

LOYALIST ANNOUNCES UPDATED 2026 MINERAL RESOURCE ESTIMATE AT THE TULLY GOLD PROJECT: 1.62 MT INDICATED AT 3.16 G/T AU (164,000 OZ) AND 0.95 MT INFERRED AT 2.03 G/T AU (62,000 OZ), TIMMINS, ONTARIO

Updated Geological Model Defines a Larger, Higher-Confidence Underground Gold System with Significant Exploration Upside and a Strong Foundation for Future Development

Toronto, Ontario – July 7, 2026 – Loyalist Exploration Limited ("Loyalist" or the "Company") (CSE: PNGC) is pleased to announce significantly updated independent Mineral Resource Estimates ("MRE") for its 100%-owned Tully Gold Project ("Tully" or the "Project"), located in the prolific Timmins Gold Camp of northeastern Ontario. Prepared by P&E Mining Consultants Inc. ("P&E") in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014), the 2026 MRE substantially increases geological confidence while defining a larger, more continuous underground gold system that strengthens the Project's pathway toward future engineering and economic studies. The updated geological interpretation also confirms that mineralization remains open along strike and at depth, highlighting significant potential for future expansion through additional drilling. The effective date of the Mineral Resource Estimate is June 15, 2026.

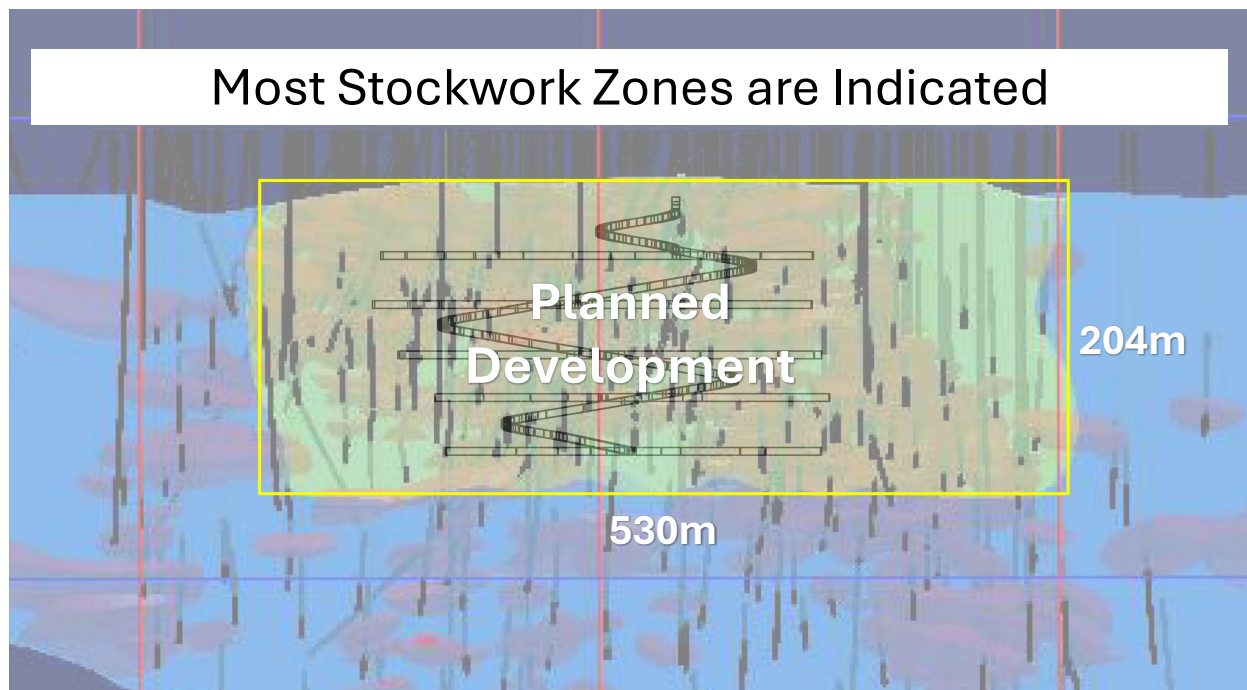


Figure 1: 73% of the contained gold ounces classified as Indicated Mineral Resources, representing approximately 15% of the known mafic tuff host unit volume.

Key Highlights

- Indicated Mineral Resource Estimate: 1.62 million tonnes grading 3.16 g/t gold, containing 164,000 ounces of gold, representing approximately 73% of total contained gold ounces, that makes up approximately 15% of the known tuff unit volume.
- Inferred Mineral Resource Estimate: 0.95 million tonnes grading 2.03 g/t gold, containing 62,000 ounces of gold.

- Approximately 73% of contained gold ounces classified as Indicated, materially increasing geological confidence and providing a strong foundation for future engineering and economic studies.
- Modern geological modelling defines a larger and more continuous underground gold system than previously recognized.
- Improved geometry supports underground stopes potentially approaching 20 metres in width, enhancing future mine planning flexibility.
- Mineralization remains open along strike and at depth, providing multiple opportunities for expansion through additional drilling.
- Located in the Timmins Gold Camp, the Project benefits from excellent infrastructure, nearby processing facilities and access to a highly experienced mining workforce.
- Updated grade estimation methodology and comprehensive model validation further increase confidence in the Indicated and Inferred Mineral Resource Estimate and support advancement toward a Preliminary Economic Assessment ("PEA").

The 2026 MRE reflects a comprehensive re-evaluation of the Tully Gold Project using modern geological modelling, updated grade estimation techniques and an improved understanding of the mineralized Mafic Tuff host unit. The revised geological interpretation defines a larger, more continuous underground gold system and provides a substantially stronger technical foundation for future exploration, engineering and economic studies.

The updated MRE includes an Indicated Mineral Resource Estimate of 1.62 million tonnes grading 3.16 g/t gold containing 164,000 ounces of gold and an Inferred Mineral Resource Estimate of 0.95 million tonnes grading 2.03 g/t gold containing 62,000 ounces of gold. Approximately 73% of the contained gold ounces are classified as Indicated Mineral Resources, reflecting increased geological confidence and establishing a solid foundation for advancing the Project toward engineering studies and future economic evaluation.

The updated geological interpretation also defines broader and more continuous mineralized domains that are better suited to underground mining. Compared with earlier Mineral Resource Estimate models, the revised interpretation produces smoother mineralized envelopes that may support underground stopes potentially approaching 20 metres in width, enhancing development flexibility while highlighting the potential for future Mineral Resource growth through systematic drilling along strike and at depth.

An independent Technical Report prepared in accordance with NI 43-101 supporting the MRE will be filed on the Company's SEDAR+ profile within 45 days of this news release.

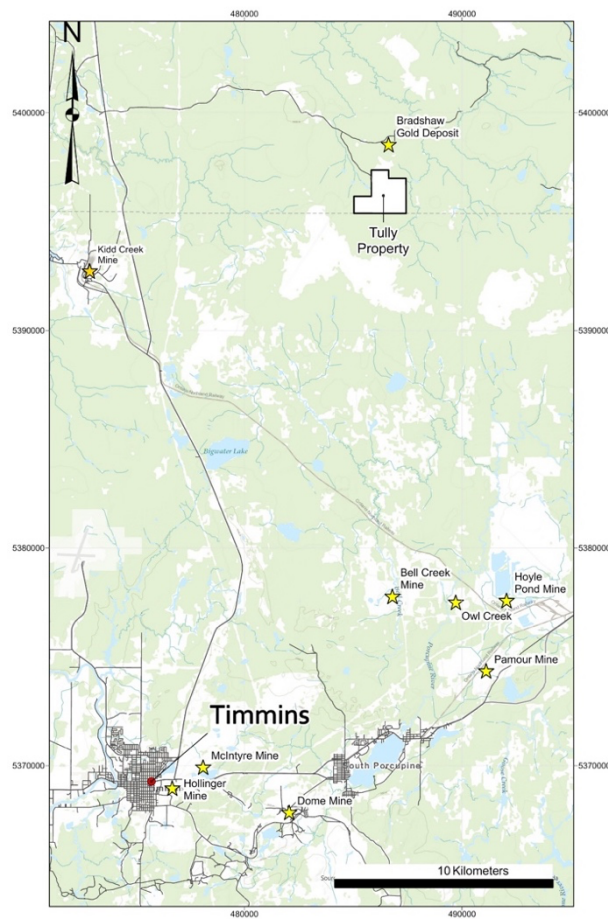


Figure 2. Location of the Tully Gold Project within the Timmins Gold Camp.

Loyalist Exploration 2026 Tully Project MRE

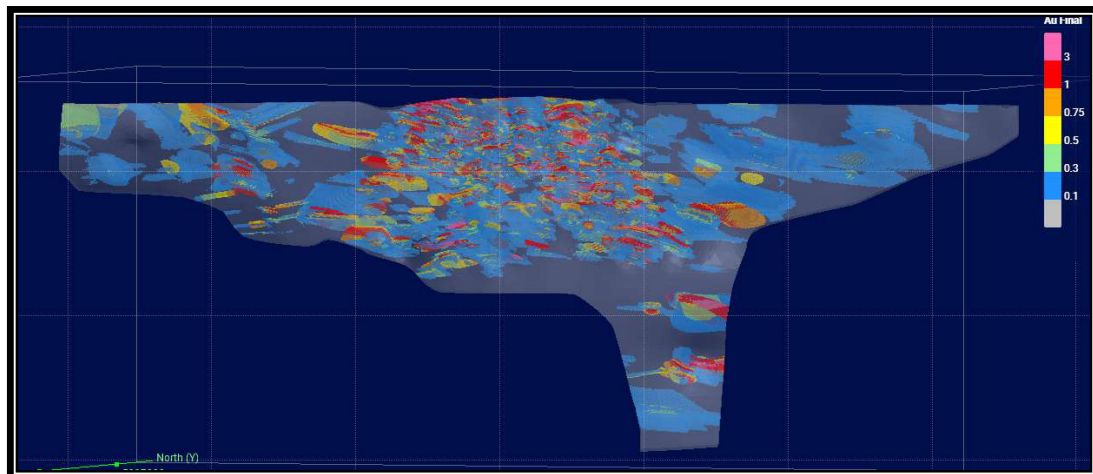


Figure 3. Longitudinal projection of the 2026 Mineral Resource and principal mineralized zones.

Errol Farr, President and Chief Executive Officer of Loyalist commented "The updated 2026 MRE represents a transformational milestone for Loyalist and significantly advances the Tully Gold Project. Beyond establishing 164,000 Indicated and 62,000 Inferred ounces of contained gold, approximately 73%

of those ounces are now classified in the higher-confidence Indicated category, providing a substantially stronger technical foundation for project advancement.

"The updated geological model defines a larger, more continuous underground gold system with improved mining geometry that we believe enhances the Project's long-term development potential. Importantly, mineralization remains open along strike and at depth, and as outlined in figure 4, the Indicated area occupies only about 15% of the known Mafic Tuff host unit leaving meaningful opportunities to expand both the size and confidence of the Mineral Resource through future drilling.

"Our next steps are clear. We intend to advance the Tully Gold Project toward a Preliminary Economic Assessment ("PEA"), while progressing mine permitting initiatives, targeted expansion drilling, infill drilling to further increase the Indicated Mineral Resource, and the technical studies required to support future economic evaluation and production financing. Management believes the combination of grade, resource geometry, infrastructure and geological continuity provides a compelling basis to advance the Project toward a PEA. Located in the heart of the Timmins Gold Camp, with excellent infrastructure, a growing high-confidence Indicated and Inferred Mineral Resource Estimate and significant exploration upside, we believe Tully is well positioned to become an important underground gold development project."

2026 Mineral Resource Estimate

The 2026 Indicated and Inferred Mineral Resource Estimate for the Tully Gold Project was independently prepared by P&E Mining Consultants Inc. in accordance with NI 43-101 and CIM Definition Standards for Mineral Resources & Mineral Reserves (May 2014). The MRE reflects a comprehensive geological reinterpretation of the Project supported by modern Mineral Resource modelling and grade estimation practices.

Table 1. 2026 Tully Gold Project Mineral Resource Estimate with an effective date of June 15, 2026⁽¹⁻⁷⁾

Category	Cut-Off Grade (g/t Au)	Tonnes (k)	Grade (g/t Au)	Contained Au (koz)
Indicated	1.1	1,620	3.16	164
Inferred	1.1	948	2.03	62

Notes:

1. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. It is noted that no specific issues have been identified yet.
2. The Inferred Mineral Resource Estimate in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
3. Mineral Resources were prepared in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (May 10, 2014) and CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (Nov 29, 2019).
4. The Qualified Persons are not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, financial, or other relevant issues that could materially affect the MRE.
5. The MRE is reported at a cut off of 1.1 g/t Au for the conceptual underground Deswik™ Stope Optimizer extraction scenario. The cut-off grade and potential mining scenario were calculated using the following parameters; mining cost: \$110/t underground mining cost; G&A and site service costs: \$15/t; processing cost: \$35/t; recovery 92%; gold price US\$3,500 per ounce; and minimum stope optimized mining width of 1.25 metres in order to meet the requirement that the Mineral Resources show "reasonable prospects for eventual economic extraction." US\$/C\$ exchange rate was 0.72.
6. All prices and costs are in Canadian dollars (\$CAD) unless otherwise stated.
7. All numbers are rounded to reflect the relative accuracy of the estimates.

The updated Indicated and Inferred Mineral Resource Estimate incorporates updated geological wireframes, refined mineralized domains, one-metre compositing, domain-specific grade capping, Inverse Distance Cubed (ID³) interpolation, and comprehensive model validation. Together, these improvements provide a robust representation of the geometry and continuity of the Tully gold system while supporting future Mineral Resource expansion and underground mine planning.

Modern Resource Estimation Methodology

The 2026 Mineral Resource Estimate was completed using current industry-standard geological modelling and grade estimation practices that provide a more accurate representation of the geometry, continuity, and distribution of gold mineralization than earlier Mineral Resource estimates.

P&E Mining Consultants Inc. developed an updated three-dimensional geological model based on a comprehensive reinterpretation of the mineralized Mafic Tuff and associated stockwork zones. This modern geological framework forms the basis of the Mineral Resource Estimate and more accurately reflects the continuity of the Project.

The Mineral Resource Estimate incorporates:

- updated three-dimensional geological wireframes;
- constrained data = 343 drill holes and 19,551 metres.
- one-metre assay compositing (n=5,224) within individual mineralized domains;
- domain-specific high-grade capping (Stockwork 150 g/t, Tuff 30 g/t);
- Inverse Distance Cubed (ID³) grade interpolation;
- domain-specific variography and optimized search parameters;
- a bulk density of 2.86 t/m³;
- Deswik™ Stope Optimized potential mining shapes for MRE reporting; and
- Mineral Resource reporting constrained by the current Loyalist property boundary.

The Property constrained current Mineral Resource model is estimated to contain approximately 4% fewer ounces than the unconstrained model, reflecting mineralization extending beyond the current Property boundary.

Quality Assurance and Quality Control (QA/QC)

Diamond drill core samples from the Tully Gold Project were analyzed by several independent commercial laboratories during historical exploration programs, including Actlabs (Timmins, Ontario), Cattarello Assayers (Timmins, Ontario), Swastika Laboratories (Swastika, Ontario), and Bell-White Analytical Laboratories (Haileybury, Ontario). In addition, selected samples from the 2010 and 2011 drilling programs were submitted to Goldcorp's Porcupine Gold Mines laboratory in Timmins, Ontario, as an independent check laboratory to verify analytical results.

Gold analyses were performed using industry-standard fire assay methods with an atomic absorption (AA) finish. Samples returning elevated gold values were routinely re-analyzed using a gravimetric finish, where appropriate.

The historical drilling programs completed in 2004, 2010, 2011, and 2013 incorporated quality assurance and quality control (QA/QC) procedures consistent with accepted industry practices at the time of exploration. These procedures included the routine insertion of certified reference materials, blank samples, and duplicate samples into the sample stream to monitor analytical accuracy, precision, and potential contamination. In addition to each laboratory's internal quality control procedures, external QA/QC measures, including independent check assays, were implemented to further verify the accuracy and reproducibility of the analytical results.

Mineral Resource Classification

Indicated and Inferred Mineral Resources were classified in accordance with the CIM Definition Standards incorporated by reference into NI 43-101, based on drill spacing, geological continuity, estimation quality, and confidence in the geological interpretation.

The principal Stockwork Zones exhibit strong geological continuity and drill density, resulting in approximately 73% of the contained gold ounces being classified as Indicated Mineral Resources. Areas with wider drill spacing or lower confidence were classified as Inferred Mineral Resources.

The updated classification reflects the improved understanding of the Project and provides a solid basis for future infill drilling, Mineral Resource expansion, and engineering studies.

2026 Classification Shapes

Tully Long Section

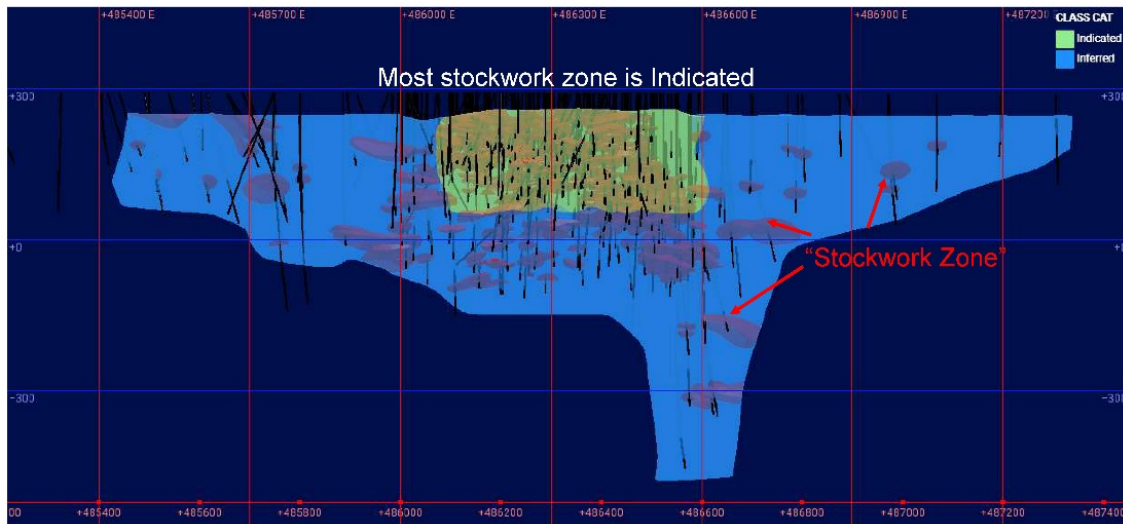


Figure 4. Longitudinal projection showing the distribution Stock Work Zones of Indicated and Inferred Mineral Resources.

Model Validation

P&E completed a comprehensive validation program to confirm that the block model accurately represents the available geological and assay data. Validation included:

- visual comparison of block grades and drill hole composites;
- comparison of ID³ estimates with nearest-neighbour models;
- swath plot analysis;
- statistical comparison of composite and block grades; and
- reconciliation of geological wireframes with the final block model.

The validation confirmed excellent agreement between the geological model, assay database, and estimated block grades, providing confidence that the 2026 Mineral Resource Estimate is both geologically representative and statistically robust.

Tully – Visual Validation Long Section

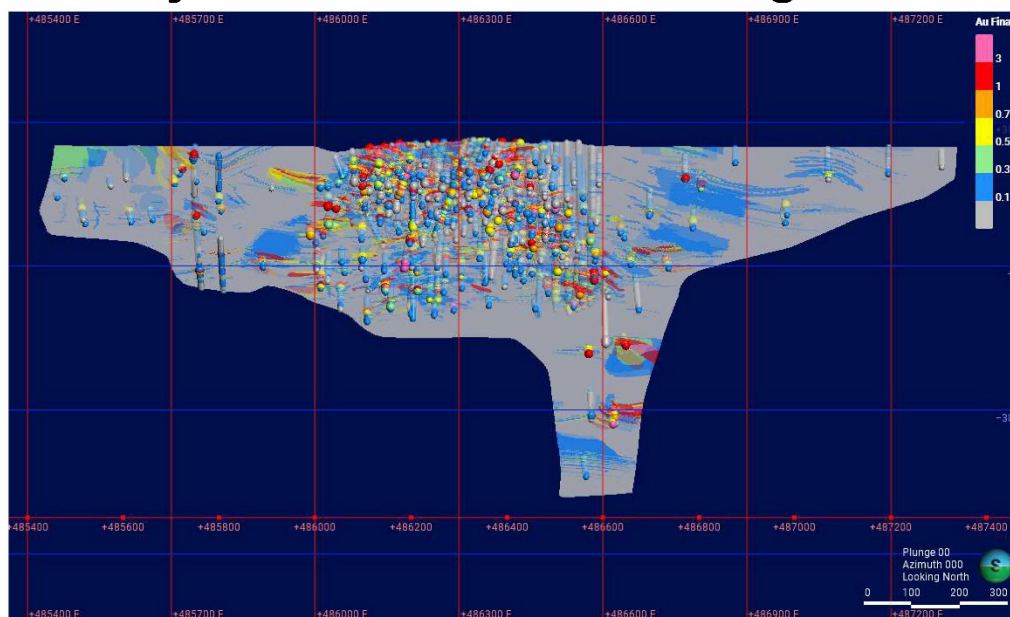


Figure 5. Wireframe-to-block-model reconciliation illustrating the close agreement between geological interpretation and estimated mineralized volumes.

Comparison of the 2008 Historical and 2026 NI 43-101 Mineral Resource Estimates

The updated 2026 Indicated and Inferred Mineral Resource Estimate (supersedes previous historical estimates) reflects a significant evolution in the understanding of the Tully Gold Project since the historical estimate completed in 2008. While the historical estimate established Tully as a high-grade underground gold deposit, the updated model defines a substantially larger mineralized system supported by modern geological interpretation and current Mineral Resource estimation practices.

The most significant improvement is the growth of the Indicated Mineral Resource, which has increased from 93,140 ounces to 164,000 ounces. In addition, the updated model outlines more continuous mineralized domains that provide greater confidence for future engineering studies and underground mine planning.

Table 2. Comparison of the 2008 Historical and 2026 NI 43-101 2026 Mineral Resource Estimates.

Category	2008 Historical Estimate	2026 MRE	Change
Indicated Tonnes	362,090	1,620,000	+347%
Indicated Grade (g/t Au)	8.00	3.16	Broader mineralized envelope
Indicated Gold (oz)	93,140	164,000	+76%
Inferred Tonnes	114,990	948,000	+60%
Inferred Gold (oz)	23,290	62,000	*

**The Inferred categories are not directly comparable since the 2008 historical estimate included projected extensions below the drilled Mineral Resource, whereas the 2026 Mineral Resource Estimate reflects updated geological modelling and current reporting criteria.*

Enhanced Underground Mineability

The revised geological model has significantly improved the potential mineability of the Project. Earlier Mineral Resource Estimate models contained numerous narrow, discontinuous mineralized lenses that limited mine planning flexibility. The updated interpretation defines broader, more continuous mineralized zones that are better suited to modern underground mining methods.

Preliminary evaluations indicate that portions of the principal Stockwork Zones may support underground stopes potentially approaching 20 metres in width, representing an important improvement in potential mining efficiency and future project economics.

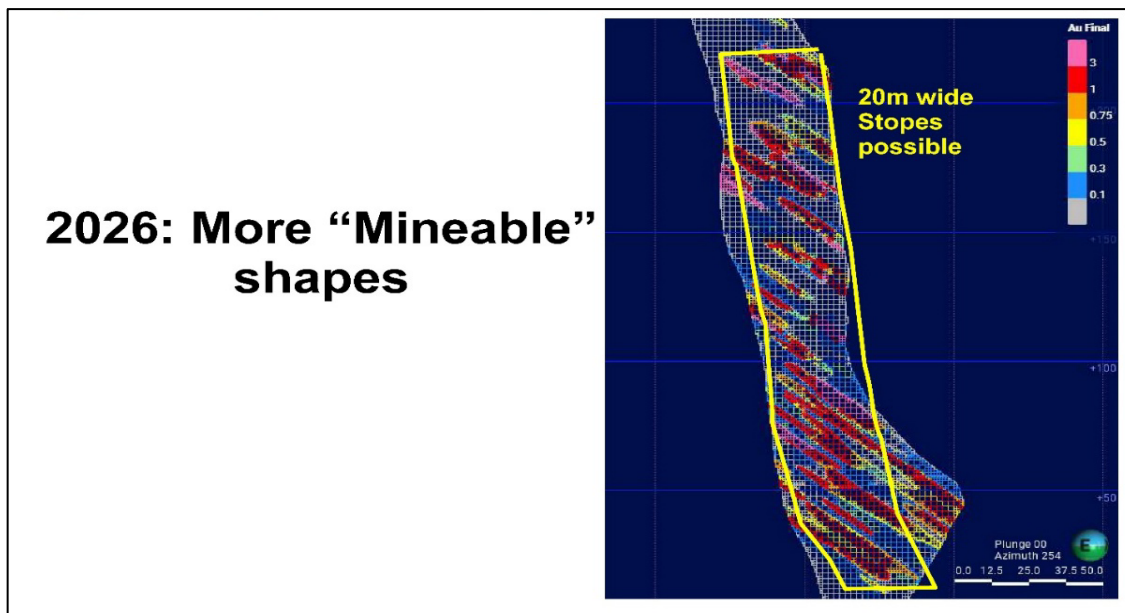


Figure 6. Comparison of historical Mineral Resource shapes with the updated "More Mineable Shapes" model.

Positioned for Future Growth

The updated Indicated and Inferred Mineral Resource Estimate provides a robust technical foundation for the next phase of project development and exploration. The revised geological model will support engineering studies, and assist in evaluating the economic potential and guide future infill and expansion drilling, of the Tully Gold Project.

With a larger, higher-confidence Indicated and Inferred Mineral Resource Estimate, favourable underground mining geometry, and significant exploration upside, Loyalist believes the Tully Gold Project is well positioned to advance toward future economic studies and continued growth.

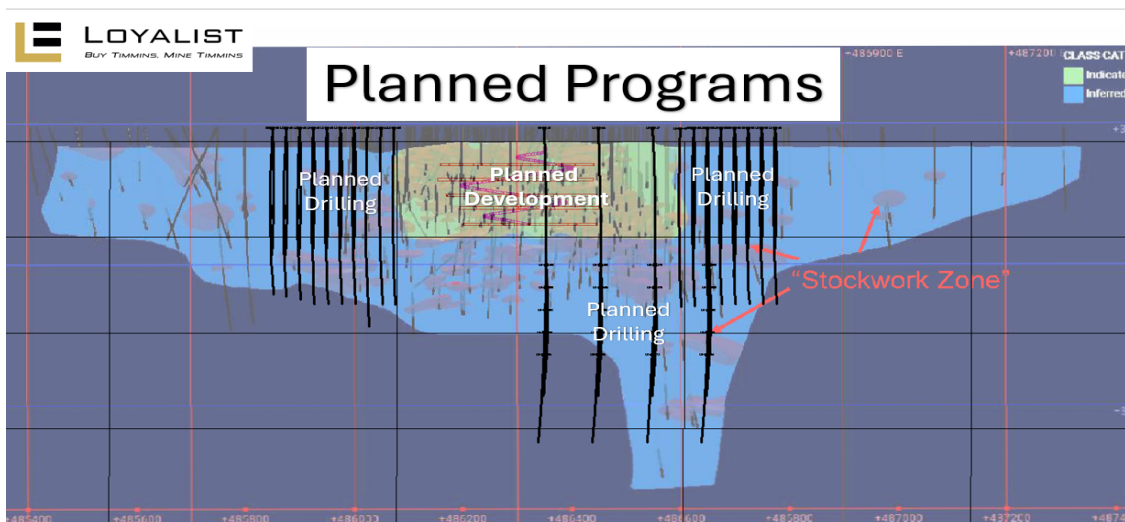


Figure 6. Longitudinal projection illustrating the current Mineral Resource, priority exploration targets, and conceptual underground mining geometry.

Development Strategy

Located in the Timmins Gold Camp, the Tully Gold Project benefits from excellent infrastructure, nearby processing facilities, and access to a skilled mining workforce, providing favourable conditions for future development.

The Company's planned work program includes:

- completion of a Preliminary Economic Assessment.
- metallurgical test work;
- geotechnical and hydrogeological investigations;
- preliminary underground mine design; and
- completion of mine permits
- infill and expansion drilling;
- updated Indicated and Inferred Mineral Resource Estimates;

Looking Ahead

The combination of a substantially expanded Indicated and Inferred Mineral Resource Estimates, a high proportion of Indicated Mineral Resources, favourable underground mining geometry, and significant exploration upside positions the Tully Gold Project as the cornerstone asset of Loyalist Exploration.

Management believes the updated geological model provides a clear pathway for continued Mineral Resource growth and technical advancement. As exploration progresses, Loyalist intends to systematically expand the Mineral Resource, improve geological confidence, and advance the project through engineering studies toward potential future development.

Data Verification

The Qualified Persons responsible for the MRE completed a program of data verification in accordance with NI 43-101 and CIM guidelines. The data verification included: (1) validation of the drill hole database for collar, survey, lithology, and assay integrity; (2) review of original assay certificates for a representative selection of drill holes, comprising approximately 22% of the constrained gold assays used in the estimate, against the corresponding entries in the project database; (3) examination of available drill logs, historical QA/QC records (certified reference materials, blanks, and duplicates), and independent check-assay results from the historical programs; and (4) assessment of the historical drilling, sampling, and analytical procedures against industry practice at the time the work was completed. A personal inspection (site visit) of the Tully Gold Project was conducted by Antoine Yassa, P.Geo. on November 7, 2025, during which the property location, drill collar locations, and geological setting were examined and representative drill core was reviewed. No material discrepancies were identified between the source records and the project database. The Qualified Persons are of the opinion that the data are of sufficient quality and reliability to support the grade estimation and classification of Mineral Resources as reported herein.

Qualified Persons Statement

The 2026 Mineral Resource Estimate for the Tully Gold Project was prepared by Charles Spath, M.Sc., P.Geo., and Eugene Puritch, P.Eng., FEC, CET, of P&E Mining Consultants Inc. ("P&E"), each of whom is an independent Qualified Person ("QP") as defined by NI 43-101. The Indicated and Inferred Mineral Resource Estimate has been prepared in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves, incorporated by reference into NI 43-101.

The scientific and technical information contained in this news release has been reviewed and approved by Curtis Ferron, P.Geo. (Ontario), principal geological consultant to Loyalist Exploration Limited and Eugene Puritch, P.Eng., FEC, CET, president of P&E, both Qualified Persons as defined under NI 43-101.

Neither the CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

About Loyalist Exploration Limited

Loyalist is a Canadian mineral exploration and development company focused on creating long-term shareholder value through the advancement of high-quality mineral projects in Timmins, Ontario.

The Company's flagship 100%-owned Tully Gold Project, located in the prolific Timmins Gold Camp of northeastern Ontario, is a growing underground gold project with significant exploration upside and excellent development potential. Supported by a high-confidence Indicated and Inferred Mineral Resource Estimate, favourable infrastructure, and a modern geological model, Tully provides a strong platform for continued development and expansion.

Loyalist's strategy is to systematically advance the Tully Gold Project to production while growing the deposit and continuing to evaluate opportunities to expand its portfolio of high-quality mineral assets.

The Company also looks forward to advancing exploration activities on its three other Timmins based projects – DeSantis, Gold Rush and Loveland.

The Company is committed to maintaining the highest standards of technical excellence and responsible development throughout all stages of project advancement.

For further information please visit the Company's website at www.loyalistexploration.com or contact:

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Errol Farr

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This news release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties, and other factors involved with forward-looking information could cause actual events, results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, statements, exploration results, potential mineralization, the estimation of Mineral Resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, failure to identify Mineral Resources, failure to convert estimated Mineral Resources to Mineral Reserves, 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, capital market conditions, restriction on labour and international travel and supply chains, and those risks set out in the Company's public documents filed on SEDAR+. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.