LEXINGTON GOLD

28 September 2022

Lexington Gold Ltd

("Lexington Gold" or the "Company")

Interim Results for the half-year ended 30 June 2022

Lexington Gold (AIM: LEX), the gold exploration and development company with projects in North and South Carolina, USA, is pleased to announce its unaudited interim results for the six-month period to 30 June 2022 ("H1 2022" or the "Period").

Highlights:

Corporate Summary

The first half of 2022 has been a productive period for the Company, with encouraging exploration results announced for two of the Company's gold projects in North and South Carolina, United States, a region which has seen historical production and multi-million-ounce mines. Lexington Gold remains focused on highly prospective exploration and development work with the objective of proving up a significant resources base.

The Company has increased its investment in exploration activities whilst keeping overhead costs low. Exploration results for the reporting period have been encouraging, with estimated resources at one of the Company's four projects, Jones-Keystone-Loflin, increasing by 27% since the period end to approximately 83,000oz of contained gold.

Global macroeconomic uncertainty, especially in light of the ongoing war in Ukraine and rising inflation, creates a climate that has in the past often supported gold prices. Such an environment also serves to highlight the benefits of operating in a stable political and regulatory region, such as the USA.

Operational Highlights

Jones-Keystone-Loflin ("JKL") Project:

- Drilling programme successfully completed on both the Loflin and Jones-Keystone sides of the project thereby concluding the Company's latest 5,000m reverse circulation ("RC") drill programme
- Assay results confirmed a significant new discovery which has been named Loflin South
- Exceptional assay results obtained for the six RC drill holes at Jones-Keystone

Carolina Belle Project:

- Very encouraging drill results received, predominantly from two targets, McMaster and Martha Washington South, both showing good intersections close to surface of approximately 1 g/t Au or more
- Results included 3m @ 3.68 g/t Au from 64m and 4m @ 1.8 g/t Au from 28m
- Results of maiden drilling campaign being interpreted and incorporated into a 3D model in order to facilitate the design of a Phase II drilling programme to further target, define and expand on intersected gold mineralisation at all three current targets

Post Period End:

- Updated independent JORC Mineral Resource Estimate for the Loflin side of the JKL Project of 82,700oz of contained gold as announced on 8 August 2022. This is up 27% from the initial estimate of September 2021 and includes over 9,000 gold ounces from the newly discovered Loflin South
- Potential for a significant further increase in the estimated resources for Loflin and Loflin South via additional drilling, subject to funding
- Loflin project's 1m sample re-splits verified and further defined high-grade shallow intercepts of up to approximately 10 g/t Au
- Jones-Keystone project's 1m sample re-splits verified and further defined high-grade shallow intercepts of up to approximately 7.5 g/t Au
- Maiden JORC Mineral Resource Estimate for the Jones-Keystone side of the JKL Project is currently being prepared following the recent receipt of the 1m assay results for the Jones-Keystone project
- Appointment of WH Ireland Limited as Joint Broker

Financial Summary:

- Net loss for H1 2022 from continuing operations was US$0.37m (H1 2021: US$0.47m)
- Increased investment in exploration for H1 2022 of US$0.61m (H1 2021: US$0.43m)
- Reduced operating expenses of US$0.36m (H1 2021: US$0.47m)
- Total assets were US$4.78m as at the half-year end (31 December 2021: US$4.76m)
- Cash position of US$0.37m as at the half-year end (31 December 2021: US$0.95m)
- Total liabilities of US$0.44m as at the half-year end (31 December 2021: US$0.11m) of which US$0.41m relates to the unsecured convertible loan of £335,000 principal amount which is repayable by 30 April 2023 if not previously converted

For further information, please contact:

Lexington Gold Ltd — www.lexingtongold.co.uk, via Yellow Jersey

Bernard Olivier (Chief Executive Officer)
Edward Nealon (Chairman)
Mike Allardice (Group Company Secretary)

Strand Hanson Limited (Nominated Adviser) — www.strandhanson.co.uk, T: +44 207 409 3494

Matthew Chandler / James Bellman / Abigail Wennington

WH Ireland Limited (Joint Broker) — www.whirelandplc.com, T: +44 207 220 1666

Katy Mitchell / Ben Good / Enzo Aliaj

Peterhouse Capital Limited (Joint Broker) — www.peterhousecap.com, T: +44 207 469 0930

Duncan Vasey / Lucy Williams (Broking)
Eran Zucker (Corporate Finance)

Yellow Jersey PR Limited (Financial Public Relations)
Tom Randell / Annabelle Wills

www.yellowjerseypr.com
T: +44 7948 758 681

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 (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. It 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.

Chairman's Statement

Dear Fellow Shareholder,

I am pleased to present Lexington Gold's unaudited interim results for the six-month period ended 30 June 2022 and to report on the Company's ongoing activities to the date of this statement.

It has been a period of substantial progress with the publication of an updated and increased JORC resource estimate for the Loflin deposit and the completion of our latest reverse circulation ("RC") drilling campaign across both the Carolina Belle and JKL projects. Lexington Gold remains focused on progressing highly prospective exploration activities and the development and proving up of significant gold resources. Exploration results received in this reporting period serve to justify the Company's acquisition of majority interests in its four gold exploration projects in North and South Carolina in 2020, and the subsequent investment in additional leased acreage last year, taking its total project acreage in the Carolinas to approximately 1,675 acres.

Our exploration drilling during the period has led to the identification of Loflin South as a separate resource, initially estimated to contain over 9,000 gold ounces. The scope of the drill programme has only enabled limited definition so far and the deposit remains open in all directions. It is currently modelled as two separate satellite deposits.

At Jones-Keystone-Loflin, we also commissioned and announced on 8 August 2022 an updated independent JORC (2012) Mineral Resource Estimate for the Loflin deposit (including the 9,000 gold ounces from Loflin South) comprising a total Inferred Resource of 2,596,000t @ 0.99 g/t Au for 82,700oz of contained gold, as at 31 July 2022. This represented a 27% increase in contained gold achieved for the Loflin deposit when compared to the 65,000oz estimated in September 2021.

There is potential for the mineralisation at Loflin to remain open down-dip, to the north-east and along the plunge of the syncline. There is also potential for significant further increases in the resources for Loflin and Loflin South through additional drilling. 3D Geological modelling and drilling to date has delineated a NE-SW shallow plunging synclinal fold structure with shallow gold mineralisation in the core of the structure.

A maiden JORC Mineral Resource Estimate for the Jones-Keystone side of the JKL Project is currently being prepared by Pivot Mining Consultants Pty Ltd following the recent receipt of the 1m assay results for the Jones-Keystone project.

At Carolina Belle, during the reporting period, we received the final assay results from our maiden drilling campaign, exceeding our expectations for this reconnaissance programme. The results were predominantly from two targets, McMaster and Martha Washington South. Both targets returned excellent initial results with multiple good intersections of 1 g/t Au or more found close to surface, including 3m @ 3.68 g/t Au from 64m and 4m @ 1.8 g/t Au from 28m. The drilling data and assay results now incorporated into our database and models for Carolina Belle, are facilitating the design of a Phase II drill campaign to further target, define and expand the intersected gold mineralisation from the various targets identified to date at the project.

Our investment in exploration activities during the period increased by approximately 41% to US$612,000, while overhead costs were reduced by approximately 22% to US$363,000 since the comparable period in 2021.

In late April 2022, the Company obtained an unsecured £335,000 convertible loan which has ensured the uninterrupted implementation of our exploration plans. The conversion price was set at 3.2p per share being approximately a thirty per cent. premium to the then prevailing market share price. The current market share price is now in excess of the conversion price.

The current uncertain global macroeconomic environment, impacted by the ongoing war in Ukraine and rising inflation, is one that in the past has often supported gold prices and serves to highlight the benefits of operating in a stable political and regulatory region, such as the USA.

In August 2022, we were pleased to appoint WH Ireland Limited, a leading broker to AIM quoted mining companies, as our joint broker.

We look forward to obtaining a maiden resource estimate for the Jones-Keystone deposit in the near term and thereafter to continuing with our planned further exploration and development work across our project portfolio.

Once again, I would like to thank our entire team for their consistent delivery of results as we continue to execute our exploration plans and develop our understanding of our exciting assets in the Carolinas alongside our highly experienced local joint venture partner, Uwharrie Resources Inc.

Mr Edward Nealon
Non-Executive Chairman

28 September 2022

LEXINGTON GOLD

Chief Executive's Operational and Financial Review

1. Overview

H1 2022 has seen substantial progress, with the release of an updated and increased JORC resource estimate for the Loflin deposit and completion of our latest reverse circulation drilling campaign across both the Carolina Belle and JKL projects.

We have learnt a substantial amount about the potential at our four projects and been able to utilise our findings to refine our plans. This ensures that we continue to make progress as quickly and cost effectively as possible. We expect to be able to update our total resources via a maiden resource estimate for Jones-Keystone in the near term and to be able to commission further updates as we implement additional exploration work.

During the period, we conducted the following principal exploration activities on our portfolio projects:

At Carolina Belle, drilling identified and confirmed the down-dip extension of the main historical ore-zone mined during the historical third-party Iola and Uwarra gold mining operations with a confirmed down-dip extension intersection of 4m @ 2.1 g/t Au from 64m to 68m in hole CRBC-24. Significant gold mineralisation was intersected in the Footwall and Hangingwall of the main ore-zone of the historical Iola and Uwarra gold mining operations with 11m @ 1.01 g/t Au from 68m to 79m (combined Hangingwall, Footwall and mined-out historical main ore-zone) in hole CRBC-22 including: (i) a footwall intersection of 4m @ 1.62 g/t Au from 72m to 76m; (ii) a Hangingwall intersection of 4m @ 0.7 g/t Au from 68m to 72m; and (iii) a main historical ore-zone intersected between 72.2m and 73.2m. There was also a potential second gold mineralised zone intersected approximately 25m above the main historical Iola and Uwarra ore-zone with 4m @1.53 g/t Au from 48m to 52m in hole CRBC-22 and four drill holes intersected the historical mine workings of Iola and Uwarra. The *McMaster* target intersected significant gold mineralisation including 3m @ 3.68 g/t Au from 64m to 67m in hole CRBC-14; 4m @ 1.8g/t Au from 28m to 32m in hole CRBC-15 as well as 4m @ 1.06 g/t Au from 20m to 24m in hole CRBC-16. The newly discovered *Martha Washington South* target intersected several intersections close to surface above 1g/t Au including 8m @1.07 g/t Au from surface to 8m in hole CRBC-02 as well as 4m @ 1.1g/t Au from 8m to 12m in hole CRBC-04.

At Loflin, a total of 18 drill holes for an aggregate of 1,695m were drilled. Due to the significant sulphide mineralisation intersected on the southern side and outside of the current known Loflin resource ("Loflin South"), two additional RC drill holes were drilled in the newly identified area. Detailed logging and sampling of the 18 holes drilled on the combined Loflin South and main Loflin deposit were completed with multiple intersections of sulphide mineralisation and alteration zones of over 25m identified. An additional 278 samples comprising 4 metre sample composites as well as standards, blanks and duplicates, were dispatched to American Assay Labs ("AAL") in Nevada for gold assaying as well as whole-rock geochemistry analyses.

At Jones-Keystone, a total of 6 drill holes for an aggregate of 675m were drilled thereby concluding the latest 5,000m RC drilling campaign. Initial logging identified multiple intersections of alteration zones and sulphides mineralisation and the largest combined intersection identified was over 50m. The primary aim of the drilling on the Jones-Keystone side of JKL was to enable the estimation of a maiden JORC compliant resource estimate. An additional 190 samples comprising 4 metre sample composites as well as standards, blanks and duplicates, were dispatched to AAL in Nevada for gold assaying as well as whole-rock geochemistry analyses.

Assay results also confirmed a significant new discovery at our JKL Project, which has been named Loflin South, containing an initial 9,000 ounce gold resource.

Selected assay result highlights include:

- Hole LFRC-006: 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 and 4m @ 5.63 g/t Au and 3.5 g/t Ag from 32m to 36m;
- Hole LFRC-002: 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; and
- Hole LFRC-003: 8m @ 1.32 g/t Au from 80m to 88m including: 4m @ 1.45 g/t Au from 80m to 84m

Loflin South is located less than 250m south and south-east of our maiden Loflin JORC resource estimate and there is potential for significant expansion or enhancement of the current resource.

Successful drilling has extended the north-eastern boundary of the known Loflin JORC resource with further selected assays including:

- Hole LFRC-008: 12m @ 1.26 g/t Au from 16m to 28m including: 4m @ 1.78 g/t Au from 20m to 24m; and
- Silver (Ag) values of up to 3.5 g/t associated with gold mineralisation and zones of high sulphide alteration.

Final assay results from the drill programme at Loflin included shallow level infill drilling and testing of the North-Eastern, South-Western and Southern boundaries and extensions, with the following selected results:

- Hole LFRC-018: 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;
- Hole LFRC-009: 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;
- Hole LFRC-010: 4m @ 0.58 g/t Au from 48m to 52m;
- Hole LFRC-016: 4m @ 0.73 g/t Au from 4m to 8m;
- Hole LFRC-011 intersected a cavity created by historic underground workings between 10m and 20m below surface. A 2m intersection immediately above the cavity returned grades of 0.42 g/t Au from 8m to 10m;
- Drilling has extended the known north-eastern deposit boundary and confirmed that the deposit remains open to the north-east towards the direction of Jones-Keystone;
- The Loflin deposit appears to pinch off in a South-Westerly direction, but the drilling results also indicated that the deposit opens towards the south and south-east and potentially links in with the Loflin South deposit, with intersections including 36m @1.67 g/t Au between 20m to 56m; and
- Assay results returned values of up to 6.9 g/t Ag associated with gold mineralisation and zones of high sulphide alteration.

At Jones-Keystone, exceptional assay results received for the six RC drill holes included:

- Hole JKRC-002: 52m @ 0.99 g/t Au from 72m to 124m including: 24m @ 1.37 g/t Au from 80m to 104m; 16m @ 1.7 g/t Au from 84m to 100m; and 4m @ 2.75 g/t Au from 92m to 96m;
- Hole JKRC-004: 40m @ 1.27 g/t Au from 20m to 60m including: 28m @ 1.69 g/t Au from 28m to 56m; 16m @ 2.5 g/t Au from 28m to 44m; and 4m @ 4.56 g/t Au from 36m to 40m; and

- Hole JKRC-003: 28m @ 1.37 g/t Au from 64m to 92m including: 8m @ 3.1 g/t Au from 64m to 72m and 4m @ 4.96 g/t Au from 64m to 68m.

The Jones-Keystone deposit remains open along strike and down dip and the above results should support and facilitate the commissioning of a Maiden JORC Resource Estimate for Jones-Keystone in the near term.

2. Financial Performance

- Net loss for H1 2022 from continuing operations was US$0.37m (H1 2021: US$0.47m)
- Total assets were US$4.8m as at the half-year end (31 December 2021: US$4.8m)
- Cash position of US$0.37m as at the half-year end (31 December 2021: US$0.95m)
- Total liabilities of US$0.44m as at the half-year end (31 December 2021: US$0.11m) of which US$0.41m relates to the unsecured convertible loan of £335,000 principal amount which is repayable by 30 April 2023 if not previously converted

3. Dividend

The directors have not declared a dividend (2021: Nil).

4. Corporate Activities

Funding

In late April 2022, an unsecured £335,000 convertible loan was obtained from, *inter alia*, two significant shareholders and three directors, including the Company's Chairman. This facility provides additional working capital and financial flexibility as the Company focuses on establishing a maiden JORC Resource estimate for Jones-Keystone and the potential upgrading of the existing JORC Resource estimate at Loflin. The conversion right for the lenders concerned was set at 3.2p per share being approximately 30 per cent. above the then prevailing market share price of 2.45p per share.

5. Post Period End

Post the reporting period end, at the combined Loflin and Loflin South Project significant intercepts were recorded from 1m sample re-splits including:

- Hole LFRC-006: 34m @ 1.75 g/t Au from 21m to 55m including: 17m @ 2.9 g/t Au from 21m to 38m and 2m @ 10.09 g/t Au from 31m to 33m
- Hole LFRC-009: 12m @ 1.95 g/t Au from 18m to 30m including: 6m @ 3.24 g/t Au from 22m to 28m and 2m @ 5.05 g/t Au from 22m to 24m
- Hole LFRC-002: 23m @ 1.35 g/t Au from 16m to 39m including: 5m @ 3.09 g/t Au from 31m to 36m and 1m @ 6.13 g/t Au from 32m to 33m
- Hole LFRC-018: 26m @ 1.04 g/t Au from 4m to 30m including: 3m @ 2.45 g/t Au from 25m to 28m
- Hole LFRC-003: 6m @ 1.6 g/t Au from 82m to 88m including: 2m @ 2.93 g/t Au from 82m to 84m
- Hole LFRC-008: 14m @ 1.2 g/t Au from 14m to 28m including: 4m @ 1.87 g/t Au from 19m to 23m

The 1m re-sampling of the 4m composites confirmed shallow, high-grade intercepts of up to approximately 10g/t Au.

The updated independent JORC (2012) Mineral Resource Estimate for the Loflin deposit (including 9,000oz at Loflin South), reported as at 31 July 2022, was for a total Inferred Resource of 2,596,000t @ 0.99 g/t Au for 82,700oz of contained gold. This represented a 27% increase in contained gold achieved for the Loflin deposit versus the previous 65,000oz estimated in September 2021.

There is potential for mineralisation at Loflin to remain open down-dip, to the north-east, along the plunge of the syncline. The newly discovered Loflin South has had limited drilling and definition and remains open in all directions and is currently modelled as two separate satellite deposits. Accordingly, there is potential for a significant further increase in resources for Loflin and Loflin South through additional future drilling. 3D Geological modelling and drilling has delineated a NE-SW shallow plunging synclinal fold structure with shallow gold mineralisation in the core of the structure.

Post the reporting period end, significant intercepts were recorded from the Jones-Keystone 1m sample re-splits including:

- Hole JKRC-002: 50m @ 1.09 g/t Au from 72m to 122m including:
  - 27m @ 1.52 g/t Au from 72m to 99m
  - 9m @ 2.71 g/t Au from 90m to 99m
  - 1m @ 5.77 g/t Au from 93m to 94m
- Hole JKRC-003: 28m @ 1.15 g/t Au from 66m to 94m including:
  - 6m @ 2.67 g/t Au from 66m to 72m
  - 1m @ 5.17 g/t Au from 67m to 68m
- Hole JKRC-004: 31m @ 1.38 g/t Au from 28m to 59m including:
  - 16m @ 2.15 g/t Au from 28m to 44m
  - 1m @ 7.52 g/t Au from 32m to 33m

The 1m re-sampling of the 4m composites has confirmed shallow, high-grade intercepts of up to approximately 7.5g/t Au.

A Maiden JORC Mineral Resource Estimate for the Jones-Keystone side of the JKL Project is currently being prepared following the recent receipt of the 1m assay results for the Jones-Keystone deposit.

6. Outlook

As a gold exploration and development company, the Directors continue to believe that the group's 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 the well-mineralised but under explored Carolina Super Terrane.

Dr Bernard Olivier
Chief Executive Officer

28 September 2022

Interim Financial Statements

Lexington Gold Ltd
Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the Half-Year ended 30 June 2022
(Unaudited)

	Notes	Unaudited Six months ended 30 June 2022 $'000	Unaudited Six months ended 30 June 2021 $'000
CONTINUING OPERATIONS			
Operating expenses	3	(363)	(467)
Fair value gain on derivative liability		6	-
Finance cost		(10)	-
Loss before income tax		**(367)**	**(467)**
Income tax credit/(charge)		-	-
Loss for the period		**(367)**	**(467)**
Other comprehensive income			
Loss for the period		(367)	(467)
Items that may be reclassified to profit or loss:			
Foreign currency reserve movement		-	-
Total comprehensive loss for the period		**(367)**	**(467)**
Loss per share attributable to the owners of the parent			
Basic and diluted loss per share from continuing operations (cents per share)	4	(0.14)	(0.18)

The accompanying notes form part of these financial statements.

Lexington Gold Ltd
Consolidated Statement of Financial Position
As at 30 June 2022 (Unaudited)

	Notes	Unaudited 30 June 2022 $'000	Audited 31 December 2021 $'000
Non-current assets			
Exploration and evaluation assets	5	4,376	3,764
Total non-current assets		**4,376**	**3,764**
Current assets			
Trade and other receivables		27	45
Cash and cash equivalents		373	953
Total current assets		**400**	**998**
Total assets		**4,776**	**4,762**
Equity			
Share capital		787	787
Share premium		59,096	59,096
Share option reserve		603	555
Foreign currency translation reserve		(2)	(2)
Accumulated loss		(57,117)	(56,750)
Total equity attributable to equity owners of the parent		**3,367**	**3,686**
Non-controlling interest		970	970
Total equity		**4,337**	**4,656**
Current liabilities			
Trade and other payables		26	106
Borrowings	6	372	-
Derivative liability	7	41	-
Total current liabilities		**439**	**106**
Total equity and liabilities		**4,776**	**4,762**

The accompanying notes form part of these financial statements.

Lexington Gold Ltd
Consolidated Statement of Changes in Equity
For the Half-Year Ended 30 June 2022
(Unaudited)

	Issued share capital US$'000	Share premium US$'000	Share option reserve US$'000	Foreign currency trans-lation reserve US$'000	Accumu-lated loss US$'000	Total equity attribu-table to share-holders US$'000	Non-controll ing interest US$'000	Total equity US$'000
Six months ended 30 June 2022 (unaudited)								
At start of period	**787**	**59,096**	**555**	**(2)**	**(56,750)**	**3,686**	**970**	**4,656**
Total comprehensive loss for the period	-	-	-	-	(367)	(367)	-	(367)
Loss for the period	-	-	-	-	(367)	(367)	-	(367)
Foreign exchange gain on translation	-	-	-	-	-	-	-	-
Share options	-	-	48	-	-	48	-	48
At end of period	**787**	**59,096**	**603**	**(2)**	**(57,117)**	**3,367**	**970**	**4,337**
Six months ended 30 June 2021 (unaudited)								
At start of period	**787**	**59,096**	**234**	**(3)**	**(55,729)**	**4,385**	**971**	**5,356**
Total comprehensive loss for the period	-	-	-	-	(467)	(467)	-	(467)
Loss for the period	-	-	-	-	(467)	(467)	-	(467)
Foreign exchange gain on translation	-	-	-	-	-	-	-	-
Share issue cost	-	-	108	-	-	108	-	108
At end of period	**787**	**59,096**	**342**	**(3)**	**(56,196)**	**4,026**	**971**	**4,997**

The accompanying notes form part of these financial statements.

Lexington Gold Ltd
Consolidated Statement of Cash Flows
For the Half-Year Ended 30 June 2022
(Unaudited)

	Notes	Unaudited Six months ended 30 June 2022 $'000	Unaudited Six months ended 30 June 2021 $'000
Cash flows used in operating activities			
Cash absorbed by operations	8	(365)	(399)
Net cash used in operating activities		**(365)**	**(399)**
Cash flows used in investing activities			
Payments for exploration		(612)	(434)
Net cash used in/by investing activities		**(612)**	**(434)**
Cash flows from financing activities			
Proceeds from borrowings		416	-
Net cash generated from financing activities		**416**	**-**
Net decrease in cash and cash equivalents		**(561)**	**(833)**
Movement in cash and cash equivalents			
Exchange (losses)/gains		(19)	3
At the beginning of the period		953	2,895
Decrease		(561)	(833)
At the end of the period		**373**	**2,065**

The accompanying notes form part of these financial statements.

Lexington Gold Ltd
Notes to the interim financial information
For the Half-Year Ended 30 June 2022
(Unaudited)

1. Basis of preparation

The unaudited interim financial information set out above, which incorporates the financial information of the Company and its subsidiary undertakings (the "Group"), has been prepared using the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS") and with those parts of the Bermuda Companies Act, 1981 applicable to companies reporting under IFRS.

These interim results for the six months ended 30 June 2022 are unaudited and do not constitute statutory accounts as defined in section 87A of the Bermuda Companies Act, 1981.The financial statements for the year ended 31 December 2021 have been delivered to the Registrar of Companies and the auditors' report on those financial statements was unqualified but contained an emphasis of matter paragraph on going concern.

2. Going concern

For the period ended 30 June 2022, the Group recorded a loss of US$0.37m and had net cash outflows from operating activities of US$0.37m. An operating loss is expected in the year subsequent to the date of these financial statements. The ability of the entity to continue as a going concern is dependent on the Group generating positive operating cash flows and/or securing additional funding through the raising of debt and/or equity to fund its projects.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Company raised additional funding by way of a convertible loan of £335,000 in late April 2022;
- The Directors are confident that they will be able to raise additional funds to satisfy its immediate cash requirements and have successfully raised financing in the past; and
- The Directors have the ability to reduce expenditure in order to preserve cash if required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

3. Operating (expenses)/income

	Unaudited Six months ended 30 June 2022 $'000	Unaudited Six months ended 30 June 2021 $'000
Directors' emoluments and fees	(98)	(98)
Net foreign exchange (loss)/gain	(15)	3
Office expenses	(27)	(18)
Professional and other services	(164)	(246)
Share option expense	(48)	(108)
Other expenses	(11)	-
Total operating expenses	**(363)**	**(467)**

4. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six months ended 30 June 2022 was based on the loss attributable to common shareholders from continuing operations of US$367,000 (H1 2021: US$467,000) and a weighted average number of common shares outstanding of 261,478,810 (H1 2021: 261,478,810).

5. Exploration and evaluation assets

	Unaudited 30 June 2022 $'000	Audited 31 December 2021 $'000
Balance at beginning of period	3,764	2,499
Additions	612	1,265
	4,376	**3,764**

The amount above relates to exploration and development activities in respect of the Group's 51% investment in four diverse gold projects, covering a combined area of over 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. It was also the site of the first US gold rush in the early 1800s, before gold was discovered in California.

In order for the Company to retain its 51% membership interests in the four projects, it has to make certain Minimum Funding Contributions in respect of each of the projects in each of the four years and throughout the four-year period following its re-admission to AIM in November 2020, in an aggregate amount of AU$5 million (the “Minimum Funding Contributions”). The Minimum Funding Contributions are further detailed in note 9.

In the event that the Minimum Funding Contributions are not satisfied by the Company, Uwharrie Resources Inc., the Company’s joint venture partner, has the option to acquire the Company’s 51% interest in the relevant project for a nominal sum of AU$1.

The directors have assessed the value of the exploration and evaluation asset having considered any indicators of impairment, and in their opinion, based on a review of future expected availability of funds to develop the projects and the intention to continue exploration and evaluation, no impairment is necessary.

6. Borrowings

	Unaudited 30 June 2022 $’000	Audited 31 December 2021 $’000
Interest bearing borrowings	372	-
	372	**-**

As announced on 25 April 2022, the Company 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”). The Convertible Loan is unsecured and repayable with accrued interest on 30 April 2023.

Interest accrues at 6 per cent. per annum to maturity and is 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.

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 occurs in the event of a Qualifying Financing. 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.

7. Derivative liability

	Unaudited 30 June 2022 $'000	Audited 31 December 2021 $'000
Derivative liability from option to redeem borrowings for shares	41	-
	41	**-**

It was determined that the redemption option (refer to Note 6) upon the occurrence of a redemption event (e.g. a Qualifying Financing, etc.) should be bifurcated and accounted for separately.

The embedded derivative liability represents the combined fair value of the right of borrowers to receive Shares upon conversion. The embedded derivative liability is adjusted to reflect fair value at each period end with changes in fair value recorded in profit and loss.

8. Cash (absorbed)/generated by operations

	Unaudited Six months ended 30 June 2022 $'000	Unaudited Six months ended 30 June 2021 $'000
Loss before income tax	(367)	(467)
Adjusted for:		
▪ Fair value gain on derivative liability	(6)	-
▪ Finance cost	10	-
▪ Share options expense	48	108
▪ Net foreign exchange difference	10	(3)
Cash from operations before working capital changes	**(305)**	**(362)**
Working capital changes:		
Trade and other receivables	18	30
Trade and other payables	(78)	(67)
Cash (absorbed)/generated by operations before interest and tax	**(365)**	**(399)**

9. Commitments and contingencies

Pursuant to the terms of its acquisition of Global Asset Resources Limited ("GAR") in November 2020, Lexington Gold is required to pay conditional deferred consideration, of, in aggregate, AU$1.5m (being the Tranche 1 Deferred Consideration if the Tranche 1 Performance Milestone detailed below is met) and the sum of, in aggregate, AU$3.0m (being the Tranche 2 Deferred Consideration if the Tranche 2 Performance Milestone detailed below is met) to the Sellers and Uwharrie Resources Inc. ("URI"), in cash or New Common Shares at the Company's sole discretion, subject to the achievement by the Group of the Tranche 1 Performance Milestone and Tranche 2 Performance Milestone or the occurrence of certain Vesting Events within five years of completion of the Company's acquisition of Global Asset Resources Ltd ("GAR"). No provision has been made for the payment of the deferred consideration as the Tranche 1 Performance Milestone, Tranche 2 Performance Milestone and Vesting Events have not occurred.

The Tranche 1 Performance Milestone comprises confirmation by an independent geologist and announcement by the Company of JORC 2012 compliant resources in respect of any one of the GAR Projects (including any Additional Projects) that are not Excluded Projects of at least:

a) 0.8 million ounces of gold at a grade of more than 1 g/t; or
b) 0.6 million ounces of gold at a grade of more than 2.5 g/t; or
c) 0.4 million ounces of gold at a grade of 5 g/t or more.

The Tranche 1 Deferred Consideration, payable within 21 business days of the achievement of the Tranche 1 Performance Milestone or occurrence of certain Vesting Events, comprises AU$1,299,000, payable in cash or New Common Shares at the Relevant Price (in whole or in part) at the Company's sole discretion, to the Sellers; and AU$201,000, payable in cash or New Common Shares at the Relevant Price (in whole or in part) at the Company's sole discretion, to URI.

The Tranche 2 Performance Milestone comprises the commissioning from an independent geologist, completion and announcement by the Company, in accordance with the AIM Rules, of a pre-feasibility study in respect of any one of the GAR Projects (including any Additional Projects) that are not Excluded Projects confirming a pre-tax NPV of more than US$50m at a discount rate of at least 8 per cent.

The Tranche 2 Deferred Consideration, payable within 21 business days of the achievement of the Tranche 2 Performance Milestone or occurrence of certain Vesting Events, comprises AU$2,598,000, payable in cash or New Common Shares at the Relevant Price (in whole or in part) at the Company's sole discretion, to the Sellers; and AU$402,000, payable in cash or New Common Shares at the Relevant Price (in whole or in part) at the Company's sole discretion, to URI. If the Tranche 1 Deferred Consideration has not previously been paid at the time of achievement of the Tranche 2 Performance Milestone, the Tranche 1 Deferred Consideration will also become payable in cash or New Common Shares (at the Company's sole discretion) at such time.

The Joint Venture Implementation Deed between GAR, URI and Carolina Gold Resources also sets out certain Minimum Funding Contributions in respect of each of the GAR Projects to be provided by the Company in each of the four years and throughout the four-year period following Admission in order to retain its 51 per cent. interest in the Projects which are summarised below. In the event that the Minimum Funding Contributions are not satisfied by Lexington Gold (on both an annual and overall basis), URI has the option to acquire the Company's 51 per cent. membership interest (via GAR Holdings) in the relevant Project SPV for a nominal sum of AU$1. The Company similarly has the option to sell its 51 per cent. membership interest in any of the GAR Projects to URI at any time during the four-year period following Admission for AU$1 should the Board determine that the Company no longer wishes to proceed with one or more of the GAR Projects.

Minimum Funding Contributions for the Company to retain its 51 per cent. membership interests

	AU$				
Project	**Minimum Total**	**Minimum Year 1**	**Minimum Year 2**	**Minimum Year 3**	**Minimum Year 4**
JKL	1,500,000	250,000	150,000	150,000	150,000
Carolina Belle	1,500,000	250,000	100,000	100,000	100,000
Jennings-Pioneer	1,000,000	100,000	100,000	100,000	100,000
Argo	1,000,000	100,000	100,000	100,000	100,000
	5,000,000	**700,000**	**450,000**	**450,000**	**450,000**

At the end of the initial four-year period following Admission and satisfaction of the Minimum Funding Contributions for a Project, if URI elects not to fund its proportionate share of future costs or fails to make an election then, in accordance with the terms of the Joint Venture Implementation Deed, the Company will potentially be able to increase its interest in each of the Project SPVs to 80 per cent. by meeting certain further funding commitments in years 5 and 6 (on both an annual and overall basis) following Admission (the "Extended Period").

Extended Period funding contributions from the Company to acquire an additional 29 per cent. membership interest and increase its total interest to 80 per cent.

Project	**Minimum Total**	**Minimum Year 5**	**Minimum Year 6**
JKL	2,500,000	150,000	150,000
Carolina Belle	2,500,000	100,000	100,000
Jennings-Pioneer	1,500,000	100,000	100,000
Argo	1,500,000	100,000	100,000
	8,000,000	**450,000**	**450,000**

If the Company does not meet the Extended Period funding contributions in relation to a particular Project, it will retain its 51 per cent. initial interest in such Project SPV.

In the event that the Company increases its interest in any of the Project SPVs to 80 per cent. and URI elects not to fund its proportionate share of future costs in respect of its then 20 per cent. residual interest in the GAR Project concerned or fails to make an election, the Company is able to increase its interest in the relevant Project to 100 per cent. by agreeing to pay for the relevant Project, a Net Smelter Royalty to URI of 0.5 per cent. for future production up to 50,000 oz gold equivalent, 2.0 per cent. for future production from 50,000 to 400,000 oz gold equivalent and 1.0 per cent. for future production in excess of 400,000 oz gold equivalent.

10. Related parties

Identity of related parties
The Group has a related party relationship with its subsidiaries and key management personnel.

Remuneration of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. Details of the nature and amount of each element of the remuneration of each director of the Group during the period are shown in the table below:

Six months ended 30 June 2022

	Directors' fees US$	Executive fees (1) US$	Share based payments (2) US$	Total US$
Edward Nealon	11,250	6,750	6,431	24,431
Bernard Olivier	11,250	39,000	10,182	60,432
Melissa Sturgess	11,250	-	6,431	17,681
Rhoderick Grivas	11,250	6,750	6,431	24,431
	45,000	52,500	29,475	126,975

Six months ended 30 June 2021

	Directors' fees US$	Executive fees (1) US$	Share based payments (2) US$	Total US$
Edward Nealon	11,250	6,750	14,415	32,415
Bernard Olivier	11,250	39,000	22,823	73,073
Melissa Sturgess	11,250	-	14,415	25,665
Rhoderick Grivas	11,250	6,750	14,415	32,415
	45,000	52,500	66,068	163,568

(1) For duties as executive director and consulting.
(2) In accordance with the requirements of IFRS 2 Share-based payments, the estimated fair value for the share options granted was calculated using a Black Scholes option pricing model. None of the share options have been exercised as they are out of the money.

Borrowings and advances from directors and shareholders

	Unaudited 30 June 2022 $'000	Audited 31 December 2021 $'000
Ed Nealon	63	-
Bernard Olivier	4	-
Melissa Sturgess	13	-
Rhoderick Grivas	32	-
Astor Management AG	61	-
Aero Services (IOM) Limited	123	-
Pure Ice Ltd	123	-
	419	**-**

Current directors of the holding company and their close family members, as at the date of these financial statements, control 4.25% (31 December 2021: 4.25%) of the voting shares of Lexington Gold.

11. Fair value

Carrying amount versus fair value
The following table compares the carrying amounts and fair values of the Group's financial assets and financial liabilities as at 30 June 2022.

The Group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:
- Trade and other receivables
- Trade and other payables
- Cash and cash equivalents

	As at 30 June 2022		As at 31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Financial liabilities				
Borrowings	372	372	-	-
Derivative liability	41	41	-	-
Total	**413**	**413**	**-**	**-**

Fair value hierarchy
The level in the fair value hierarchy within which the financial asset or financial liability is categorised is based on the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(in $'000)	**As at 30 June 2022**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities				
Derivative liability	**41**	**-**	**-**	**41**

	As at 31 December 2021	**Level 1**	**Level 2**	**Level 3**
Financial liabilities				
Derivative liability	**-**	**-**	**-**	**-**

Reconciliation: Level 3 recurring fair value measurements

	Unaudited 30 June 2022 $'000	**Audited 31 December 2021 $'000**
Derivative liability		
Opening balance	-	-
On initial recognition of borrowings	47	-
Fair value adjustment recognised during the period	(6)	-
	41	**-**

Transfers during the period

During the 6-month period to 30 June 2022:
- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

Valuation techniques

Derivative liabilities
A Monte-Carlo simulation option pricing model was used to estimate the fair value of the conversion options embedded in borrowings. The model requires the development and use of assumptions. These assumptions include estimated volatility of the value of common shares and an appropriate risk-free interest rate.

12. Subsequent events

On 11 July 2022, the Company announced the receipt of the results for 1m re-splits taken from the RC drill hole 4m composite samples across its combined Loflin and Loflin South Project. All of the holes concerned were originally sampled as 4m composites. All composites which returned a gold grade of more than 200ppb Au were subsequently re-sampled in the field and assayed on a 1m basis. The 1m re-sampling confirmed shallow, high-grade intercepts of up to approximately 10g/t Au and the results were incorporated into the Company's geological model.

On 8 August 2022, the Company announced an updated independent JORC (2012) Mineral Resource Estimate for the Loflin side of the JKL Project prepared by Pivot Mining Consultants Pty Ltd of 2,596,000t @ 0.99 g/t Au for 82,700oz of contained gold. This represented a 27% increase in contained gold versus the previous estimate in September 2021.

On 15 August 2022, the Company announced the appointment of WH Ireland Limited as its Joint Broker.

On 26 September 2022, the Company announced the receipt of the results for 1m re-splits taken from the RC drill hole 4m composite samples at its Jones-Keystone deposit that forms part of the JKL Project. The 1m re-sampling confirmed shallow, high-grade intercepts of up to approximately 7.5g/t Au and the results are currently being incorporated into the Company's geological model.