



9 June 2022

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

**Final Results for the year ended 31 December 2021,
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 2021.

Copies of the Company's full Annual Report and Financial Statements for the financial year to 31 December 2021 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 11 July 2022 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\$1.0million against the prior year loss of US\$0.7 million.
- Total assets were US\$4.8 million (2020: US\$5.5 million) at the year end.
- Net cash position of US\$0.9 million (2020: US\$2.9 million) as at the year end.
- Total liabilities of US\$0.1 million (2020: US\$0.09 million) as at the year end.
- Obtained £335,000 unsecured convertible loan in late April 2022, post the reporting period end, ensuring that the Group is funded to continue with its exploration plans. Conversion price set at a level 30.6 per. cent. above the then prevailing share price.

Operational Summary

- Completion of 207.3 line-kilometre Helicopter borne VTEM survey.
- Completion of 937 line-kilometre magnetic, radiometric and very-low-frequency ("VLF") fixed-wing airborne geophysical survey over the JKL, Carolina Belle and Argo projects.
- Completed Phase 1 drilling campaign at Loflin comprising six diamond drill holes for a total of 562m. All six holes of the Phase 1 drilling campaign encountered intervals of gold mineralisation of over 1g/t Au above 100m depth.
- Establishment of a maiden independent JORC resource estimate of approximately 2 million tonnes at 1 g/t gold for 65,000 oz of contained gold.
- Conducted a soil, surface and rock chip sampling campaign at Carolina Belle. Rock chip and grab samples from the newly identified mineralised zone returned 10 samples with gold grades over 1g/t including 17g/t; 5.1g/t; 3.5g/t, 3.2g/t; 2.7g/t; and 2.2g/t. Soil sampling over the newly identified mineralised area suggests an initial surface gold anomaly footprint of approximately 350m by 250m. The newly identified mineralised area was named Martha Washington South.

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- Commenced a 5,000m Reverse Circulation (“RC”) drill campaign at the Carolina Belle and JKL projects, with very positive results to date, including a significant southern extension to Loflin.

Corporate Summary

2021 has been an extremely productive and encouraging period for the Company, following a transformational 2020 in which the Company completed its acquisition of majority interests in four gold exploration projects in North and South Carolina in the United States (the “**Projects**”) and was readmitted to trading on AIM on 25 November 2020. The reporting period has seen the Company build on such transformation, with exciting exploration success achieved during 2021 on our gold projects in the Carolinas. Since the reporting period end, the company has received encouraging exploration results and with additional financing from the convertible loan remains focused on implementing its gold exploration programme.

Enquiries:

Lexington Gold Ltd

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Edward Nealon (Chairman)
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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.

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Chairman's Statement

I am pleased to present Lexington Gold's second set of annual results, for its financial year ended 31 December 2021, and to report on the Company's ongoing activities to the date of this statement.

2021 was a year of further progress as we continued to deliver on our exploration programmes across our four gold projects: Carolina Belle, Jennings-Pioneer, Argo and Jones-Keystone-Loflin ("JKL"). Through extensive exploration work, including two drilling campaigns, the second involving the commencement of a 5,000m reverse circulation drilling programme across the Carolina Belle and JKL projects, we have made substantial progress with our projects and significantly increased our understanding of the nature and opportunities available in the Carolina Super Terrane region. We also announced our first independent JORC resource estimate of 65,000 oz of contained gold for the Loflin side of the JKL project. Based on the progress achieved we were confident in investing in additional leased acreage, with options to purchase, covering an additional 129 acres of mineral exploration rights at the JKL project, taking our total project acreage in the Carolinas to approximately 1,675 acres.

Further to obtaining a £335,000 unsecured convertible loan note in late April 2022, post the reporting period end, the Group is now funded to continue with its exploration plans, with the intention of establishing a maiden JORC resource estimate for Jones-Keystone, to increase our current JORC resource and develop a thorough understanding of the total opportunity across all four gold projects in our portfolio. The conversion price was set at a level 30.6 per. cent. above the prevailing market share price, thereby serving to demonstrate the lenders, compromising two significant shareholders and three directors, belief in the Company's future potential.

Operating in a stable jurisdiction, the US, with transparent permitting, rules and regulations, reliable infrastructure, wide choice of contractors and in a region with recent and historic records of substantial million ounce plus producing gold mines we have been able to focus all our attention on finding gold. Having made a good start with our exploration work, despite the challenges posed by COVID-19, we remain focused on implementing our remaining work programmes, and further scoping out the potential size of our gold assets. We look forward to an exciting period of discovery ahead.

I would like to take this opportunity to thank our entire team for their commitment to delivering results in line with our exploration plan. Together with our highly experienced local joint venture partner in the Carolinas, Uwharrie Resources Inc., we have been able to undertake a high impact exploration campaign, spending over US\$1.3 million on exploration during 2021 and generating significant value in the process.

Global uncertainty appears likely to continue to support a robust gold price, but our focus is on delivering our exploration programmes and building long-term shareholder value regardless of wider economic and financial conditions. Finally, on behalf of the Board, I wish to express thanks for the support received from our various stakeholders, all of whom share our vision for the Carolina Super Terrane region of the US.

Edward Nealon
Non-Executive Chairman

8 June 2022



Chief Executive's Operational and Financial Review

1. Overview

2021 has been an extremely productive and encouraging period for the Company, following a transformational 2020 during which the Company completed its acquisition of majority interests in four gold exploration projects in North and South Carolina in the United States (the "Projects") and was readmitted to trading on AIM on 25 November 2020. The reporting period has seen the Company build on such transformation, with both exciting and substantial exploration success achieved during the year on our gold projects in the Carolinas.

During 2021, Lexington Gold conducted the following exploration activities on its portfolio projects:

Helicopter borne VTEM survey

A207.3 line-kilometre survey was conducted by Ontario based Geotech Airborne Geophysical Surveys ("Geotech") utilising their helicopter-borne geophysical system which collects both VTEM and Horizontal Magnetic Gradiometer Survey data. The aim of the VTEM survey was to identify any conductors located within and surrounding the Jennings-Pioneer project area that could be associated with volcanic massive sulphide ("VMS") style mineralisation.

The interpretation and modelling of the VTEM geophysical survey data obtained over the Jennings-Pioneer project was also completed. The survey successfully identified two potential anomalies at Jennings-Pioneer that will be further investigated through soil sampling, trenching and potential drilling in 2022.

Fixed-wing geophysics survey

In April 2021 Questor Surveys Ltd completed a 937 line-kilometre magnetic, radiometric and very-low-frequency ("VLF") fixed-wing airborne geophysical survey over the JKL, Carolina Belle and Argo projects. The aim of the survey was to further define and delineate the known areas of mineralisation over the three projects as well as identifying new targets for geological studies and potential drilling.

Core Geophysics, based in Perth, Australia, subsequently conducted the modelling and interpretation of the geophysical data. The results, combined with the results of a rock and soil sampling programme in conjunction with the Company's existing database, were used to design a maiden drill programme for Caroline Belle and a Phase 2 drilling campaign for JKL.

Phase 1 Drilling Campaign on Loflin (part of the JKL project)

The Phase 1 drilling campaign comprised six diamond drill holes for a total of 562m at the JKL project. The campaign sought to confirm and expand on the historical third-party drilling performed at Loflin as well as assisting in defining the 3-dimensional shape, continuity and orientation of the mineralisation. A primary goal was also to enable the estimation of a maiden JORC resource estimate for the JKL project.

On 26 May 2021 and 15 June 2021, we announced two batches of assay results from this drilling campaign. The results indicated the continuation of broad zones of shallow gold mineralisation and demonstrated good correlation to the historical drilling. All six holes in the Phase 1 drilling campaign encountered intervals of gold mineralisation of over 1g/t Au above 100m depth.

Highlighted intersections include:

- 35.7m @ 1.15 g/t Au from surface to 35.7m including:

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- 18.9m @ 1.57 g/t Au from surface to 18.9m
- 32m @ 0.97 g/t Au from 53.9m to 85.9m including:
 - 6.1m @ 3.36 g/t Au from 79.9m to 86m
 - 1.5m @ 9.5 g/t Au from 79.9m to 81.4m
- 12.2m @ 1.39 g/t Au from 23.5m to 35.7m including:
 - 4.1m @ 2.57 g/t Au from 23.5m to 27.6m
- 35m @ 0.79 g/t Au from 9.8m to 44.8m including:
 - 6m @ 2.26 g/t Au from 9.8m to 15.8m; and
 - 4.6m @ 1.43 g/t Au from 29.5m to 34.1m

This Phase 1 drilling campaign added significantly to our understanding of JKL's mineralisation and confirmed the presence of broad zones of particularly shallow gold mineralisation as well as enabling the establishment of a maiden JORC resource estimate for the JKL project as discussed further below.

Maiden JORC Resource Estimate for Loflin (part of the JKL project)

The Phase 1 drilling campaign enabled the estimation of a maiden independent JORC Resource for Loflin. On 22 September 2021, the Company announced a major step forward for the JKL project by way of a Maiden JORC (2012) Mineral Resource Estimate completed by Pivot Mining Consultants Pty Ltd ("**Pivot**") for the Loflin side of the JKL project.

Pivot established a maiden JORC resource of approximately **2 million tonnes at 1 g/t gold for 65,000 oz of contained gold**. Their report further highlighted the following:

- Potential for the mineralisation at Loflin to remain open to the north-east and south-west, along the plunge of the syncline with the resource expected to grow via additional drilling
- A 3D geological model suggests that the gold mineralisation is associated with an isoclinal fold structure
- Potential for extensions, significant upgrading of the maiden resource classification and additional discoveries at JKL through additional drilling campaigns.

Securing of additional Mineral Rights

During the reporting period the Company expanded its mineral exploration rights at the JKL project via the execution of three additional Lease with Option to Purchase agreements with certain landowners for an additional 129 acres of mineral exploration rights and a further 22 acres of surface rights. Accordingly, the total 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. In December 2021 the Company also extended a pre-existing 4.05 acre mining lease with an option to purchase agreement on the south-western ("Loflin") side of the JKL project for an additional six-year period to 17 December 2027.

Soil, surface and rock chip sampling campaign at Carolina Belle

Soil sampling was conducted on a 50m x 100m grid, covering the entire 391.98 acre Carolina Belle project area. A total of 325 soil samples were submitted to American Assay Laboratories in Nevada, for processing and fire assay, including sample duplicates, blanks and standards. In addition to the soil sampling, 37 surface rock chip and grab samples were submitted to SGS laboratories in Vancouver, Canada for fire assay. The surface exploration programme is the first known systematic

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surface sampling programme to be conducted at the Carolina Belle project and successfully evaluated, delineated and extended the known prospects within the project area. The results from the soil and rock chip sampling programmes were incorporated into the project database and assisted with the planning of a drill programme for Carolina Belle.

Furthermore, the surface exploration programme identified a new gold anomaly not associated with the known gold mineralisation in the project area. Rock chip and grab samples from the newly identified mineralised zone returned 10 samples with gold grades over 1g/t including 17g/t; 5.1g/t; 3.5g/t, 3.2g/t; 2.7g/t; and 2.2g/t. Soil sampling over the newly identified mineralised area suggests an initial surface gold anomaly footprint of approximately 350m by 250m. The newly identified mineralised area was named Martha Washington South.

5,000m Reverse Circulation (“RC”) drill programme at the JKL and Carolina Belle projects

On 19 October 2021, drilling commenced at Carolina Belle as part of a 5,000m RC drilling campaign to be conducted on the Carolina Belle and JKL projects (both the Loflin and Jones-Keystone deposits). The primary objectives of the 5,000m drilling campaign included:

- First reconnaissance drilling of the Carolina Belle project
- Investigation of the potential extensions of mineralisation at Loflin, with the aim of further expanding the maiden resource estimate as detailed above.
- Drilling of the Loflin South geophysical anomaly
- Drilling on the Jones-Keystone side of the JKL project with the aim of enabling the potential establishment of a maiden resource estimate for this area of the project.

Drilling at Carolina Belle was completed in November 2021 and then commenced at the JKL project. A total of 32 drill holes for 2,630m were drilled at Carolina Belle.

In general terms, the exploration activities being conducted by Lexington Gold are similar in nature to those conducted by TSX listed junior, Romarco Minerals Inc which conducted modern exploration activities on its Haile property in South Carolina, USA, which led to the establishment of a formal NI43-101 compliant resource estimate of 4.5M oz @ 1.8 g/t and subsequent acquisition of Romarco by OceanaGold (ASX) for approximately C\$856m in 2015.

The COVID-19 pandemic continued throughout 2021 and measures taken by various governments to contain the virus have affected global economic activity throughout the year and beyond the year-end. The pandemic impacted our business with regards to delays in delivery times, especially with regards to assay results as well as the availability of parts and contractors and resulted in various operational delays in respect of to the drilling campaigns conducted during 2021.

2. Financial Performance

Net loss for the year was US\$1.0 million from continuing operations against the prior year loss of US\$0.7 million.

Total assets were US\$4.8 million (2020: US\$5.5 million) at the year end.

Net **cash** position of US\$0.95 million (2020: US\$2.9 million) as at the year end.

Total liabilities of US\$0.1 million (2020: US\$0.09 million) as at the year end.

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3. Dividend

The directors have not declared a dividend (2020: Nil).

4. Corporate Activities

Fundraisings

There were no fundraising activities during the 2021 reporting period.

5. Post Period End

Post the reporting period end, the Company began receiving the assay results in respect of its Phase 2 5,000m RC Drilling campaign conducted over the Carolina Belle and JKL projects.

The Carolina Belle project is sub-divided into three targets or gold anomalies, namely **Uwarra and Iola**; **MacMaster** and the recently discovered **Martha Washington South**. Highlighted results for all three targets are shown below.

Selected results from the **Uwarra and Iola** target:

- 4m @ 2.1 g/t Au from 64m to 68m
- 11m @ 1.01 g/t Au from 68m to 79m including:
 - 4m @ 1.62 g/t Au from 72m to 76m
- 4m @ 1.53 g/t Au from 48m to 52m
- 4m @ 0.71 g/t from 44m to 48m

Selected results from the **McMaster** target:

- 3m @ 3.68 g/t Au from 64m to 67m
- 4m @ 1 g/t Au from 28m to 32m
- 4m @ 1.8 g/t Au from 28m to 32m
- 4m @ 1.06 g/t Au from 20m to 24m

Selected results from the **Martha Washington South** target:

- 8m @ 1.07 g/t Au from surface to 8m
- 4m @ 1.1 g/t Au from 8m to 12m
- 4m @ 1.15 g/t Au from 52m to 56m
- 4m @ 1.19 g/t Au from 36m to 40m

The JKL project is subdivided into two main targets or gold anomalies namely, Loflin (which includes Loflin South) and Jones-Keystone. At the time of writing this review, the assay results for Loflin have been returned, but the Jones-Keystone results remain pending. Highlighted assay results for Loflin from the recent drilling campaign include:

- 36m @ 1.67 g/t Au and 1.89 g/t Ag from 20m to 56m including:
 - 12m @ 3.27 g/t Au and 2.9 g/t Ag from 28m to 40m

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- 4m @ 5.63 g/t Au and 3.5 g/t Ag from 32m to 36m
- 20m @ 1.52 g/t Au and 1.67 g/t Ag from 16m to 36m including:
 - 4m @ 3.01 g/t Au and 2.45 g/t Ag from 32m to 36m
- 8m @ 1.32 g/t Au from 80m to 88m including:
 - 4m @ 1.45 g/t Au from 80m to 84m
- 12m @ 1.26 g/t Au from 16m to 28m including:
 - 4m @ 1.78 g/t Au from 20m to 24m
- 24m @ 1.07 g/t Au and 2.76 g/t Ag from 4m to 28m including:
 - 4m @ 2.34 g/t Au and 6.41 g/t Ag from 24m to 28m
- 16m @ 1.27 g/t Au and 3.79 g/t Ag from 16m to 32m including:
 - 8m @ 1.76 g/t Au and 6.48 g/t Ag from 20m to 28m and
 - 4m @ 1.93 g/t Au and 6.11 g/t Ag from 24m to 28m

6. Outlook

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

Bernard Olivier
Chief Executive Officer

8 June 2022

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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 2021
(Audited)

	<u>2021</u> US\$'000	<u>2020</u> US\$'000
<u>CONTINUING OPERATIONS</u>		
Other income	-	-
Operating expenses	<u>(1,022)</u>	<u>(712)</u>
Operating loss	<u>(1,022)</u>	<u>(712)</u>
Loss before taxation	<u>(1,022)</u>	<u>(712)</u>
Income tax charge	<u>-</u>	<u>-</u>
Loss for the year	<u>(1,022)</u>	<u>(712)</u>
Attributable to:		
Equity owners of the parent	(1,021)	(712)
Non-controlling interest	(1)	-
Other comprehensive income		
Loss for the year	(1,022)	(712)
Items that may be reclassified to profit or loss:		
Foreign exchange loss on translation of discontinued operations	<u>1</u>	<u>(3)</u>
Total comprehensive loss for the year	<u>(1,021)</u>	<u>(715)</u>
Attributable to:		
Equity owners of the parent	(1,020)	(715)
Non-controlling interest	<u>(1)</u>	<u>-</u>
Total comprehensive loss for the year	<u>(1,021)</u>	<u>(715)</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)	(0.39)	(0.58)

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Lexington Gold Ltd
Consolidated statement of financial position
as at 31 December 2021
(Audited)

	<u>2021</u> US\$'000	<u>2020</u> US\$'000
Assets		
Non-current assets		
Exploration and evaluation assets	3,764	2,499
Total non-current assets	<u>3,764</u>	<u>2,499</u>
Current assets		
Trade and other receivables	45	56
Cash and cash equivalents	953	2,895
Total current assets	<u>998</u>	<u>2,951</u>
Total assets	<u>4,762</u>	<u>5,450</u>
Equity		
Share capital	787	787
Share premium	59,096	59,096
Share option reserve	555	234
Foreign currency translation reserve	(2)	(3)
Accumulated loss	(56,750)	(55,729)
Total equity attributable to equity owners of the parent	<u>3,686</u>	<u>4,385</u>
Non-controlling interest	970	971
Total equity	<u>4,656</u>	<u>5,356</u>
Current liabilities		
Trade and other payables	106	94
Total current liabilities	<u>106</u>	<u>94</u>
Total equity and liabilities	<u>4,762</u>	<u>5,450</u>

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Lexington Gold Ltd
Consolidated statement of cash flows
for the Year Ended 31 December 2021
(Audited)

	<u>2021</u> US\$'000	<u>2020</u> US\$'000
Cash flows from operating activities		
Cash utilised by operations	<u>(678)</u>	<u>(266)</u>
Net cash flows utilised in operating activities	<u>(678)</u>	<u>(266)</u>
Cash flows from investing activities		
Payments for exploration	(1,265)	(518)
Acquisition of subsidiary, net of cash	<u>-</u>	<u>(165)</u>
Net cash flows utilised by investing activities	<u>(1,265)</u>	<u>(683)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	3,741
Loan from director	<u>-</u>	<u>100</u>
Net cash flows generated from financing activities	<u>-</u>	<u>3,841</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,943)</u>	<u>2,892</u>
Movement in cash and cash equivalents		
Net foreign currency exchange losses	1	(9)
At the beginning of the year	2,895	12
Net (decrease)/increase in cash and cash equivalents	<u>(1,943)</u>	<u>2,892</u>
Cash and cash equivalents at the end of the year	<u>953</u>	<u>2,895</u>

****ENDS****