

# MATERIAL CHANGE REPORT

Form 51-102F3

**Item 1. Name and Address of Company**

The Loyalist Insurance Group Limited  
911 Golf Links Road, Suite 111  
Ancaster, Ontario  
L9K 1H9

Telephone: (905) 648-6767  
Facsimile: (905) 648-7220

**Item 2. Date of Material Change**

June 5, 2007

**Item 3. News Release (including date and method of dissemination)**

A news release was issued via Canada News Wire on June 5, 2007.

**Item 4. Summary of Material Change**

The Loyalist Insurance Group Limited (the "Company") received notice from the TSX Venture Exchange (the "TSXV") that trading in the common shares of the Company was scheduled to resume on the TSXV effective upon the opening of trading on Thursday, June 7, 2007.

**Item 5. Full Description of Material Change**

The Company received notice on June 5, 2007 from the TSXV that trading in the common shares of the Company was scheduled to resume on the TSXV effective upon the opening of trading on Thursday, June 7, 2007. On June 6, 2007, the TSXV issued a news release advising that trading would resume at 9:30 EST on June 7, 2007. As previously announced, the cease trade orders issued by the Ontario, Alberta and British Columbia securities commissions against the Company were revoked effective May 25, 2007.

**Item 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102**

Not applicable

**Item 7. Omitted Information**

Not applicable

**Item 8. Executive Officer**

Inquiries in respect of the material change referred to herein may be made to:

Donald Coons, President & CEO  
The Loyalist Insurance Group Limited  
911 Golf Links Road, Suite 111  
Ancaster, Ontario  
L9K 1H9

Telephone: (905) 648-6767  
Facsimile: (905) 648-7220

**Item 9. Date of Report**

This report is dated as of the 7<sup>th</sup> day of June, 2007.