



25 April 2022

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

£335,000 Unsecured Convertible Loan

Lexington Gold (AIM: LEX), the gold exploration and development company with projects in North and South Carolina, USA, announces that it has entered into unsecured convertible loan agreements with respect to borrowing, in aggregate, £335,000 principal amount (the "**Convertible Loan**"), predominantly with certain long term significant shareholders and Company Directors (together, the "**Lenders**"), in order to maintain the momentum of investment in exploration work and cover general working capital requirements.

Highlights:

- £335,000 Convertible Loan obtained from, *inter alia*, two significant shareholders and three directors, including the Company's Chairman.
- Facility provides additional working capital and financial flexibility, following the recent completion of the Company's 5,000m drilling campaign, and supports the Company's focus on the establishment of a maiden JORC Resource estimate at Jones-Keystone and the potential upgrading of the existing JORC Resource estimate at Loflin.
- Avoids excessive equity dilution for existing shareholders in the current uncertain and volatile market environment, with conversion rights for the Lenders at 3.2p per share (subject to adjustment, as detailed further below), being approximately 30.6 per cent. above the closing middle market share price on Friday, 22 April 2022 of 2.45p per share.

Commenting today, Bernard Olivier, CEO of Lexington Gold said:

"The last 12 months have seen us make significant progress at our promising gold projects in North and South Carolina including establishing a maiden JORC Resource estimate at Loflin. With the successful completion of our latest 5,000m drilling campaign and the remaining assay results for Loflin and Jones-Keystone expected during April and May 2022, our focus now shifts towards the JORC Resource related work to be conducted over the coming months.

"Given current market conditions, we have decided to obtain this Convertible Loan facility which allows us to draw down funds from a group of investors, predominantly existing significant shareholders and Company Directors. We believe that this is an attractive and flexible financing option for the upcoming period whilst we focus on our JORC Resource related work. Our intention remains to avoid excessive equity dilution for existing shareholders in the current market conditions which have adversely impacted our share price.

"We look forward to receiving the next batch of assay results for Loflin shortly and the results for Jones-Keystone over the coming weeks, noting the recently announced excellent assay results from our Loflin South discovery which returned multiple wide, high-grade intersections close to surface, including 36m @ 1.67 g/t Au and 1.89 g/t Ag from 20m below surface."

Principal Terms of Convertible Loan

LEXINGTON GOLD

Duration	The Convertible Loan is unsecured and repayable with accrued interest on 30 April 2023.
Drawdown	The Convertible Loan principal amount is to be advanced by the Lenders by 6 May 2022.
Interest	6 per cent. per annum which is accruable to maturity and payable in full in new common shares (“Shares”) if the Convertible Loan is converted. The interest rate increases to 10 per cent. per annum in the event of any unremedied default as set out in the underlying agreements.
Conversion Price	The conversion price is the lower of: a) 3.2 pence per Share; or b) 0.9 times the price at which the Company issues any Shares for cash prior to the conversion date (a “ Qualifying Financing ”); or c) 0.9 times the price offered by any person and their affiliates (an “ Offeror ”) to buy Shares with the objective of seeking to acquire more than a 30% relevant interest in the Company’s issued Shares (a “ General Offer ”).
Automatic Conversion	In the event of a Qualifying Financing.
Optional Conversion	In the event of a General Offer, a Lender can elect to convert their Convertible Loan and accrued interest into Shares at the Conversion Price.

As the lending group includes the participation of the Company’s Chairman, Mr Edward Nealon (£50,000), Company Directors, Rhod Grivas (£25,000) and Melissa Sturgess (£10,000) as well as existing substantial shareholders Pure Ice Limited (£100,000) and Mark Greenwood (£100,000), the Convertible Loan constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the independent director, being Bernard Olivier, having consulted with the Company’s Nominated Adviser, Strand Hanson Limited, considers that the terms of the Convertible Loan are fair and reasonable insofar as the Company’s shareholders are concerned.

The Company’s Board believes that the Convertible Loan represents the most attractive funding option at this time and avoids excessive equity dilution for the Company’s existing shareholders.

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, as amended.

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.