

LEXINGTON GOLD

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THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY NEW COMMON SHARES OF LEXINGTON GOLD LTD IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"). MARKET SOUNDINGS, AS DEFINED IN MAR, WERE TAKEN IN RESPECT OF THE PLACING WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF THIS INSIDE INFORMATION, AS PERMITTED BY MAR. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

17 October 2022

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

Equity fundraising of approximately £500,000 gross
Conversion of Unsecured Convertible Loan Facility

Lexington Gold (AIM: LEX), the gold exploration and development company, with projects in North and South Carolina, USA, is pleased to announce that it has conditionally raised, in aggregate, approximately £500,000 (before expenses) through a placing, via Peterhouse Capital Limited ("**Peterhouse**") as agent of the Company, of 10,526,317 new common shares of US\$0.003 each in the capital of the Company ("**Common Shares**") (the "**Placing Shares**") (the "**Placing**") to certain new and existing shareholders at an issue price of 4.75 pence per Placing Share (the "**Placing Price**").

In addition, as the Placing represents a qualifying financing in respect of the convertible loan of £335,000 announced on 26 April 2022 (the "**Convertible Loan**"), thereby triggering conversion of the Convertible Loan, the Company will issue a further 11,096,875 new Common Shares to the holders of the Convertible Loan notes in respect of the automatic conversion of the principal amount of the Convertible Loan (and accrued interest thereon of £20,100) at the previously fixed price of 3.2 pence per Common Share (the "**Loan Settlement Shares**")

Highlights:

- Placing to raise £500,000 through the issue of 10,526,317 common shares
- Placing price of 4.75p represents a premium of circa. 13.6 per cent. to the Company's 30 day VWAP of 4.18p on 14 October 2022
- Admission of the Placing Shares to trading on AIM expected on or around 21 October 2022
- Placing triggers automatic conversion of the Convertible Loan announced on 26 April 2022

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Bernard Olivier, CEO of Lexington Gold, said:

"I am pleased to announce this placement at a 13.6% premium to the 30-day VWAP. This show of support and confidence in our strategy from our shareholders is welcome, especially given the current market conditions and the discounted fundraises seen elsewhere in the market. We are looking forward to exciting times ahead for Lexington, including the upcoming release of the maiden JORC Resource for the Company's Jones-Keystone project which is expected in early November 2022. The board is targeting a maiden JORC Resource of up to 100,000 gold ounces at the Jones-Keystone project and we look forward to updating shareholders on our progress."

Edwards Nealon, Chairman of Lexington Gold, said:

"I would like to thank our shareholders for their ongoing support. Our operational success with drilling, establishing and growing the maiden JORC Resources at our gold projects in the USA has not gone unnoticed. We have recently been approached with additional gold opportunities in the Carolinas and also in other well-known, major gold-producing jurisdictions. We are currently evaluating and considering these exciting potential additional opportunities and we look forward to reporting back after thorough consideration and evaluation should we decide to proceed."

The Placing

Pursuant to the Placing, certain new and existing shareholders have agreed to subscribe for, in aggregate, 10,526,317 new Common Shares at the Placing Price. The Placing Price represents a premium of approximately 13.6 per cent. to the Company's 30-day VWAP of 4.18 pence on 14 October 2022 being the latest practicable date prior to the date of this announcement.

The Placing Shares will be issued conditional upon the Placing agreement between the Company and Peterhouse not being terminated in accordance with its terms and admission of the Placing Shares to trading on AIM, which is expected to take place on or around 21 October 2022. The Placing Shares represent, in aggregate, approximately 3.7 per cent. of the Enlarged Share Capital (as defined below). The Placing Shares will rank *pari passu* in all respects with the Company's existing Common Shares and will be issued fully paid.

Use of Placing Proceeds

The net proceeds of the Placing will be utilised for:

- Trenching, surface and soil sampling work at Jennings Pioneer and Argo
- Potential estimation of a JORC exploration target for Carolina Belle
- Modelling, planning and design of next Resource Drilling programme at JKL
- Expediting the JORC Mineral Resource Estimation for the Jones-Keystone side of the JKL Project following the receipt of the 1m assay results
- Ongoing due diligence, evaluation and negotiations regarding the potential acquisitions of additional gold tenements and gold projects, both in the Carolinas as well as other well-known major gold producing jurisdictions
- General working capital requirements

Repayment of Convertible Loan

The repayment of the total £335,000 Convertible Loan and interest accrued to date of £20,100 is, conditional on completion of the Placing, and in accordance with the terms of the Convertible Loan being settled by the issue of 11,096,875 Common Shares at 3.2 pence per Loan Settlement Share. As announced on 25 April 2022, this was set at a premium of approximately 30.6 per cent. above the closing middle market share price on Friday 24th April 2022 of 2.45p being the latest practicable date prior to the date of the announcement of the Convertible Loan.

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The Loan Settlement Shares will be issued at the same time as the issue and admission of the Placing Shares, which is expected to take place on or around 21 October 2022.

Admission to trading

Application will be made in due course for the Placing Shares and the Loan Settlement Shares to be admitted to trading on AIM, which is expected to take place on or around 21 October 2022 (“**Admission**”). Following Admission of the Placing Shares and the Loan Settlement Shares, the Company’s total number of Common Shares in issue outside treasury with voting rights will be 283,102,002 (the “**Enlarged Share Capital**”).

Holding in Company

Pure Ice Limited, a substantial shareholder in the Company, has subscribed for 2,105,264 new Common Shares pursuant to the Placing. In addition, Pure Ice limited will be issued 3,312,500 Loan Settlement Shares in respect of its holding of £100,000 principal amount of the Convertible Loan. Accordingly, on Admission, Pure Ice Limited will hold 61,507,736 Common Shares representing approximately 21.7 per cent. of the Company’s Enlarged Share Capital.

Directors’ Interests

Certain of the Company’s director participated in the Convertible Loan and accordingly will receive Loan Settlement Shares pursuant to the conversion of the Convertible Loan. Such Directors’ and their related parties interests following the issue of the abovementioned Placing Shares and Loan Settlement Shares will be as set out below:

Common Shares

	Current Holding	Loan Settlement Shares	New Holding	% of Enlarged Share Capital
Ed Nealon	6,259,895	1,656,250	7,916,145	2.80%
Bernard Olivier	1,776,937	-	1,776,937	0.63%
Melissa Sturgess	-	331,250	331,250	0.12%
Rhod Grivas	3,084,013	828,125	3,912,138	1.38%

Related Party Transactions

The abovementioned participation by a substantial shareholder Pure Ice Limited in the Placing, on the same terms as all other places, is deemed to be a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the Board of Directors, having consulted with the Company’s Nominated Adviser, Strand Hanson Limited, consider that the participation of Pure Ice Limited’s in the Placing is fair and reasonable insofar as the Company’s shareholders are concerned.

For further information please contact:

Enquiries:

Lexington Gold Ltd

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Edward Nealon (Chairman)

Mike Allardice (Group Company Secretary)

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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 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.

PDMR Notification Forms:

The notifications below are made in accordance with the requirements of MAR.

1.	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	Edward Nealon	
2.	Reason for the Notification		
a)	Position/status	Non-Executive Chairman	
b)	Initial notification/amendment	Initial notification	
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Lexington Gold Ltd	
b)	LEI	213800ZBDLZC9TO5W864	
4.	Details of the transaction(s):section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the Financial instrument, type of instrument	Common shares of US\$0.003 each	
	Identification code	BMG5479L1072	
b)	Nature of the Transaction	Settlement of Convertible Loan in shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		3.2pence	1,656,250
d)	Aggregated information	N/A (Single transaction)	

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	Aggregated volume Price	
e)	Date of the transaction	14 October 2022
f)	Place of the transaction	London Stock Exchange, AIM Market (XLON)

1.	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Melissa Sturgess
2.	Reason for the Notification	
a)	Position/status	Non-Executive Director
b)	Initial notification/amendment	Initial notification
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Lexington Gold Ltd
b)	LEI	213800ZBDLZC9TO5W864
4.	Details of the transaction(s):section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the Financial instrument, type of instrument	Common shares of US\$0.003 each
	Identification code	BMG5479L1072
b)	Nature of the Transaction	Settlement of Convertible Loan in shares
c)	Price(s) and volume(s)	Price(s)
		Volume(s)
		3.2 pence
		331,250
d)	Aggregated information Aggregated volume Price	N/A (Single transaction)
e)	Date of the transaction	14 October 2022
f)	Place of the transaction	London Stock Exchange, AIM Market (XLON)

1.	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Rhoderick Grivas
2.	Reason for the Notification	
a)	Position/status	Non Executive Director
b)	Initial notification/amendment	Initial notification
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Lexington Gold Ltd
b)	LEI	213800ZBDLZC9TO5W864
4.	Details of the transaction(s):section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the Financial instrument, type of instrument	Common shares of US\$0.003 each
	Identification code	BMG5479L1072
b)	Nature of the Transaction	Settlement of Convertible Loan in shares to Goodheart Pty Ltd ATF GBH Trust
c)	Price(s) and volume(s)	Price(s)
		Volume(s)
		3.2 pence
		828,125
d)	Aggregated information Aggregated volume Price	N/A (Single transaction)
e)	Date of the transaction	14 October 2022
f)	Place of the transaction	London Stock Exchange, AIM Market (XLON)