



LOYALIST EXPLORATION

Loyalist Exploration Closes Final Tranche of Financing and Shares for Debt Transactions

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Toronto, Ontario – TheNewswire – September 2, 2025 – Loyalist Exploration Limited (CSE:PNGC) (“Loyalist” or the “Company”) is pleased to announce it has issued 7,800,000 units of the Company (“Units”) for aggregate gross proceeds of \$78,000 third and final tranche (the “Third Tranche”) of its non-brokered private placement at a price of \$0.01 per Unit (the “Offering Price”). Each Unit consists of one common share of the Company and one common share purchase warrant exercisable at a price of \$0.05 for thirty-six months following the date of issuance. The entire Offering raised \$408,000 with the issuance of 40,800,000 Units.

In connection with the Third Tranche, the Company paid finder’s fees of \$6,240 and issued 780,000 finder’s warrants to acquire one Unit of the Offering at the Offering Price for a period of sixty months from the closing date of the Financing. The proceeds from the Third Tranche will be used for general working capital purposes.

The Company is also pleased to announce that it has completed its recently announced debt unit settlement with the issuance of 11,028,300 units of the Company (the “Debt Units”) to certain individuals, including an officer of the Company, a director of the Company, two lenders, and a service provider in exchange for the cancellation of an aggregate amount of up to \$110,283 of outstanding debt. The Debt Units have been issued at deemed price of \$0.01 per Debt Unit (the “Shares for Debt Transaction”). Each Unit consists of one common share (“Common Share”) of the Company and one common share purchase warrant exercisable at a price of \$0.05 for thirty-six months following the date of issuance. The Board of Directors of the Company determined that the Shares for Debt Transaction is in the best interests of the Company in that it preserves cash and with the settlement, it helps to align the individuals with the Company’s shareholders.

Of the total \$110,283 debt being converted, \$59,255 represents amounts owed to Errol Farr, the CEO of the Company, for outstanding management fees as of May 31, 2025 and \$11,014 represents principal (\$10,000) and accumulated interest at 8% per annum owing to a company controlled by Stephen Balch, a director, of the Company, and \$24,000 represents principal (\$20,000) and a commitment fee of \$4,000 owing to a company controlled by a shareholder who will become an insider of the Company upon completion of this transaction, who are participating in the Shares for Debt Transaction.

Errol Farr, the CEO of the Company, and Stephen Balche, a director of the Company, have participated in the Shares for Debt Transaction and Claude Malette, a 10% holder of the Company, has participated in the Offering and the Shares for Debt Transaction, and consequently, such individuals are related parties to the Company and such transactions are “related party transactions” of the Company for purposes of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company is relying on the exemptions available under MI 61-101 from the formal valuation and minority approval requirements of MI 61-101. The Company is relying on the exemptions from the formal valuation and minority approval requirements found in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market

value of the Offering and the Shares for Debt Transaction (as it relates to the insiders' participation) is not more than 25% of the Company's market capitalization.

All of the securities issued and issuable in connection with the Offering and the Acquisition are subject to a hold period expiring four months and one day after the date of issuance of the securities. Completion of the Offering and the Shares for Debt Transaction is subject to the receipt of all necessary approvals including the approval of the Canadian Securities Exchange.

The securities offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This release does not constitute an offer for sale of securities in the United States.

Corporate Update

The Company continues its due diligence regarding the acquisition and financing of the Tully project, located northeast of Timmins, Ontario (see press releases dated April 9, 2025 and July 8, 2025) and plans to close both a future financing and the acquisition of Tully by September 30, 2025.

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

About Loyalist Exploration Limited

Loyalist Exploration Limited is a mineral exploration company concentrating on acquiring, exploring, and developing quality mineral properties in Canada. The Company is focused on the Loveland nickel/copper/gold property and the recently announced Gold Rush gold/silver property, both located in the Timmins, Ontario mining district.

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

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

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 and include statements regarding the planned completion of the Offering, the Shares for Debt Transaction, and the acquisitions of the Tully property and the proposed work on the projects, and the concurrent financing of units. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to the Company's inability to complete the financings necessary to complete the acquisitions of the Tully property, the Company's inability to complete the acquisitions of the Tully property on the timelines anticipated or at all, failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying

significantly from estimates and the other risks involved in the mineral exploration and development industry, an inability to complete the Offering on the terms or on the timeline as announced or at all, capital market conditions, restriction on labour and international travel and supply chains, and those risks set out in the Company's public documents filed on SEDAR+. Although the Company believes that the 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.