



11 May 2021

Lexington Gold Ltd
("Lexington Gold" or the "Company")

**Final Results for the year ended 31 December 2020,
Availability of Annual Report and Notice of Annual General Meeting**

Lexington Gold (AIM: LEX), the gold exploration and development company with projects in North and South Carolina, USA, is pleased to announce its audited results for the year ended 31 December 2020.

Copies of the Company's full Annual Report and Financial Statements for the financial year to 31 December 2020 will be made available to download from the Company's website at www.lexingtongold.co.uk and will shortly be posted to shareholders together with a Notice of Annual General Meeting (incorporating an Explanatory Memorandum), which will also be made available on the Company's website, to be held at 10.00 a.m. (Bermudan time) on Monday, 14 June 2021 at the Company's registered office at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

Financial Summary

- Net loss for the year from continuing operations was US\$0.7 million against the prior year loss of US\$0.5 million.
- Total assets were US\$5.5 million (2019: US\$0.4 million) at the year end.
- Net cash position of US\$2.9 million (2019: US\$0.01 million) as at the year end.
- Total liabilities of US\$0.09 million (2019: US\$0.36 million) as at the year end.

Corporate Summary

2020 was a transformational year for the Company, in which it completed the acquisition of majority interests in four gold exploration projects in North and South Carolina in the United States and was readmitted to trading on AIM on 25 November 2020. In conjunction with readmission, the Company completed a £3.33 million (before expenses) fundraising, a rebranding and name change, the restructuring of its share capital through a 1 for 10 share consolidation, and the appointment of a highly experienced Board. The Company commenced exploration activities on its Carolina Gold projects immediately following readmission, which continued post year end.

Corporate Highlights

- **Acquisition of majority interests in the GAR Projects**

On 25 November 2020, the Company completed its acquisition of Global Asset Resources Ltd ("**GAR**") which, via its wholly owned US subsidiary, holds a 51 per cent. interest in and operatorship of four gold exploration projects (the "**GAR Projects**") in North and South Carolina in the United States (the "**Acquisition**"). The Acquisition constituted a reverse takeover by the Company pursuant to the AIM Rules for Companies (the "**AIM Rules**").

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- **Readmission to AIM & fundraising on readmission**

On 23 November 2020, the Company announced the readmission of its New Common Shares of US\$0.003 each (“**Common Shares**”) to trading on the AIM Market of the London Stock Exchange with effect from 25 November 2020 (“**Admission**”). The Company’s Admission followed a successful placing and subscription, raising gross proceeds of £3.33 million via the issue of, in aggregate, 120,989,112 Common Shares (the “**Fundraising**”) at a price of 2.75p per share. The net proceeds of the Fundraising were utilised to satisfy the initial cash consideration in respect of the Acquisition and are being applied to the Company’s planned initial two year work programme and associated working capital requirements. The Company’s shares were suspended from trading from 1 July 2020 to the date of Admission, whilst it completed the requisite Acquisition workstreams and convened and held an Annual General Meeting on 23 November 2020 to approve the Acquisition and Fundraising.

- **Share consolidation**

The 1 for 10 Share Consolidation took place with effect from Admission. The rights attached to the New Common Shares are the same as the rights attaching to the Existing Common Shares and the New Common Shares trade on AIM in place of the Existing Common Shares.

- **New Board and change of name**

- On 27 July 2020, the Company announced the realignment of the Board with the appointments of Bernard Olivier and Melissa Sturgess, who together have significant experience of both the natural resources sector and certain key capital markets. On 25 November 2020, the Board was further strengthened with the appointment of Rhoderick Grivas as a Non-Executive Director, a former director of GAR, who is a professional geologist.
- The change of the Company’s name to Lexington Gold Ltd to reflect the transformational nature of the Acquisition was implemented and trading under the new name commenced on 8 December 2020.

- **Equity fundraisings prior to readmission**

- On 13 January 2020, the Company announced that it had raised, in aggregate, approximately £150,000 (before expenses) through a placing of 105,000,000 new Existing Common Shares (the “**January 2020 Placing Shares**”) (the “**January 2020 Placing**”) with certain new investors at an issue price of 0.10 pence per share (the “**Issue Price**”) and a subscription for a further 45,000,000 new Existing Common Shares (the “**Subscription Shares**”) by a new investor also at the Issue Price (the “**January 2020 Subscription**”) (the January 2020 Placing and January 2020 Subscription together being the “**January 2020 Equity Fundraising**”); and
- On 12 March 2020, the Company announced that it had raised, in aggregate, approximately £100,000 (before expenses) through the placing of 83,333,333 new Existing Common Shares (the “**March 2020 Placing Shares**”) with an existing major shareholder, Mark Greenwood, and certain new investors at an issue price of 0.12 pence per share (the “**Issue Price**”) (the “**March 2020 Equity Fundraising**”).

Subsequent events

- Following readmission and post the period end, the Company has made significant progress with its exploration programme including:

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- Conducting a 207.3 line-kilometre Helicopter-borne VTEM and Horizontal Magnetic Gradiometer Geophysical Survey over the Jennings-Pioneer project
- Completing the interpretation and modelling of the VTEM data resulting in the identification of two potential anomalies which will now be further investigated through soil sampling, trenching and potential drilling
- Completing a fixed-wing airborne geophysical survey over the Jones-Keystone-Loflin (“JKL”), Carolina Belle and Argo Projects in North Carolina. Interpretation of the resulting data and modelling is currently underway
- Expanding its mineral exploration rights at the JKL Project through the execution of three additional Lease with Option to Purchase agreements which have been signed with certain landowners for an additional 129 acres of mineral exploration rights and a further 22 acres of surface rights
- Mineral exploration rights at Loflin increased from 50.66 acres to 179.66 acres, taking the Group’s total project acreage to approximately 1,675 acres
- Completing the Phase 1 drill programme at the JKL Project
- All six holes intersected visible sulphide mineralisation, which is an encouraging indicator of the presence of gold
- Samples from the first four drill holes have been submitted to SGS Minerals Services Geochemical Laboratory (“SGS”) in Vancouver for gold analysis
- Core logging, geophysical measurements and sampling of the final two drill holes in the campaign is currently being completed

Outlook

- In line with the Company’s stated strategy, the Directors believe that the Acquisition of GAR represents an excellent opportunity to create long-term shareholder value through the identification and exploration of gold deposits within a well-mineralised but under explored Super Terrane in North and South Carolina in the United States.

Enquiries:

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

Note to Editors:

Lexington Gold Ltd (AIM: LEX) is focused on the exploration and development of its four diverse gold projects, covering a combined area of approximately 1,675 acres in North and South Carolina, USA. The projects are situated in the highly prospective Carolina Super Terrane (“**CST**”), which has seen significant historic gold production and is host to a number of multi-million-ounce mines operated by majors and was also the site of the first US gold rush in the early 1800s, before gold was discovered in California.

Further information is available on the Company’s website: www.lexingtongold.co.uk. Neither the contents of the Company’s website nor the contents of any website accessible from hyperlinks on the Company’s website (or any other website) is incorporated into, or forms part of, this announcement.

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Chairman's Statement

I am pleased to present the Group's final results for the financial year ending 31 December 2020 and to report on the Company's ongoing activities to the date of this statement. Despite the challenges posed by COVID-19, 2020 has been a year of successful transformation for the Company and its shareholders.

During the year, the Company successfully achieved the following:

- Acquisition of 51 per cent. interests in the Carolina Gold projects via GAR
- Readmission to trading on AIM
- Oversubscribed capital raising in conjunction with the readmission
- Corporate rebranding and name change
- Share consolidation
- Appointment of highly experienced Board members and management team
- Commencement of operations in the USA

Following the successful reverse acquisition of Global Asset Resources Ltd ("**GAR**"), the associated fundraising, and the readmission to AIM, we are now focussed on unlocking the excellent potential of our gold projects in the USA. All four projects, namely Jones-Keystone-Loflin ("**JKL**"), Carolina Belle, Jennings-Pioneer, and Argo, are situated in the highly prospective Carolina Super Terrane, a region that has seen both current and historic gold production but with little application of modern exploration techniques. The region is host to a number of multi-million-ounce gold mines with comparative geology to our own projects, and has attracted third party majors such as OceanaGold and Rio Tinto. The Carolinas represent a developed and stable jurisdiction, with modern local infrastructure and ready access to operational resources.

We are implementing modern exploration techniques over all four of our projects. All our projects have seen historical gold mining activities and various stages of exploration work, the data from which we have incorporated into our database and work programme design. The area has also recently been host to similar mining projects progressing from exploration to development as low cost mines, exemplified by the Haile Gold Mine which was explored by Romarco Minerals before being acquired by OceanaGold for over C\$850m in 2015.

I am also pleased to have a highly experienced board of directors and management team in place, along with a strong local joint venture partner whose management has a combined experience of over 130 years in exploration in the USA.

Following readmission in November 2020, we have already made significant progress with our gold exploration activities. We have completed a helicopter borne VTEM geophysical survey over the Jennings-Pioneer project which identified two potential anomalies that will be followed up by soil sampling, trenching, and potential drilling. We have also completed a large scale, fixed-wing, airborne geophysical survey over the JKL, Carolina Belle, and Argo projects; the data interpretation and modelling is currently underway. At JKL, our first drilling campaign has recently been completed and we are very encouraged by the sulphide mineralisation that has been intersected in all six holes drilled, since gold at JKL has a known association with sulphides, and we eagerly await the assay results. Lexington Gold has also secured additional mineral exploration rights at the JKL project. The additional mineral rights were adjacent to the project's pre-existing mineral exploration rights, thereby representing a significant enhancement to our existing land package.

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Last, but not least, on behalf of the Board I wish to express appreciation for the valued support of the Company's various stakeholders and shareholders.

Edward Nealon
Non-Executive Chairman

10 May 2021



Chief Executive's Operational and Financial Review

1. Overview

On 2 January 2020, the Company announced that the disposal to Fura Gems Inc. of its wholly owned subsidiary, Richland Corporate Ltd, the holder of the Capricorn Sapphire Project (and the Company's loans to Richland Corporate Ltd), had completed further, *inter alia*, to the requisite approval by Shareholders at a general meeting of the Company held on 19 August 2019 as the disposal constituted a fundamental change of business for the Company.

Pursuant to the successful completion of the disposal, the Company became an AIM Rule 15 Cash Shell on 31 December 2019 and, as such, was required to make an acquisition, or acquisitions, which constitute(s) a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies) within six months from completion of the disposal, failing which, the Company's Common Shares would be required to be suspended from trading pursuant to AIM Rule 40. Accordingly, the Company's Existing Common Shares were suspended from trading on 1 July 2020 pending completion of the Acquisition ("**Completion**") described further below.

On 27 July 2020, the Company announced that it had entered into a binding share purchase agreement to conditionally acquire the entire issued share capital of Global Asset Resources Ltd ("**GAR**"), a private Australian incorporated company, which, via its wholly owned subsidiary, Global Asset Resources Holdings, Inc., holds a 51 per cent. interest in and operatorship of four gold exploration projects in North and South Carolina in the United States (the "**Acquisition**"). The Acquisition constituted a reverse takeover transaction pursuant to Rule 14 of the AIM Rules.

The consideration for the Acquisition comprised an aggregate payment on Completion to the Sellers (including the Founder Sellers) and GAR's joint venture partner, Uwharrie Resources Inc. ("**URI**"), of AU\$60,000 (approximately US\$43,392) in cash and AU\$1.04m (approximately US\$752,128) in New Common Shares at the Placing Price. In addition, Richland made two non-refundable cash payments to GAR of US\$29,340 on 31 July 2020 and US\$22,818 on 30 September 2020, with such payments utilised to cover certain project costs pending Completion. Furthermore, the Company may also be required to make two additional future conditional deferred consideration payments to the Sellers and URI, in cash or New Common Shares at Lexington Gold's sole discretion, of, in aggregate, AU\$1.5m and AU\$3m, linked to the achievement of certain performance milestones or the occurrence of certain vesting events during the five year period following Completion.

In connection with the Acquisition, the Company raised, in aggregate, approximately £3.33 million (before expenses) via the issue of 120,989,112 Placing Shares and Subscription Shares to institutional and certain other investors at the Placing Price of 2.75 pence per share. The net proceeds of the Placing and Subscription of approximately £2.53 million were utilised to fund the initial cash consideration in respect of the Acquisition and are being applied on the enlarged group's planned initial two year work programme and requisite working capital requirements.

Due to its transformational nature, the Acquisition constituted a reverse takeover of the Company pursuant to the AIM Rules which was approved by Shareholders at the Annual General Meeting held on 23 November 2020. Following Completion, the Sellers became the beneficial owners of, in aggregate, 18,504,073 New Common Shares representing approximately 7.08 per cent. of the enlarged share capital.

The GAR Projects represent a unique opportunity to explore a gold province in a first world country with excellent infrastructure that has seen limited modern exploration. Drilling forms part of the first phase of planned exploration with two of the four projects offering walk-up drill targets. The Jones-Keystone-Loflin Project properties are the most advanced and have previously returned significant

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drill intercepts that require systematic reverse circulation drilling to test existing mineralised zones that are open at depth and along strike. The Carolina Belle Project has existing historical underground workings that provide a well-defined target horizon virtually untested by drilling. While the Company intends to identify and drill the more easily identifiable prospects, all four projects will benefit from more regional systematic based exploration, particularly under the shallow “coastal plain” transported cover that impeded historical prospecting. Detailed airborne geophysics over all of the GAR Projects, combined with ground mapping and shallow geochemical drilling, will also form part of the first phase of exploration, which will provide a greater regional understanding of the existing mineralisation and will help to pinpoint new targets.

In general, the planned exploration activities will be similar in nature to those conducted by TSX listed junior, Romarco Minerals Inc which conducted modern exploration activities on their Haile property in South Carolina, USA, which led to the establishment of a maiden formal NI43-101 compliant resource estimate of 4.5M oz @ 1.8 g/t.

2. Financial Performance

Net loss for the year was US\$0.7 million from continuing operations against the prior year loss of US\$0.5 million.

Total assets were US\$5.5 million (2019: US\$0.4 million) at the year end.

Net cash position of US\$2.9 million (2019: US\$0.01 million) as at the year end.

Total liabilities of US\$0.09 million (2019: US\$0.36 million) as at the year end.

3. Dividend

The directors have not declared a dividend (2019: Nil).

4. Corporate Activities

Fundraisings

- a) On 13 January 2020, the Company announced that it had raised, in aggregate, approximately £150,000 (before expenses) through a placing of 105,000,000 new Existing Common Shares (the “**January 2020 Placing Shares**”) (the “**January 2020 Placing**”) with certain new investors at an issue price of 0.10 pence per share (the “**Issue Price**”) and a subscription for a further 45,000,000 new Existing Common Shares (the “**Subscription Shares**”) by a new investor also at the Issue Price (the “**January 2020 Subscription**”) (the January 2020 Placing and January 2020 Subscription together being the “**January 2020 Equity Fundraising**”); and
- b) On 12 March 2020, the Company announced that it had raised, in aggregate, approximately £100,000 (before expenses) through the placing of 83,333,333 new Existing Common Shares (the “**March 2020 Placing Shares**”) with an existing major shareholder, Mark Greenwood, and certain new investors at an issue price of 0.12 pence per share (the “**Issue Price**”) (the “**March 2020 Equity Fundraising**”),

(together, the “**2020 Pre admission Equity Fundraisings**”).

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- c) On 23 November 2020, the Company announced the admission with effect from 25 November 2020 of its New Common Shares of US\$0.003 each (“**New Common Shares**”) to trading on the AIM Market of the London Stock Exchange (“**Admission**”). The Company’s Admission followed a 1 for 10 share consolidation and successful placing and subscription, raising gross proceeds of £3.33 million via the issue of, in aggregate, 120,989,112 New Common Shares (the “**Admission Fundraising**”) at a price of 2.75p per share.

Share consolidation

The share consolidation, which took place following the passing of Resolution 9 at the Annual General Meeting held on 23 November 2020, involved every 10 Existing Common Shares on the Record Date being consolidated into one New Common Share. The rights attached to the New Common Shares are the same as the rights attaching to the Existing Common Shares and the New Common Shares are now traded on AIM in place of the Existing Common Shares.

Change of Company’s name

As approved at the Annual General Meeting held on 23 November 2020, the Company changed its name from Richland Resources Ltd to Lexington Gold Ltd, trading on AIM under its new name from 8 December 2020.

Issue of Options

The Company granted on 4 December 2020, in aggregate, 19,610,910 options over new common shares to its directors and senior managers exercisable at a price of 2.75 pence per share.

5. Post Period End

Following readmission and post the period end, the Company has made significant progress with its exploration programme including:

- Conducting a 207.3 line-kilometre Helicopter-borne VTEM and Horizontal Magnetic Gradiometer Geophysical Survey over the Jennings-Pioneer project
- Completing the interpretation and modelling of the VTEM data resulting in the identification of two potential anomalies which will now be further investigated through soil sampling, trenching and potential drilling
- Completing a fixed-wing airborne geophysical survey over the JKL, Carolina Belle and Argo Projects in North Carolina. Interpretation of the resulting data and modelling is currently underway
- Expanding its mineral exploration rights at the JKL Project through the execution of three additional Lease with Option to Purchase agreements which have been signed with certain landowners for an additional 129 acres of mineral exploration rights and a further 22 acres of surface rights
- Mineral exploration rights at Loflin increased from 50.66 acres to 179.66 acres, taking the Group’s total project acreage to approximately 1,675 acres
- Completing the Phase 1 drill programme at the JKL Project
- All six holes intersected visible sulphide mineralisation, which is an encouraging indicator of the presence of gold
- Samples from the first four drill holes have been submitted to SGS Minerals Services Geochemical Laboratory (“**SGS**”) in Vancouver for gold analysis

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- Core logging, geophysical measurements and sampling of the final two drill holes in the campaign is currently being completed

The COVID-19 pandemic developed rapidly in 2020 and measures taken by various governments to contain the virus have affected economic activity throughout the year and beyond the year-end. At this stage, the impact on our business and results has not been significant, and based on our experience to date we expect this to remain the case.

6. Outlook

In line with the Company's stated strategy, the Directors believe that the Acquisition of GAR represents an excellent opportunity to create long-term shareholder value through the identification and exploration of gold deposits within a well-mineralised but under explored Super Terrane in North and South Carolina in the United States.

Bernard Olivier
Chief Executive Officer

10 May 2021

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Financial Statements

Lexington Gold Ltd

Consolidated statement of profit or loss and other comprehensive income
for the Year Ended 31 December 2020
(Audited)

	<u>2020</u> US\$'000	<u>2019</u> US\$'000
<u>CONTINUING OPERATIONS</u>		
Other income	-	19
Operating expenses	<u>(712)</u>	<u>(84)</u>
Operating loss	(712)	(65)
Finance cost	<u>-</u>	<u>(417)</u>
Loss before taxation	(712)	(482)
Income tax charge	<u>-</u>	<u>-</u>
Loss for the year from continuing operations	(712)	(482)
<u>DISCONTINUED OPERATIONS</u>		
Profit for the year from discontinued operations	<u>-</u>	<u>281</u>
Loss for the year	<u>(712)</u>	<u>(201)</u>
Attributable to:		
Equity owners of the parent	(712)	(201)
- Continuing operations	(712)	(482)
- Discontinued operations	-	281
Other comprehensive income		
Loss for the year	(712)	(201)
Items that may be reclassified to profit or loss:		
Foreign exchange loss on translation of discontinued operations	<u>(3)</u>	<u>(54)</u>
Total comprehensive loss for the year	<u>(715)</u>	<u>(255)</u>
Attributable to:		
Equity owners of the parent	(715)	(255)
- Continuing operations	(715)	(482)
- Discontinued operations	-	227
Total comprehensive loss for the year	<u>(715)</u>	<u>(255)</u>
Loss per share attributable to the owners of the parent during the year		
Basic and diluted loss per share from continuing operations (US cents/share)	(0.58)	(0.70)
Basic and diluted profit/(loss) per share from discontinued operations (US cents/share)	-	0.40
Basic and diluted loss per share from all operations (US cents/share)	(0.58)	(0.30)

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Lexington Gold Ltd
Consolidated statement of financial position
as at 31 December 2020
(Audited)

	<u>2020</u> US\$'000	<u>2019</u> US\$'000
Assets		
Non-current assets		
Exploration and evaluation assets	2,499	-
Total non-current assets	<u>2,499</u>	<u>-</u>
Current assets		
Trade and other receivables	56	376
Cash and cash equivalents	2,895	12
Total current assets	<u>2,951</u>	<u>388</u>
Total assets	<u>5,450</u>	<u>388</u>
Equity		
Share capital	787	260
Share premium	59,096	54,782
Share option reserve	234	-
Foreign currency translation reserve	(3)	-
Accumulated loss	(55,729)	(55,017)
Total equity attributable to equity owners of the parent	<u>4,385</u>	<u>25</u>
Non-controlling interest	<u>971</u>	<u>-</u>
Total equity	<u>5,356</u>	<u>25</u>
Current liabilities		
Trade and other payables	94	363
Total current liabilities	<u>94</u>	<u>363</u>
Total equity and liabilities	<u>5,450</u>	<u>388</u>

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Lexington Gold Ltd
Consolidated statement of cash flows
for the Year Ended 31 December 2020
(Audited)

	<u>2020</u> US\$'000	<u>2019</u> US\$'000
Cash flows from operating activities		
Cash utilised by operations	(266)	(254)
Interest received	-	4
Interest and finance charges paid	-	(133)
	<hr/>	<hr/>
Net cash flows utilised in operating activities	(266)	(383)
Cash flows from investing activities		
Purchase of exploration and evaluation assets	(518)	-
Purchase of intangibles	-	(10)
Acquisition of subsidiary, net of cash	(165)	-
Proceeds from sale of Disposal Group, net of cash	-	871
	<hr/>	<hr/>
Net cash flows (utilised)/generated from investing activities	(683)	861
Cash flows from financing activities		
Proceeds from issue of shares	3,741	119
Loan from director	100	-
Proceeds from borrowings	-	244
Repayment of borrowings	-	(880)
	<hr/>	<hr/>
Net cash flows generated/(utilised by) from financing activities	3,841	(517)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	2,892	(39)
Movement in cash and cash equivalents		
Net foreign currency exchange losses	(9)	(8)
At the beginning of the year	12	59
Net increase/(decrease) in cash and cash equivalents	2,892	(39)
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Cash and cash equivalents at the end of the year	2,895	12

****ENDS****