. Although Loyalist has no knowledge that any statement contained herein taken from, or based on, such information and records or information provided by Millbrook are untrue or incomplete, Loyalist assumes no responsibility for the accuracy of the information contained in such documents, records or information or for any failure by Millbrook to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Loyalist.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein, or in any other subsequently filed document which is also incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute part of this Circular, except as so modified or superseded.

Overview

Millbrook was incorporated pursuant to the provisions of the Canada *Business Corporations Act* on July 18, 2007. Millbrook currently has no assets other than the Millbrook Properties and cash of \$●. Millbrook currently has no other liabilities or obligations.

Summary Description of the Business

Millbrook is a Canadian-based gold and mineral mining company. Millbrook is not a reporting issuer in any jurisdiction and Millbrook’s shares are currently not traded on any stock exchange.

As of the date of this Circular, Millbrook has incurred approximately \$25,000 on the Millbrook properties and has a cash balance of approximately \$50,000.

Ownership of Securities

The following table sets forth the number of Millbrook Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of the directors and officers of Millbrook (together with their respective associates and affiliates) as of the date hereof:

Name, Province and Country of Residence	Present Principal Occupation	Current Position(s) with Millbrook	Director Since	Number of Millbrook Shares⁽¹⁾
John O'Donnell Ontario, Canada	Lawyer and Business Executive	Chairman of the Board	July 18, 2007	3,200,000
David Melling B.C., Canada	Mining Engineer	Vice President and Director	June 11, 2014	3,000,000
Douglas Hunter Ontario, Canada	Geologist	President and Director	July 18, 2007	3,000,000
Mark Entwistle Ontario, Canada	Business Consultant	Director	June 11, 2014	1,080,000

Notes:

- (1) This information has been furnished by the respective directors and officers.

Prior Sales

There have been no issuances of Millbrook Shares by Millbrook during the twelve months prior to the date of this Circular except for 5,000,000 Millbrook Shares issued to Dean Fraser in consideration of vending the Millbrook Properties to Millbrook.

Dividend Policy

Millbrook has not paid any dividends on the Millbrook Shares since incorporation. There are no restrictions in Millbrook's articles on its ability to pay dividends, and it has no plans to declare a dividend in the future or to alter its dividend policy.

OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Corporation's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other mining companies to enable the Corporation to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Corporation is under by virtue of the fact that it is a mining Corporation without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers (as hereinafter defined) is fair and reasonable. A “Named Executive Officer” (“NEO”) includes: (i) the Corporation’s Chief Executive Officer;

(ii) the Corporation’s Chief Financial Officer; (iii) each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year of December 31, 2023, and whose total compensation was more than \$150,000; and (iv) any additional individuals for whom disclosure would have been required except that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

Cash Salary

The Corporation’s compensation payable to the NEOs is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each NEO and varies with the amount of time spent by each NEO in carrying out his or her functions on behalf of the Corporation. Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Corporation.

In particular, the Chief Executive Officer’s compensation will be determined by time spent on: (i) the Corporation’s current mineral property; (ii) reviewing potential mineral properties that the Corporation may acquire and negotiating, on behalf of the Corporation; and (iii) new business ventures. The Chief Administrative Officer’s compensation will be determined by time spent on non-technical aspects of the Corporation’s operations. The Chief Financial Officer’s compensation is primarily determined by time spent in reviewing the Corporation’s financial statements.

Long Term Compensation and Option-Based Awards

The Corporation has no long-term incentive plans other than its Incentive Stock Option Plan (“SOP”). The Corporation’s directors, officers, employees and certain consultants are entitled to participate in the SOP. The SOP is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the SOP aligns the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer-term performance of the Common Shares.

Options are granted by the Board. In monitoring or adjusting the Option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous Option grants and the objectives set for the NEOs and the Board. The scale of Options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of Options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- a) parties who are entitled to participate in the SOP;
- b) the exercise price for each Option granted, subject to the provision that the exercise price cannot be lower than the amount permitted by the CSE;
- c) the date on which each Option is granted;
- d) the vesting period, if any, for each Option;
- e) the other material terms and conditions of each Option grant; and
- f) any re-pricing or amendment to an Option grant.

The Board makes these determinations subject to and in accordance with the provisions of the SOP. The Board reviews and approves grants of Options on an annual basis and periodically during a financial year. A summary of the Option grants to NEOs is provided below. See “EXECUTIVE COMPENSATION - Compensation Securities Table”.

Long Term Incentive Plan

The Corporation has established a long term incentive plan (the “LTIP”) pursuant to which stock options, RSUs and DSUs may be granted to directors, officers, employees and consultants of the Corporation as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the LTIP; determines the number of awards granted to such individuals; and determines the date on which each award is granted and the corresponding exercise price. For further information regarding the LTIP refer to “Securities Authorized for Issuance Under Equity Compensation Plans”.

The Board makes these determinations subject to the provisions of the proposed LTIP and, where applicable, the policies of the TSX Venture Exchange (the “Exchange”).

EXECUTIVE COMPENSATION

Director and NEO Compensation, Excluding Compensation Securities

The following information is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation – Venture Issuers, for the Corporation’s financial years ended December 31, 2023 and 2022.

Table of compensation excluding compensation securities							
Name and Principal Position	Fiscal period	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	All other compensation (\$)	Total Compensation (\$)
John O’Donnell, CEO Director ⁽¹⁾	2023	78,750	nil	nil	nil	nil	78,750
	2022	nil	nil	nil	nil	nil	nil
Eric Plexman, CFO ⁽²⁾	2023	27,500	nil	nil	nil	nil	27,500
	2022	nil	nil	nil	nil	nil	nil
Alan Martin ⁽³⁾ Former CEO, President and Director	2023	nil	nil	nil	nil	nil	nil
	2022	175,000	nil	nil	nil	nil	175,000
Paul Rokeby, CFO	2023	107,687	nil	nil	nil	nil	107,687
	2022	107,687	nil	nil	nil	nil	107,687
Iain Martin ⁽⁴⁾ Former CAO, Corporate Secretary, Director, interim CEO and President	2023	nil	nil	nil	nil	nil	175,000
	2022	175,000	nil	nil	nil	nil	175,000
David Lindley ⁽⁵⁾ Interim CEO	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil
David Drinkwater ⁽⁶⁾ Director, Chairman	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil
Stephen Lewin ⁽⁷⁾ Director	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil
Stephen Grey ⁽⁸⁾ Director	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil
Chris Cornelius ⁽⁹⁾ Director	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil
Stephen Balch ⁽¹⁰⁾ Director	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil
Andrew Morris ⁽¹⁰⁾ Director	2022	nil	nil	nil	nil	nil	nil
	2021	nil	nil	nil	nil	nil	nil

(1) John O’Donnell was appointed director and CEO on February 13, 2023

(2) Eric Plexman was appointed CFO and Corporate Secretary on May 15, 2023

(3) Resigned as a director and officer of the Corporation on May 18, 2021. See “Employment, Consulting, and Management

- Agreements” for details about the \$175,000 payment.
- (4) Resigned as interim CEO and President on September 28, 2021. See “Employment, Consulting, and Management Agreements” for details about the \$175,000 payment.
 - (5) Resigned as a director and officer of the Corporation on September 1, 2020. Appointed interim CEO on September 28, 2021. Resigned as interim CEO in February 2023.
 - (6) Resigned on March 11, 2021 and was re-appointed as a director and Chair of the Board on May 18, 2021. Resigned as Director and Chairman December 31/23.
 - (7) Resigned as a director in February 2023.
 - (8) Resigned on March 21, 2022.
 - (9) Resigned on September 28, 2021. Appointed director September 2, 2022.
 - (10) Resigned as a director in February 2023.

Compensation Securities Table

The following table discloses the particulars of the option-based awards granted or issued to NEOs and directors of the Corporation in the most recently completed financial year and the total amount of compensation securities, and underlying securities, held by each NEO and director as of December 31, 2023.

Compensation Securities						
Name and Position	Number of securities underlying unexercised options and percentage of class	Date of issue or grant	Option Exercise Price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Option Expiration Date
John O’Donnell Interim CEO	1,500,000 16.52%	May 15, 2023	0.05	\$0.015	\$0.005	May 15, 2028
Eric Plexman CFO	500,000 5.51%	May 15, 2023	0.05	\$0.015	\$0.005	May 15, 2028
Paul Rokeby, Former CFO, Director ⁽⁷⁾	100,000 1.48% 200,000 2.96%	February 9, 2022 September 1, 2022	0.10 0.10	0.065 0.05	0.10 0.10	February 9, 2026 September 1, 2026
David Drinkwater ⁽²⁾ Former Director, Chairman	750,000 11.10% 250,000 3.70%	February 9, 2022 September 1, 2022	0.10 0.10	0.065 0.05	0.10 0.10	February 9, 2026 September 1, 2026
Stephen Balch ⁽⁵⁾ Director	250,000 3.70% 250,000 3.70% 1,250,000 13.77%	February 9, 2022 September 1, 2022 May 15, 2023	0.10 0.10 0.05	0.065 0.05	0.10 0.10	February 9, 2026 September 1, 2026 May 15, 2028

Notes:

- (1) Appointed interim CEO on September 28, 2021. As of December 31, 2022, David Lindley held 800,000 Options in the Corporation.
- (2) Resigned on March 11, 2021 and was re-appointed as a director and Chair of the Board on May 18, 2021. As of December 31, 2022, David Drinkwater held 2,375,000 Options in the Corporation.
- (3) As of December 31, 2022, Stephen Grey held 910,000 Options in the Corporation.
- (4) Resigned on March 21, 2022. As of December 31, 2022, Chris Cornelius held 0 Options in the Corporation.
- (5) Resigned on September 28, 2021. Re-appointed as a director on September 2, 2022. As of December 31, 2022, Stephen Balch held 650,000 Options in the Corporation.

Exercise of Stock Options by NEOs and Directors

No stock options were exercised by NEOs and directors during the fiscal year ended December 31, 2023.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information in respect of the Corporation’s equity compensation plans under which equity securities of the Corporation are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Shareholders and all equity plans not approved by Shareholders as at December 31, 2022:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders ⁽¹⁾	9,080,000	\$0.16	9,973,137
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	9,080,000	\$0.16	9,973,137 ⁽²⁾

Notes:

⁽¹⁾The Corporation's SOP (as of December 31, 2023) is a 10% rolling plan, pursuant to which the total number of authorized but unissued Common Shares made available to be granted to eligible participants under the SOP shall not exceed 10% of the Corporation's issued and outstanding Common Shares, which number shall be reserved for issuance.

⁽²⁾As at the date hereof, the Corporation has 9,973,137 Common Shares available for issuance under the SOP.

For a description of the SOP, see "STATEMENT OF EXECUTIVE COMPENSATION – Stock Option Plan".

Employment, Consulting, and Management Agreements

John O'Donnell - The Corporation and John O'Donnell entered into a consulting agreement dated February 13, 2023 (the "CEO Agreement"), pursuant to which he shall perform the services of the President and Chief Executive Officer of the Corporation, in consideration of an monthly base salary of \$7,500 for a term of sixteen (16) months and fifteen (15) days until June 30, 2024 (the "**Term**") . The agreement provided that the Corporation could terminate the CEO Agreement without specifying any cause, at any time upon providing Mr. O'Donnell with the greater of (i) the base salary he would have received the remainder of the Term, and (ii) two months of his annual base salary then in effect.

Eric Plexman - The Corporation and Eric Plexman have not entered into a consulting agreement. Mr. Plexman is paid a monthly fee of \$2,500. Mr. Plexman resigned on May 31, 2024.

Pension Plan Benefits, Termination and Change of Control Benefits

The Corporation has no pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise to any person who now acts as a NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates. The Corporation is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement, or the termination of employment of any person.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is or was a director, executive officer or employee of the Corporation or any of its subsidiaries, any proposed nominee for election as a director of the Corporation or any associate of such director or officer, is or was, at the end of the most recently completed financial year, indebted to the Corporation or any of its subsidiaries since the beginning of the most recently completed financial year of the Corporation, or is or has been indebted to another entity that is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries during that period.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Corporation, proposed director of the Corporation or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of this Circular, an "informed person" means (i) a director or officer of the Corporation; (ii) a director or officer of a person or company that is itself an informed person; or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

AUDIT COMMITTEE

The Corporation has an Audit Committee whose primary function is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and Shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes.

Audit Committee Charter

The Audit Committee operates under a written charter that sets out its responsibilities and composition requirements. The text of the Audit Committee's charter is set forth at Schedule "D" attached hereto.

The Corporation's Audit Committee is comprised of three directors consisting of John O'Donnell, Steve Balch, and Errol Farr. The following table sets out the names of the members of the Audit Committee and whether they are "independent" and "financially literate" for the purposes of National Instrument 52-110 *Audit Committees* ("NI 52-110").

Name of Member	Independent	Financially Literate
John O'Donnell	No	Yes
Steve Balch	Yes	Yes
Errol Farr	No	Yes

The Company expects to restructure the Audit Committee following the completion of the Share Exchange.

Relevant Education and Experience

The education and experience of each Audit Committee member which is relevant to the performance of his responsibilities as an Audit Committee member is set out under the heading "Election of Directors" above.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided.

Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Corporation’s Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services by the external auditor as no such engagement is presently contemplated or ever likely to occur for the foreseeable future.

External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Corporation’s external auditors for services provided in auditing the Corporation’s annual financial statements for the subject year. “Audit - related fees” are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements. “Tax fees” are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditors for products and services not included in the foregoing categories.

The aggregate fees billed by the Corporation’s external auditors in each of the last three fiscal years for audit fees are as follows:

Financial Year Ending December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2023	\$35,000	Nil	Nil	Nil
2022	\$44,000	Nil	Nil	Nil

Exemption

The Corporation is relying upon the exemption in Section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

Corporate governance relates to activities of the Board, the members of which are elected by and are accountable to the Shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires that each reporting issuer disclose its corporate governance practices on an annual basis.

The Board believes that sound corporate governance improves corporate performance and benefits all shareholders. This section sets out the Corporation’s approach to corporate governance and provides the disclosure required by Form NI 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

Independence

As at the Record Date the Corporation’s Board is comprised of three directors: John O’Donnell, Stephen Balch and Errol Farr

Pursuant to NI 52-110, a director is independent if such director has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Corporation.

The Board has considered the relationship of each of the directors to the Corporation and has determined that the following one director is independent within the meaning of NI 52-110: Stephen Balch. Following the Share Exchange, if completed, the Corporation expects to add independent directors to the Board, to assist in providing independent judgment in carrying out the responsibilities of the Board.

The directors are responsible for managing and supervising the management of the business and affairs of the Corporation. Each year, the Board must review the relationship that each director has with the Corporation in order to satisfy themselves that the relevant independence criteria have been met.

Directorships

The following table sets out information regarding other directorships presently held by directors of the Corporation with other reporting issuers (or the equivalent) in Canada or any foreign jurisdiction:

Name of Director	Names of Other Reporting Issuers	Exchange
John O'Donnell	AFR NuVenture Resources Inc.	TSXV
	Enerev5 Metals Inc.	TSXV
	Peloton Minerals Corporation	CSE
Stephen Balch	Homeland Nickel Inc.	TSXV
Errol Farr	Zonetail Inc.	TSXV
	Enerev5 Metals Inc.	TSXV

Orientation and Continuing Education

To date the Corporation has relied upon the experience and exposure provided to Board members through their participation as board members of other public companies and through continuing education programs attended by individual directors. New directors participate in a meeting with management when first elected to review the Corporation's financial situation and state of the Corporation's resources.

Ethical Business Conduct

The Corporation's primary business has been the care and maintenance of its mineral claims and meeting its statutory filing obligations. As such, it has not engaged in an active business which would give rise to business activities that would otherwise be subject to a code of written standards reasonably designed to promote integrity and to deter wrongdoing. Should the Corporation reactivate its operations, it will adopt forthwith a code of business conduct and ethics to address potential conflicts of interest, protection and proper use of corporate assets and opportunities, ensure the confidentiality of corporate information, ensure fair dealing with securityholders, customers, suppliers, competitors and employees, compliance with statutory requirements and a formal mechanism for reporting illegal or unethical behavior.

Nomination of Directors

The Board acts as its own nominating committee.

In considering candidates for the position of a director of the Board, members of the Board consider such factors as independence, integrity, skills, expertise, breadth of experience, knowledge about the Corporation's business and a

willingness to devote adequate time and effort to the Board's responsibilities. The Board as a whole will review all nominations for re-election of Board members.

Compensation

The Board does not currently have a compensation committee or a formal procedure with respect to determining compensation for the directors. All employment, consulting or other compensation arrangements between the Corporation, or its subsidiary, and the directors or executive officers are considered and approved by disinterested members of the Board.

Assessments

The Board is responsible for keeping management informed of its evaluation of the performance of the Corporation and its senior officers in achieving and carrying out the Board-established goals and policies and is also responsible for advising management of any remedial action or changes which it may consider necessary. Additionally, directors are expected to devote the time and attention to the Corporation's business and affairs as necessary to discharge their duties as directors effectively. The Board does not have a formal process to monitor the effectiveness of the Board, its committees and individual members, but rather relies on an informal review process. In order to gauge performance, the Board considers the following:

- (i) input from directors, when appropriate;
- (ii) attendance of directors at meetings of the Board and any committee; and
- (iii) the competencies and skills each individual director is expected to bring to the Board and each committee.

Diversity Equity and Inclusion (DEI) and Environmental, Social and Governance (ESG)

While the Board and the Corporation insist on the highest level of integrity, recognize the desirability of diversity, equity and inclusive, and strive to operate with standards to ensure a minimal environmental and social impact, no formal policies or procedures have been implemented to date. The Corporation's current limited human and financial resources simply have not enabled it to do so. The Corporation has been in survival mode and all of its resources have been expended to attempt to turn around the Corporation's fortunes and create a viable business entity. The Corporation intends to implement such policies and procedures in place as soon as reasonably practicable.

AUDITOR

The auditor of the Corporation is McGovern Hurly LLP.

MANAGEMENT CONTRACTS

Except as otherwise disclosed herein, management functions of the Corporation are not, to any substantial degree, performed by a person other than the directors and executive officers of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedarplus.ca. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis ("MD&A") by sending a written request to Suite 204, 133 Richmond St. West, Toronto, Ontario M5H 2L3. Financial information is provided in the Corporation's comparative annual financial statements and MD&A for its most recently completed financial year available on SEDAR at www.sedarplus.ca.

APPROVAL OF INFORMATION CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED at Toronto, this **13th** day of **August 2024**.

BY ORDER OF THE BOARD OF DIRECTORS

"Errol Farr"

Errol Farr

President, CEO and Director

SCHEDULE "A"
TO INFORMATION CIRCULAR OF
LOYALIST EXPLORATION LIMITED
SHARE EXCHANGE AGREEMENT

See attached.

SHARE EXCHANGE AGREEMENT

MEMORANDUM OF AGREEMENT made as of the 12th day of August, 2024.

B E T W E E N:

Loyalist Exploration Limited, a body corporate incorporated under the laws of the Canada (hereinafter referred to as “**Publico**” or the “**Purchaser**”);

OF THE FIRST PART:

-and-

Millbrook Minerals Inc., a body corporate incorporated under the laws of the Canada (hereinafter referred to as “**Millbrook**”);

OF THE SECOND PART:

Millbrook Shareholders who are parties to this agreement by virtue of affixing their signatures hereto (hereinafter referred to individually as the “**Vendor**” or collectively as the “**Vendors**”).

OF THE THIRD PART

WHEREAS Millbrook is a mineral exploration company with three exploration properties in the Province of Newfoundland and Labrador, Canada (the “**Millbrook Properties**”) as disclosed in certain technical information presented by Millbrook to Publico and consisting of the Rolling Pond, Springdale, and Hungry Hills properties;

AND WHEREAS Publico is a mineral exploration company whose affairs are disclosed in Publico’s publicly filed electronic records at www.sedarplus.ca;

AND WHEREAS Publico is a Canadian reporting issuer in good standing in the Provinces of British Columbia and Ontario whose shares are listed for trading on the Canadian Securities Exchange (the “**Exchange**”) under the symbol PNGC;

AND WHEREAS the intent of this transaction is to effect the acquisition by Publico from the Vendors of 100% of the issued and outstanding shares of Millbrook (the “**Millbrook Shares**”);

AND WHEREAS each of the Vendors is the legal and beneficial owner of the securities listed beside such Vendor's name in Schedule "A", being shares of Millbrook Minerals Inc. (hereinafter collectively referred to as the "**Purchased Securities**");

AND WHEREAS each of the Vendors signing this agreement has agreed to sell, and the Purchaser has agreed to purchase the Purchased Securities on the terms and conditions hereinafter set out in this agreement (the "**Exchange Agreement**");

AND WHEREAS the total issued and outstanding shares in Publico upon completion of the transaction herein shall be as follows:

	#	%
Shares issued to the Vendors pursuant to this agreement	200,000,000	34.82
Existing Publico shareholders		
Common shares	190,531,368	33.17
Warrants *	104,788,189	18.24
Stock options **	9,080,000	1.58
New private placements	70,000,000	12.19
Total existing Publico shareholders (on a fully diluted basis)	374,399,557	65.18
Total Shares after completion of Transaction	574,399,557	100.00

* The warrants expire between May 2025 and February 2028 and have a weighted average exercise price of CDN \$0.09 per warrant.

** The options expire between October 2024 and May 2028 and have a weighted average exercise price of CAD\$0.08 per share.

THIS AGREEMENT WITNESSES that, in consideration of the premises and of the covenants, agreements, warranties and representations herein set forth and provided for together with other good and valuable consideration, the parties hereto respectively covenant and agree as follows:

1. PURCHASE AND SALE OF PURCHASED SECURITIES

The Vendors listed on Schedule A attached hereto will sell, assign and transfer to Publico, on Closing, subject to all conditions being met prior to Closing, and Publico covenants and agrees that it will purchase from the Vendors, all of the issued and outstanding Millbrook Shares which they hold or to which they are entitled to hold as set out in Schedule "A", collectively being 100% of the issued and outstanding Millbrook Shares in exchange for an aggregate of 200,000,000 common shares in the capital stock of Publico (the "**Publico Shares**") which Publico covenants and agrees to issue and transfer to the Vendors. The Publico Shares shall be apportioned pro rata based on the number of Millbrook Shares previously held or are entitled to by such Vendor as set out in Schedule "A". The individual shareholders hereby agree and confirm that the number of shares set out and attributed to them individually in Schedule "A" are all of the shares which they hold or to which they are entitled and there are no other prior agreements or understandings,

written or verbal, to the contrary. The Publico Shares to which each respective Vendor will receive in exchange for such Vendor's Millbrook Shares shall be referred to as the "**Purchased Securities**". The purchase price for the Purchased Securities (the "**Purchase Price**") is equal to the market price of the Issued Shares, which the parties hereto have determined to be the fair market value of the Purchased Securities at the date and time hereof.

2. SATISFACTION OF PURCHASE PRICE

- (a) The Purchase Price shall be satisfied by the issuance to the Vendor at the time of closing of the transactions contemplated herein (which shall occur on acceptance and execution by the Purchaser of previously executed and delivered copies of this Exchange Agreement by the Vendor) of the number of Common Shares in the capital of the Purchaser, set out beside the Vendor's name in Schedule "A" (the "**Issued Shares**").
- (b) For greater certainty, the Purchaser, upon receipt of all necessary documents, in the opinion of the Purchaser, shall be entitled to determine the date of closing of the transactions contemplated in this Exchange Agreement and the corresponding date of issuance of the Issued Shares without additional consent from the Vendor, provided that the transactions contemplated herein shall close on or before September 30, 2024, subject to extensions of up to 60 days in the aggregate (the "**Outside Date**") at the sole discretion of the Purchaser and without prior notice to the Vendor and which outside Date shall be binding on the Vendor. At any time after the Outside Date, the Vendor shall be entitled to terminate the transactions contemplated herein. Except as contemplated by this Section 2(b), this Exchange Agreement shall not be revocable prior to the Outside Date by the Vendor upon the execution of this Exchange Agreement, even where the Purchaser executes this Exchange Agreement at a later date.
- (c) This Exchange Agreement and transactions contemplated herein are conditional upon the Purchaser receiving from the Vendor all documents necessary, in the sole and arbitrary discretion of the Purchaser, in relation to the approval of all necessary regulatory, corporate and stock exchange approvals, including but not limited to a consent resolution of the Vendor, as a shareholder of the Purchaser after the completion of the transactions contemplated in this Exchange Agreement in relation to the any matter contemplated herein, a proxy and power of attorney granting directors or officers of the Purchaser the ability and authority to vote the shares of the Purchaser held by the Vendor after completion of the transactions contemplated in this Exchange Agreement, all in favour of and satisfactory to the Purchaser, in the Purchaser's sole and arbitrary discretion on matters contemplated in this Exchange Agreement.
- (d) The Vendors will, where required, enter into such escrow or pooling arrangements which may be imposed by any securities commission or other securities regulator or stock exchange having jurisdiction.

3. REPRESENTATIONS AND WARRANTIES OF VENDOR

The Vendor hereby represents and warrants to the Purchaser as follows and hereby acknowledges and confirms that the Purchaser is relying on such representations and warranties in connection with the purchase by the Purchaser of the Purchased Securities:

- (a) the Purchased Securities are beneficially owned by the Vendor with good and marketable title, free of all liens, charges and other encumbrances whatsoever;
- (b) no person, firm or corporation has any agreement (other than this Exchange Agreement) or option or right capable of becoming an agreement or option for the purchase from the Vendor of any of the Purchased Securities of the Vendor;
- (c) the Vendor has the capacity, requisite power and authority, as applicable, to execute and deliver this Exchange Agreement and all other agreements and instruments delivered in connection herewith;
- (d) the execution of this Exchange Agreement and all agreements and instruments delivered in connection herewith has been duly authorized by all necessary action on the part of the Vendor;
- (e) the Vendor is a resident of Canada within the meaning of the *Income Tax Act* (Canada) (the “**Act**”);
- (f) by execution hereof, the Vendor hereby represents and warrants that the number of Purchased Securities set out opposite the Vendor’s name in Schedule “A” annexed hereto are the correct number of Purchased Securities held by the Vendor or to which the Vendor is entitled, and the Vendor has no right, directly or indirectly, legally or beneficially, in or to any other securities of the Purchaser; and
- (g) the Vendor is under no legally binding obligation and has no current plans to sell the Issued Shares or any stock received in exchange for the Issued Shares in the Purchaser.

4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Vendor as follows and hereby acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the purchase by the Purchaser of the Purchased Securities from the Vendor:

- (a) the Purchaser has the corporate capacity to enter into and to execute this Exchange Agreement and has taken the necessary steps to authorize the execution thereof; and

- (b) on or before the date of closing of the transactions contemplated in this Exchange Agreement, the Purchaser will, in consideration of the receipt by the Purchaser of instruments of transfer and other related documentation, from the Vendor representing in aggregate all of the Purchased Securities held by the Vendor, duly endorsed in blank for transfer to the Purchaser (or written direction or transfer power directing the transfer of any Purchased Securities to the Purchaser, in form and substance satisfactory to the Purchaser), record the Vendor as a holder of the Issued Shares which will be duly issued and allotted to the Vendor as fully paid and non-assessable Common Shares of the Purchaser, all effective as of the date designated by the Purchaser.

5. TRANSFER OF PURCHASED SECURITIES

The Vendor shall deliver to the Purchaser all necessary conveyances, bills of sales, assurances, transfers, assignments and consents and any other documents necessary or reasonably required to effectively transfer the Purchased Securities to the Purchaser with a good and marketable title, free and clear of all liens, charges or other encumbrances whatsoever, including, without limitation, a share transfer direction representing the Purchased Securities duly endorsed in blank for transfer and shall cause such transfer of such Purchased Securities to be duly and regularly recorded in the name of the Purchaser.

6. TIME OF CLOSING

The completion of the transactions contemplated herein shall take place on the date and time as determined by the Purchaser. The Purchaser shall provide notice to the Vendor at the date on which the closing of the purchase and sale of the Purchased Securities has occurred (the “**Closing**”); and provided that if the Closing has not occurred on or before September 30, 2024, subject to extensions of up to 60 days in the aggregate, at the sole discretion of the Purchaser, the Vendor shall have the option, but not the obligation, at any time thereafter to cancel the transactions contemplated in this Exchange Agreement.

7. TAX ELECTION

The Purchaser and the Vendor, covenant and agree that the Purchaser and the Vendor shall jointly make and file an election under subsection 85(1) of the Act, in the prescribed form and within the time required by section 85 of the Act, in respect of the transfer of the Purchased Securities from the Canadian Vendor to the Purchaser and to specify therein as the Canadian Vendor’s proceeds of disposition and the Purchaser’s cost of the Purchased Securities (other than any accrued dividends thereon) and such amount shall be deemed to be an amount within the parameters of Subsection 85(1) of the Act “not to exceed, however, the value of the Purchased Securities (determined as the value of the Issued Shares received in consideration for the Purchased Securities) (the “**Elected Amount**”). Similar elections or filings shall be jointly made under any corresponding provincial

taxation legislation by the Vendor and the Purchaser. For the purposes of any tax filings or other requirements, the parties hereto agree that the fair market value of the Purchased Securities shall be equal to the consideration received for the Issued Shares.

8. **STATED CAPITAL**

There shall be added to the stated capital accounts maintained by the Purchaser in respect of the Common Shares of the Purchaser an amount equal to the amount specified in the joint election under subsection 85(1) of the Act referred to in Section 7 above, which amount shall not exceed the fair market value of the Purchased Securities which shall be based on the market price of the Publico Shares as at the date of this Exchange Agreement.

9. **SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES**

The covenants, representations and warranties herein contained shall survive the purchase and sale of the Purchased Securities herein provided for and, notwithstanding such purchase and sale, shall continue in full force and effect for the benefit of the Purchaser.

10. **CONSENT OF MILLBROOK**

Millbrook concurs with the entering into this transaction by its shareholders, consent to the transfer and exchange of shares, and concurs with and agrees that all representations and warranties with respect to Millbrook are true and correct.

11. **GENERAL CONTRACT PROVISIONS**

11.1 **Notices.** All notices, requests, demands or other communications (collectively, “**Notices**”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile or electronic transmission to such other party as follows:

- (a) To the Vendor: (to be completed by the Vendor)

Address shown in Schedule A and signature page
- (b) To the Loyalist Exploration Limited at:

Suite 204, 133 Richmond Street West
Toronto, Ontario, M5H2L3
Email; efarr001@icloud.com
- (c) To Millbrook Minerals Inc. at:

c/o John F. O'Donnell

23 – 31 Keegan Parkway,
Belleville, Ontario K8N 5N8
Email: john@odonnell-law.ca

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile or electronic transmission.

11.2 Additional Assurances. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Exchange Agreement and every part thereof.

11.3 Counterparts. This Exchange Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

11.4 Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Exchange Agreement shall operate as a waiver of this provision.

11.5 Entire Agreement. This Exchange Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Exchange Agreement. The parties acknowledge that it is a condition in favour of the Purchaser that the Vendor execute all documents and instruments requested by the Purchaser in relation to the transactions contemplated in this Exchange Agreement, including a consent resolution approving the consolidation, proxy, power of attorney and waiver of dissent and appraisal rights. The failure of any Vendor to execute such documents shall grant the Purchaser the right not to complete the transactions contemplated in this Exchange Agreement with such Vendor.

11.6 **Counsel to the Purchaser** has acted for the Purchaser only and has not provided any specific legal advice to the Vendor and the Vendor has been advised to seek independent legal, financial and tax advice regarding the Vendor's particular circumstances.

11.7 **Enurement.** This Exchange Agreement shall enure to the benefit of and be binding upon the parties and their respective legal representatives, successors and assigns.

11.8 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

11.9 **Headings for Convenience Only.** The division of this Exchange Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Exchange Agreement.

11.10 **Governing Law.** This Exchange Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to attorn to the exclusive jurisdiction of the Courts of the Province of Ontario.

11.11 **Gender.** In this Exchange Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

11.12 **Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Exchange Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a business day, then the time period in question shall end on the first business day following such non-business day.

11.13 **Legislation References.** Any references in this Exchange Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

11.14 **Severability.** If any Article, Section or any portion of any Section of this Exchange Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Exchange Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Exchange Agreement.

11.15 Transmission by Facsimile. This Exchange Agreement may be executed and transmitted by facsimile or other means of electronic communication (including pdf by email), which signatures shall be binding upon the parties as if they were original signatures.

11.16 Non-Participating Vendors. This Exchange Agreement with the Vendor is one of a series of Exchange Agreements with other shareholders of Millbrook Minerals Inc. Where one or more of such other vendors does not execute all documents, instruments and agreements requested by the Purchaser, the Purchaser shall not be required to complete the transactions contemplated in this Exchange Agreement, but such failure to complete the transactions with one or more vendors shall not restrict the Purchaser from completing exchange transactions with the other Vendors and this Agreement is not conditional on execution by all Vendors.

11.17 Authorization to Complete Documents. The Vendor hereby authorizes the Purchaser to complete, on behalf of the Vendor, any uncompleted portion of this Exchange Agreement or any document, instrument or agreement delivered in connection herewith, including dating any such documents, instruments or agreements, as reasonably determined by any officer or director of the Purchaser.

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SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF each of the parties have, if an individual, hereunto set their hands and seals and, if a corporation, hereunto affixed its hand and seal, if applicable, under the hand or hands of its duly appointed signing officers.

Millbrook Minerals Inc.

Per: _____

Name:

Title:

I have authority to bind the Corporation

Loyalist Exploration Limited

Per: _____

Name:

Title:

I have authority to bind the Corporation

Name of shareholder:

Address of shareholder:

Telephone:

Email:

Schedule A

Name and Address	Millbrook Shares	Loyalist Shares in Exchange	Initial Beside Your Name
THE DETAILS OF SCHEDULE A HAVE REMOVED FOR PRIVACY			
Total	20,000,000	200,000,000	

I hereby confirm and agree that the shareholding information contained beside my name above represents all of the shares which I currently hold or am entitled to in Millbrook Minerals Inc.

Name and signature of shareholder

Date

35
SCHEDULE “B”
TO INFORMATION CIRCULAR OF
LOYALIST EXPLORATION LIMITED

SHARE EXCHANGE RESOLUTION

BE IT RESOLVED BY SPECIAL RESOLUTION THAT:

1. The share exchange agreement (the “Share Exchange Agreement”) among Loyalist Exploration Limited (the “Corporation”), Millbrook Minerals Inc. (“Millbrook”) and the shareholders of Millbrook (the “Millbrook Shareholders”), upon the terms and conditions set forth in the Share Exchange Agreement dated as of August 12, 2024, a form of which is attached as Schedule A to the in the management information circular of Loyalist (the “Circular”) accompanied by the notice of the meeting (as the Share Exchange may be modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
2. The (i) Share Exchange Agreement, Share Exchange Agreement and related Share Exchanges, (ii) actions of the directors of the Corporation in approving the Share Exchange Agreement, (iii) actions of the directors and officers of the Corporation in executing and delivering the Share Exchange Agreement and any amendments, modifications or supplements thereto, are hereby ratified, confirmed and approved.
3. Notwithstanding that this resolution has been passed (and the Share Exchange authorized, approved and adopted) by the shareholders of the Corporation, the board of directors of the Corporation is hereby authorized and empowered, at its discretion, without further notice to or approval of the shareholders of Loyalist: (a) to amend or modify the Share Exchange Agreement to the extent permitted thereby; and (b) subject to the terms and conditions of, and to the extent permitted by the Share Exchange Agreement to revoke this resolution at any time prior to completing the Share Exchange and determine not to proceed with the Share Exchange.
4. Subject to fulfillment of the terms and conditions of the Share Exchange Agreement, the Corporation hereby allots and authorizes for issue to the Purchasers an aggregate of up to 200,000,000 Common Shares as fully paid and non-assessable common shares in the capital of the Corporation.
5. The directors hereby determine the value of the Millbrook Shares as the price or consideration and the fair value of the consideration for the Common Shares of the Corporation allotted and authorized to be issued in connection with the Share Exchange.
6. Any two directors or senior officers of the Corporation are hereby authorized to execute a treasury order with respect to the issuance of up to:200,000,000 Shares in connection with the Share Exchange, and to deliver certificates representing such Shares as directed in such treasury order.
7. The form of share certificate of the Corporation currently in use is ratified, approved and adopted as the form of share certificate for Common Shares of the Corporation.
8. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person’s opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions, the Share Exchange Agreement and the completion of the Share Exchange in accordance with the terms of the Share Exchange Agreement, including: (i) all actions required to be taken by or on behalf of the Corporation, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and (ii) the signing of the certificates, consents and other documents or declarations required under the Share Exchange Agreement or otherwise to be entered into by the Corporation, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE "C"
TO INFORMATION CIRCULAR OF
LOYALIST EXPLORATION LIMITED

LONG TERM INCENTIVE PLAN

LOYALIST EXPLORATION LIMITED
LONG-TERM INCENTIVE PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE OF THIS PLAN

Loyalist Exploration Limited (the “**Company**”) wishes to establish this long-term incentive plan (“**Plan**”). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Directors, Key Employees and Consultants of the Company and its Subsidiaries; b) encouraging such Directors, Key Employees and Consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Directors, Key Employees and Consultants with the interests of the Company.

To this end, this Plan provides for the grant of Restricted Share Units, Deferred Share Units, and Options to Directors, Key Employees and Consultants of the Company as further described in this Plan.

SECTION 2. DEFINITIONS

As used in this Plan, the following terms shall have the meanings set forth below:

- a) “**Affiliate**” has the meaning ascribed to such term under the policies of the Exchange;
- b) “**Associate**” has the meaning ascribed to such term under the policies of the Exchange;
- c) “**Award**” means any award of Restricted Share Units, Deferred Share Units, or Options granted under this Plan;
- d) “**Award Agreement**” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- e) “**Board**” means the board of directors of the Company;
- f) “**Change of Control**” has the meaning ascribed to such term under the policies of the Exchange;
- g) “**Committee**” means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- h) “**Company**” means Spruce Ridge Resources Ltd., a company existing under the *Business Corporations Act* (Ontario), and any of its successors or assigns;
- i) “**Consultant**” has the meaning ascribed to such term under the policies of the Exchange, and includes a Consultant Company as defined under the policies of the Exchange;
- j) “**Current Market Price**” means the closing price of the Shares on the last Trading Day on which trading in the Shares took place immediately prior to the relevant exercise date;
- k) “**Deferred Share Unit**” or “**DSU**” means a right to receive on a deferred basis a payment in either Shares or cash as provided in Section 5(c) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- l) “**Director**” means a member of the Board, and includes a company wholly-owned by such individual;
- m) “**Disability**” means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- n) “**Discounted Market Price**” means the Current Market Price less the discount allowable pursuant to the policies of the Exchange;
- o) “**Disinterested Shareholder Approval**” shall have the meaning ascribed thereto in the rules and policies of the Exchange, but generally means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted meeting of shareholders, excluding votes attached to Shares beneficially owned by Insiders to whom Awards may be granted under this Plan, the Persons who hold or will hold the Award in question and Associates and Affiliates of such Insiders and Persons;
- p) “**Effective Date**” has the meaning ascribed thereto in Section 8;
- q) “**Election Form**” means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in Deferred Share Units under this Plan;

- r) "**Eligible Person**" means Directors, Key Employees, Consultants, and Management Company Employees;
- s) "**Exchange**" means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- t) "**Exchange Hold Period**" means the four-month resale restriction imposed by the Exchange on the Shares, more particularly described in Exchange Policy 1.1;
- u) "**Fees**" means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- v) "**Grant Date**" means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- w) "**Insider**" has the meaning ascribed to such term under the policies of the Exchange;
- x) "**Insider Participant**" means a Participant who is an (i) Insider of the Company or of a Subsidiary, and (ii) Associate of any person who is an Insider by virtue of (i);
- y) "**Investor Relations Activities**" means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - i. the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
 - A. to promote the sale of products or services of the Company, or
 - B. to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - ii. activities or communications necessary to comply with the requirements of:
 - A. applicable securities laws;
 - B. exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - iii. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - A. the communication is only through the newspaper, magazine or publication; and
 - B. the publisher or writer receives no commission or other consideration other than for acting
 - C. in the capacity of publisher or writer; or
 - iv. activities or communications that may be otherwise specified by the Exchange;
- z) "**Investor Relations Service Provider**" means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- aa) "**Key Employees**" means employees and independent contractors, including officers, whether Directors or not, and including both full-time and part-time employees of the Company or any Subsidiary who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company, and companies wholly-owned by such employees;
- bb) "**Management Company Employee**" means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the business enterprise of the Company.
- cc) "**Market Unit Price**" means the value of a Share determined by reference to the five-day volume weighted average closing price of a Share for the five (5) Trading Days immediately preceding the day on which trading in the Shares took place, or immediately preceding the exercise date of a Stock Option;
- dd) "**Option**" means incentive share purchase options entitling the holder thereof to purchase Shares;
- ee) "**Participant**" means any Eligible Person to whom Awards under this Plan are granted;
- ff) "**Participant's Account**" means a notional account maintained for each Participant's participation in this Plan which will show any Restricted Share Units, Deferred Share Units, or Options credited to a Participant from time to time;
- gg) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;

- hh) "**Restriction Period**" means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units, Performance Share Units or Deferred Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months, unless provided for in Policy 4.4 of the Exchange;
- ii) "Restricted Share Unit" or "RSU" means a right awarded to a Participant to receive a payment in Shares as provided in Section 5(a) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- jj) "**Retirement**" means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- kk) "**Securities Act**" means the Securities Act, RSO 1990, c S.5, as amended, from time to time;
- ll) "**Security-Based Compensation Arrangement**" shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant;
- mm) "**Shares**" means the common shares of the Company;
- nn) "**Subsidiary**" means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- oo) "**Termination Date**" means, as applicable: (i) in the event of a Participant's Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and (ii) in the event of termination of the Participant's employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- pp) "**Trading Day**" means any date on which the Exchange is open for trading; and
- qq) "**Vesting Date**" means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

SECTION 3. ADMINISTRATION

- a) **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- b) **DELEGATION TO COMMITTEE.** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- c) **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.
- d) **NO LIABILITY.** No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

SECTION 4. SHARES AVAILABLE FOR AWARDS

a) LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.

- i. The aggregate number of Shares issuable under this Plan in respect of Awards shall not exceed 10% of the Company's issued and outstanding common shares at the Grant Date.
- ii. So long as it may be required by the rules and policies of the Exchange:
 - a) the total number of Shares issuable under this Plan in respect of all Awards granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares at any point in time;
 - b) the total number of Shares issuable under this Plan in respect of all Awards, in any 12-month period to Insiders (as a group) shall not exceed 10% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to any Insider, unless the Company has obtained the requisite disinterested Shareholder approval;
 - c) the total number of Shares issuable under this Plan in respect of all Awards, in any 12-month period to any one Participant shall not exceed five (5%) percent of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Participant, unless the Company has obtained the requisite disinterested Shareholder approval;
 - d) the total number of Shares issuable to any Consultant under this Plan in respect of all Awards, in any 12-month period shall not exceed two (2%) percent of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Consultant; and
 - e) the total number of Options issuable to Participants performing Investor Relations Activities shall not exceed two (2%) percent of the issued and outstanding Shares in any 12-month period.
- iii. Persons performing Investor Relations Activities may only receive Options as Awards under this Plan;
- iv. Any Award granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Plan.
- v. Pursuant to the policies of the Exchange, the Exchange Hold Period will be applied to Shares issuable under this Plan and any certificate(s) representing those Shares will include a legend stipulating that the Shares issued are subject to a four-month Exchange Hold Period commencing from the Grant Date.

b) ACCOUNTING FOR AWARDS. For purposes of this Section 4:

- i. If an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
- ii. Notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.

c) ANTI-DILUTION. If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of RSUs, DSUs, and/or Options credited to a Participant. Any adjustment, other than in connection with a security consolidation or security split, to an Award granted or issued under a Security Based Compensation Arrangement must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

d) FORMER PLANS. From and after the Effective Date, all prior long-term incentive plans of the Company shall be cancelled and deemed to be cancelled, and all awards granted thereunder shall be governed and

deemed to be governed by the provisions of this Plan as existing Awards governed by the terms of this Plan.

- e) **ELIGIBILITY AND PARTICIPATION.** For all Awards granted or issued to Participants, both the Company and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* Director, Key Employee or Consultant, as the case may be, at the time of such grant.

SECTION 5. AWARDS

a) RESTRICTED SHARE UNITS

- i. **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs to Participants. RSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. In no event shall the value of the RSU be lower than the Discounted Market Price. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each RSU shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of RSUs granted pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.
- ii. **RESTRICTIONS.** RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- iii. **VESTING.** All RSUs will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No RSU may vest before the date that is one (1) year following the date it is granted or issued, unless a Participant dies, or ceases to be an eligible Participant under this Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.
- iv. **CHANGE OF CONTROL.** In the event of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5(a)(x) hereof.
- v. **DEATH.** Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, may be vested in the Participant without further action and without any cost or payment at the sole discretion of the Board or the Committee, as the case may be. Any RSUs vested in such Participant, including those vested after the Participant's death pursuant to the exercise of the Board's discretion, will accrue to the Participant's estate in accordance with Section 5(a)(x) hereof, provided that the Participant's estate makes a claim for such vested RSUs within 12 months of the date of death.
- vi. **TERMINATION OF EMPLOYMENT.**
 - a) Where, in the case of a Key Employee, a Participant's employment is terminated by the Company or a Subsidiary for cause, all RSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
 - b) Where, in the case of a Key Employee, a Participant's employment terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below,

immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.

- c) Upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of RSUs under this Plan shall cease as of the Termination Date.

- vii. **DISABILITY.** Where, in the case of a Key Employee, a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Key Employee's employment is terminated due to Disability, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.

- viii. **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any RSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date the Participant ceases to be a Director, provided, however, that any RSUs granted to such Participant which, prior to the Participant ceasing to be a Director for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.

- ix. **TERMINATION OF SERVICE.** Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, any RSUs granted to the Participant under this Plan that have not yet vested will be forfeited and cancelled and shall be of no further force or effect as of the date of termination of service, provided, however, that any RSUs granted to such Participant which, prior to the termination of the Participant's service to the Company for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.

- x. **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of RSUs, the Company shall issue from treasury to the Participant, or if Section 5(a)(v) applies, to the Participant's estate, a number of Shares equal to the number of RSUs credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the RSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such RSUs.

b) DEFERRED SHARE UNITS

- i. **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of DSUs to Directors. DSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each DSU shall, contingent upon the lapse of any

restrictions, represent one (1) Share. The number of DSUs granted pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.

- ii. **RESTRICTIONS.** DSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- iii. **CHANGE OF CONTROL.** In the event of a Change of Control, all restrictions upon any DSUs shall lapse immediately and all such DSUs shall accrue to the Participant in accordance with Section 5(b)(v) hereof.
- iv. **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any DSUs granted to the Participant under this Plan that have not yet vested will unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date the Participant ceases to be a Director, provided, however, that any DSUs granted to such Participant which, prior to the Participant ceasing to be a Director for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(b)(v) hereof.
- v. **PAYMENT OF AWARD.** Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be a Director, or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date as the Participant and the Company may agree, which date shall be no later than the end of the calendar year following the year in which the Participant ceases to be a Director, or any earlier period on which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be a Director, or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Board, either:
 - a) that number of Shares equal to the number of DSUs credited to the Participant's Account, such Shares to be issued from treasury of the Company; or
 - b) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be a Director or officer of the DSUs credited to a Participant's Account, net of applicable withholdings.In no event shall the value of the DSUs or cash payment be lower than the Discounted Market Price.
- vi. **DEATH.** Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5(b)(iv) hereof to the Participant upon such Participant ceasing to be Director or officer.

c) OPTIONS

- i. **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant Awards of Options to Participants. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.
- ii. **EXERCISE PRICE.** The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the Discounted Market Price. The Board shall not reprice or extend the term of any Options previously granted under this Plan,

except in accordance with the rules and policies of the Exchange. For greater certainty, the Company will be required to obtain Disinterested Shareholder Approval in respect of any reduction in the exercise price or extension of the term of Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction, if and to the extent required by the rules and policies of the Exchange.

- iii. **TIME AND CONDITIONS OF EXERCISE.** The Board shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under this Plan shall not exceed ten years. The Board shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- iv. **EVIDENCE OF GRANT.** All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- v. **EXERCISE.** The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the optionee within a reasonable time following the receipt of such notice and payment. Neither the optionee nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such optionee under the terms of this Plan.
- vi. **VESTING.** All Options granted to Persons retained to perform Investor Relations Activities will vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Options vesting and becoming exercisable in any three (3) month period.
- vii. **CHANGE OF CONTROL.** In the event of a Change of Control, each outstanding Option issued to Directors, Key Employees and Consultants, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.
- viii. **DEATH.** Where, in the case of Directors and Key Employees, a Participant shall die while an optionee, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- ix. **TERMINATION OF EMPLOYMENT.**
 - a) A. Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary for cause, no Option held by such Participant shall be exercisable from the Termination Date.
 - b) Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the

Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.

- c) Where, in the case of Key Employees, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where, in the case of Key Employees, a Participant's employment is terminated due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Termination Date or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.

- x. **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the date the Participant ceases to be a director or prior to the expiration of the Option in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date the Participant ceased to be a director. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Participant ceases to be a Director or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date the Participant ceased to be a director.

- xi. **TERMINATION OF SERVICE.** Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, no Option held by such Participant shall be exercisable from the date of termination of service.

d) GENERAL TERMS APPLICABLE TO AWARDS

- i. **FORFEITURE EVENTS.** The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

- ii. **AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER.** Without limiting Section (5)(d), Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

- iii. **NON-TRANSFERABILITY OF AWARDS.** Except as otherwise provided for in this Plan, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise

encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

- iv. **CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS.** The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
- v. **SHARE CERTIFICATES.** All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- vi. **CONFORMITY TO PLAN.** In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.

SECTION 6. AMENDMENT AND TERMINATION

- (a) **DIRECTOR AND SHAREHOLDER APPROVAL OF PLAN.** This Plan must be approved by a majority of the Company's directors at the time it is implemented and at the time of any amendment. This Plan must also be approved by the Company's Shareholders at the time it is implemented and upon any changes to the total number of Shares issuable under the Plan. Any Awards granted under this Plan prior to receipt of Disinterested Shareholder Approval will not be exercisable or binding on the Company unless and until such approvals are obtained.
- (b) **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law. Notwithstanding the foregoing, shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - i. amendments of a housekeeping nature;
 - ii. amendments to fix typographical errors; and
 - iii. amendments to clarify existing provisions of a Security Based Compensation Arrangement that do not have the effect of altering the scope, nature and intent of such provisions.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

- (c) **AMENDMENTS TO AWARDS.** The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively, subject to (a) any required approval of any applicable regulatory authority or the Exchange,

and (b) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

SECTION 7. GENERAL PROVISIONS

- (a) **NO RIGHTS TO AWARDS.** No Director, Key Employee, Consultant or other Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Directors, Key Employees, Consultant or holders or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient.
- (b) **WITHHOLDING.** Subject to compliance with Policy 4.4 of the Exchange, the Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:
- i. electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
 - ii. delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (c) **NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS.** Subject to compliance with Policy 4.4 of the Exchange, nothing contained in this Plan shall prevent the Company from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (d) **NO RIGHT TO EMPLOYMENT.** The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- (e) **NO RIGHT AS SHAREHOLDER.** Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

- (f) **GOVERNING LAW.** This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (g) **SEVERABILITY.** If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- (h) **NO TRUST OR FUND CREATED.** Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- (i) **NO FRACTIONAL SHARES.** No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- (j) **HEADINGS.** Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- (k) **NO REPRESENTATION OR WARRANTY.** The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.
- (l) **NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION.** Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.
- (m) **CONFLICT WITH AWARD AGREEMENT.** In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- (n) **COMPLIANCE WITH LAWS.** The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:
- iii. obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
 - iv. completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

SECTION 8. EFFECTIVE DATE OF THIS PLAN

This Plan shall become effective (the "**Effective Date**") upon the date of approval by the Board, provided that any Awards granted hereunder, shall be subject to approval of this Plan by the shareholders of the Company given by affirmative vote of the majority of the Shares represented at the meeting of the shareholders of the Company at which motion to approve the Plan is presented.

**SCHEDULE “D”
TO INFORMATION CIRCULAR OF
LOYALIST EXPLORATION LIMITED**

AUDIT COMMITTEE CHARTER

This charter (the “Charter”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of PNG Copper Inc. (formerly “Golden Birch Resources Inc.”) (“Golden Birch” or the “Corporation”).

1.0 Mandate

The Committee shall:

- (a) assist the Board in its oversight role with respect to the quality and integrity of the financial information;
- (b) assess the effectiveness of the Corporation’s risk management and compliance practices;
- (c) assess the independent auditor’s performance, qualifications and independence;
- (d) assess the performance of the Corporation’s internal audit function;
- (e) ensure the Corporation’s compliance with legal and regulatory requirements; and
- (f) prepare such reports of the Committee required to be included in any Management Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

2.0 Composition and Membership

The Committee shall be composed of not less than three members, each of whom shall be a director of the Corporation. A majority of the members of the Committee shall not be an officer or employee of the Corporation. A majority of the members shall satisfy the applicable independence requirements, and all members shall satisfy the experience requirements, of the laws governing the Corporation, the applicable stock exchanges on which the Corporation’s securities are listed and applicable securities regulatory authorities.

Each member of the Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment.

Members of the Committee shall be appointed or reappointed at the annual meeting of the Corporation and in the normal course of business will serve a minimum of three years. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a Director. The Board of Directors may fill a vacancy that occurs in the Committee at any time.

The Board of Directors or, in the event of its failure to do so, the members of the Committee, shall appoint or reappoint, at the annual meeting of the Corporation a Chairman among their number.

The Chairman shall not be a former executive Officer of the Corporation. Such Chairman shall serve as a liaison between members and senior management.

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members therefore provided that:

- (a) a quorum for meetings shall be at least three members;
- (b) the Committee shall meet at least quarterly;
- (c) notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least twenty-four (24) hours in advance of such meeting;
- (d) a resolution in writing signed by all directors entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.

The Committee shall report to the Board of Directors on its activities after each of its meetings. The Committee shall review and assess the adequacy of this charter annually and, where necessary, will recommend changes to the Board of

Directors for its approval. The Committee shall undertake and review with the Board of Directors an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board of Directors may take the form of an oral report by the chairperson of the Committee or any other designated member of the Committee.

3.0 Duties and Responsibilities

3.1 Oversight of the Independent Auditor

- (a) Sole authority to appoint or replace the independent auditor (subject to shareholder ratification) and responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between Management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.
- (b) Sole authority to pre-approve all audit services as well as non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- (c) Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- (d) Obtain and review a report from the independent auditor at least annually regarding: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the independent auditor and the Corporation.
- (e) Review and discuss with Management and the independent auditor prior to the annual audit the scope, planning and staffing of the annual audit.
- (f) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- (g) Review, as necessary, policies for the Corporation's hiring of partners, employees or former partners and employees of the independent auditor.

3.2 Financial Reporting

- (a) Review and discuss with Management and the independent auditor the annual audited financial statements prior to the publication of earnings.
- (b) Review and discuss with Management the Corporation's annual and quarterly disclosures made in Management's Discussion and Analysis. The Committee shall approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation.
- (c) Review and discuss, with Management and the independent auditor, Management's report on its assessment of internal controls over financial reporting and the independent auditor's attestation report on Management's assessment.
- (d) Review and discuss with Management the Corporation's quarterly financial statements prior to the publication of earnings.
- (e) Review and discuss with Management and the independent auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.
- (f) Review and discuss with Management and the independent auditor at least annually reports from the independent auditors on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written communications

between the independent auditor and Management, such as any management letter or schedule of unadjusted differences.

- (g) Discuss with the independent auditor at least annually any “Management” or “internal control” letters issued or proposed to be issued by the independent auditor to the Corporation.
- (h) Review and discuss with Management and the independent auditor at least annually any significant changes to the Corporation’s accounting principles and practices suggested by the independent auditor, internal audit personnel or Management.
- (i) Discuss with Management the Corporation’s earnings press releases, including the use of “pro forma” or “adjusted” non-GAAP information, as well as financial information and earnings guidance (if any) provided to analysts and rating agencies.
- (j) Review and discuss with Management and the independent auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation’s financial statements.
- (k) Review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual filings with applicable securities regulatory authorities.
- (l) Review disclosures made by the Corporation’s Chief Executive Officer and Chief Financial Officer during their certification process for the annual filing with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation’s ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving Management or other employees who have a significant role in the Corporation’s internal controls.
- (m) Discuss with the Corporation’s General Counsel at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by the Corporation or any of its subsidiaries from regulators or governmental agencies.

3.3 Oversight of Risk Management

- (a) Review and approve periodically Management’s risk philosophy and risk management policies.
- (b) Review with Management at least annually reports demonstrating compliance with risk management policies.
- (c) Review with Management the quality and competence of Management appointed to administer risk management policies.
- (d) Review reports from the independent auditor at least annually relating to the adequacy of the Corporation’s risk management practices together with Management’s responses.
- (e) Discuss with Management at least annually the Corporation’s major financial risk exposures and the steps Management has taken to monitor and control such exposures, including the Corporation’s risk assessment and risk management policies.

3.4 Oversight of Regulatory Compliance

- (a) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (b) Discuss with Management and the independent auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Corporation’s financial statements or accounting.
- (c) Meet with the Corporation’s regulators, according to applicable law.
- (d) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

4.0 Funding for the Independent Auditor and Retention of Other Independent Advisors

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Committee. The Committee shall also have the authority to retain and, at Golden Birch’s expense, to set and pay the compensation for such other independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes.

The Committee also has the authority to communicate directly with internal and external auditors.

5.0 Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters

1. The Corporation shall inform employees on the Corporation's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

6.0 Procedures for Approval of Non-Audit Services

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to

approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

7.0 Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

8.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding Golden Birch that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by members of the Committee.

9.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: October 21, 2019

Approved by: Audit Committee
Board of
Directors