

Loyalist Exploration Limited

NEWS RELEASE

Loyalist Exploration Limited Announces Letter of Intent to Amalgamate to Acquire Newfoundland Properties and Proposed Private Placement

Toronto, Ontario - (TheNewswire – June 5, 2024) - Loyalist Exploration Limited (CSE: PNGC) ("Loyalist" or the "Company") announces that on June 4, 2024, it signed a Letter of Intent (the "LOI") to amalgamate (the "Amalgamation") with Millbrook Minerals Inc. ("Millbrook"), a private company incorporated under the Canada Business Corporations Act, and its intention to complete an initial private placement of up to \$350,000 (the "Offering"). Millbrook is the 100% owner of three mining properties known as Springdale, Hungry Hill and Rolling Pond (the "Properties") located in the Canadian Province of Newfoundland and Labrador ("NL").

The LOI requires the Company to pay Millbrook \$50,000 cash upon closing of the Offering. The cash payment will be used for immediate exploration activities on the Properties. The LOI provides that the Millbrook shareholders will initially receive 200,000,000 common shares in the resulting amalgamated company ("Amalco") and the Loyalist shareholders will receive 190,531,368 common shares of Amalco. It is contemplated that there may be a consolidation of shares of Amalco on a post financing basis of up to one post-consolidated share for every 15 pre-consolidated shares. It is a condition for the benefit of the Millbrook and Loyalist that Loyalist shall complete financings satisfactory to the parties prior to or contemporaneously with closing the Amalgamation which is scheduled for on or about September 1, 2024.

The Properties

Rolling Pond Property

The Rolling Pond Property consists of 184 contiguous claims (4600 hectares) adjacent to New Found Gold Corp.'s Gander Property which hosts the Queensway Project and located in the center of the recent Newfoundland Gold Rush. It has similar geology to rocks hosting a high grade intersection of Sokoman Minerals Corp. in the Moosehead Trend (5.1m @ 124.2 g/t Au) and the Queensway Project in the Gander Belt (19m @ 92.9 g/t Au from 2019 drilling). There is a large well preserved high-level hydrothermal/epithermal system on Property and 6 historical drill holes have identified a large hydrothermal quartz vein and breccias system up to 50-75m wide (true width) with anomalous gold grades and local boulangerite (lead-antimony sulphide). The open-ended zone is known to be over 1.7km long strike length and has only been tested over a 270m strike length with limited drilling.

Two new significant untested soil geochemical targets (>2km in strike length) have been identified and delineated by soil geochemistry along strike from the main quartz breccias zone. Limited ground induced polarization/ resistivity geophysics performed on one of these areas during 2018 shows a very good correlation with both chargeability and resistivity. These targets have never been trenched nor drill tested and both are considered high priority targets. Ultramafic rocks associated with nickel (>2200ppm Ni) are also present on the Property.

Exploration companies in the immediate area include New Found Gold, Gander Gold, Sokomon Minerals, Exploits Discovery Group, and K9 Gold. The Rolling Pond Property has excellent access in this mining friendly jurisdiction with excellent incentive programs. Millbrook has obtained an updated NI 43-101 compliant technical report on this property.

Springdale Property

The Springdale Property is a poly-metallic base metals + cobalt + gold project located 320 km northwest of St. John's, NL, Canada consisting of an aggregate of 76 claims covering an area of 1900 hectares. The Springdale Property has a non-NI 43-101 compliant resource estimate suggesting an inferred resource of 1Mt grading 1% Cu and an additional 6 high priority targets. It should be noted that as the historical resource is non 43-101 compliant, the validity of this resource cannot be relied upon. The Springdale Property exhibits excellent potential for discovering Volcanogenic Massive Sulphide (VMS) deposits.

Hungry Hill Property

The Hungry Hill Property is a Buchan's Style poly-metallic (Zn-Cu-Pb-Ag-Au) VMS deposit project covering a total of 73 claims covering an area of 1825 hectares with excellent access, infrastructure and drill ready targets in the heart of the historical Buchan's Mining Camp. There is a historical drill intersection of 12.3m grading 5.5% Zn, 0.5% Cu, 0.1% Pb, and 0.5 g/t Au.

Errol Farr, Loyalists' CEO, stated "The three exploration properties owned by Millbrook are an exciting start to a new beginning for the Company. The properties are all in good locations within active exploration camps. Both the management of Millbrook and Loyalist look forward to getting on the ground this year."

The Offering

The Offering is a non-brokered private placement financing of up to 70,000,000 common shares (the "Shares") of the Company at a price of \$0.005 per Share for proceeds of up to \$350,000. The proceeds of the Offering will be used for working capital and general and administrative purposes and the costs of completing the Amalgamation.

In connection with the Offering, the Company may pay finders' fees equal to 7% of the gross proceeds in cash and issue non-transferable warrants (the "Finder Warrants") to various registered dealers or finders, equal to 7% of the Shares sold through such registered dealers or finders in the Offering. Each Finder Warrant will entitle the holder thereof to purchase one (1) Loyalist common share at a price of \$0.05 per share for a period of thirty-six (36) months from the closing date of the offering. No finders fees are payable in connection with the Amalgamation.

The Private Placement will be conducted in reliance upon certain exemptions from the prospectus requirements set out in NI 45-106.

The Shares issued in connection with the Private Placement are subject to a hold period expiring four months and one day from the issuance of the securities comprising the Offering.

Upon completion of the Amalgamation and the Offering, the Company will have 460,531,368 common shares outstanding and then following the proposed consolidation, the Company will have 30,702,091 common shares outstanding (assuming a 1:15 consolidation).

The transactions described in this press release are all subject to receipt of required approvals and consents, including without limitation, the approval of the board of directors and shareholders of both companies and any required regulatory or stock exchange approvals. Loyalist and Millbrook may possibly be considered related in the sense that John O'Donnell is Chairman of both companies, but does not control either. As such, he has refrained from voting on this transaction.

More details regarding the proposed transactions will be set out in the Management Information Circular forming part of the proxy materials being sent to the shareholders in connection with the forthcoming annual and special meeting to be held to include approval of the Amalgamation.

Management Changes

The Company also wishes to announce that Errol Farr, the current Chief Executive Officer and a director of the Company has been appointed as Interim Chief Financial Officer effective immediately replacing Eric Plexman. The Company is currently conducting a thorough search for a new Chief Financial Officer with the expertise and leadership qualities to guide the Company forward. Errol Farr added "I have only known Eric for a short while, but his quiet professionalism and dedication will be sorely missed, I wish him the best in his retirement".

Dean Fraser, P.Geo., is a qualified person within the meaning of National Instrument 43-101 and is responsible for the technical information contained in this press release.

About Loyalist Exploration Limited

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

**For further information please visit the Company's website at loyalistexp.ca or contact:
Loyalist Exploration Limited**

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This news release contains "forward-looking information" (within the meaning of applicable Canadian securities laws) and "forward-looking statements" (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995). Such statements or information are identified with words such as "anticipate", "believe", "expect", "plan", "intend", "potential", "estimate",

"propose", "project", "outlook", "foresee" or similar words suggesting future outcomes or statements regarding an outlook.

Although the Company believes that the expectations reflected in the forward-looking information or statements are reasonable, prospective investors in the Company's securities should not place undue reliance on forward-looking statements because the Company can provide no assurance that such expectations will prove to be correct. Forward-looking information and statements contained in this news release are as of the date of this news release and the Company assumes no obligation to update or revise this forward-looking information and statements except as required by law.