



15 May 2023

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

**Proposed Acquisition of White Rivers Exploration (Pty) Ltd**

Lexington Gold (AIM: LEX), the gold exploration and development company with projects in North and South Carolina, USA, is pleased to announce that, on 13 May 2023, it entered into, via its wholly owned recently incorporated subsidiary, conditional share subscription and loan agreements to acquire 76 per cent. of White Rivers Exploration Proprietary Limited ("**WRE**") an exploration and development company with significant gold assets in South Africa.

**Highlights:**

**Summary information on WRE**

- WRE is a major tenement holder in the Witwatersrand gold fields of South Africa, with tenement interests covering approximately 89,499 hectares.
- WRE's current tenement interests have been estimated by WRE's management to contain potential resources of over 37 million ounces of gold (non-JORC/non-SAMREC nor other international standard compliant estimate). WRE has focussed its exploration efforts in particular on shallow (200 to 1,200m depth) deposits close to well established infrastructure (refer to Table 1 below for further details).
- WRE's tenement interests comprise 10 prospecting rights (six granted licences and four renewal applications) which are grouped into five projects.
- WRE has an incorporated Joint Venture ("**JV**") arrangement with Avgold Limited a subsidiary of Harmony Gold Mining Company Limited (JSE:HMY) ("**Harmony Gold**"), the largest gold producer by volume in South Africa. Such JV project, referred to as the Jelani Resources JV, has a non-code compliant independently estimated resource of 6.02 million ounces of gold at an average grade of 6.47 g/t.
- The Witwatersrand gold fields area was historically the largest single gold producing district in the world. Total historical gold production over a century of mining activity was 2 billion ounces. It is estimated that a further 1.2 billion ounces of gold resource still remains in the Witwatersrand.
- WRE's Kroonstad project, has an independently estimated non-code compliant gold exploration resource target of between 6.06 million ounces and 62.41 million ounces with a gold grade of between 4.96 g/t and 11.54 g/t and potentially constitutes a new Witwatersrand goldfield.
- WRE is believed to own the world's largest Witwatersrand drillhole data base compiled over a ten-year period and consisting of some 2,500 mother holes with their associated assays.
- WRE was established by well-known Australian explorer, Mark Creasy, in 2002, with whom the Company has on 12 May 2023 entered into a one-year unsecured loan agreement for a principal amount of £0.3m (the "**Mark Creasy Loan Agreement**"). Mr Creasy will become a significant shareholder of Lexington Gold on completion of the proposed acquisition.

**Edward Nealon, Lexington Gold's Chairman, commented:**

*"The Board is very pleased to announce this proposed acquisition, which the Directors consider to be a substantial development for the Company. WRE's assets are located in a world-renowned gold*

# LEXINGTON GOLD

*producing area known both to me personally and our South African based CEO, Bernard Olivier. The Witwatersrand gold fields have been the source of almost a third of the world's gold production since 1886 and are estimated to still hold over one billion ounces. The results of exploration activities across these tenements have so far been extremely encouraging, with early stage assessments indicating sizeable non-code compliant gold resources across the five projects.*

*"The Board believes that this transaction has significant potential for creating shareholder value, as we seek to progress WRE's assets into an independently verified multi-million ounce JORC-compliant resource base. The Company will also continue with its current exploration work across its highly promising Carolina projects."*

## **Bernard Olivier, Lexington Gold's CEO, commented:**

*"This proposed acquisition of WRE, with its substantial portfolio of gold assets, represents a tremendous opportunity for Lexington Gold. The projects are all considered shallow level in terms of gold mining in South Africa and the portfolio comprises, in our view, one of the best gold asset packages in the world. We also look forward to working closely with Mark Creasy who will become a significant shareholder of Lexington Gold on completion. Mr Creasy is considered to be one of Australia's most successful mining entrepreneurs and we are delighted to welcome him as a supportive partner in our enlarged business."*

## **Details of the Proposed WRE Transaction**

As indicated above, Lexington Gold, via its subsidiary, has entered into conditional share subscription and loan agreements to acquire 76 per cent. of WRE, an exploration and development company with significant gold assets in South Africa (the "**WRE Share Subscription and Loan Agreements**"), as well as directly into conditional loan assignment agreements with each of Mark Creasy and Sunswell Holdings Pty Ltd. ("**Sunswell**") to acquire all of the outstanding loans they have historically made to WRE (the "**WRE Loan Assignments**") (together, the "**WRE Acquisition and Loan Agreements**"). The aggregate amount payable by the Company under the WRE Acquisition and Loan Agreements is £0.3m, by way of the provision of a subordinated loan to WRE, and up to £6.4m to be settled by way of the issue of new common shares in Lexington Gold based on certain pre-determined milestones being satisfied with any such shares being subject to a 12-month lock-up arrangement followed by a 12-month orderly market arrangement from the date of their issue (the "**Proposed WRE Transaction**").

For so long as Mr Creasy is interested in 10 per cent. or more of Lexington Gold's issued common shares post completion of the Proposed WRE Transaction, he shall be entitled to nominate a director to the Company's Board. Mr Creasy has no existing shareholding or other interest in the Company.

The WRE Acquisition and Loan Agreements are conditional, *inter alia*, on approval from Lexington Gold's shareholders. The Company will make a further announcement when the formal notice of the requisite general meeting is published in respect of seeking such shareholder approval.

WRE was established by well-known Australian explorer, Mark Creasy, in 2002, with whom the Company has on 12 May 2023 entered into a one-year unsecured loan agreement for a principal amount of £0.3m (the "**Mark Creasy Loan Agreement**").

## **WRE Share Subscription and Loan Agreements:**

As part of the transaction, Lexington Gold is required to advance a £0.3m subordinated loan to WRE (the "**WRE Loan**") and will be issued 76 per cent. of WRE's voting shares with the remaining 24 per cent. to be issued to Lexington Gold's Broad-Based Black Economic Empowerment ("**BBBEE**") partners.

# LEXINGTON

## GOLD

The WRE Loan will be used to settle all existing WRE creditors other than Mark Creasy and Sunswell and the costs associated with WRE's current South African business rescue process.

The WRE Share Subscription and Loan Agreements are conditional, *inter alia*, on the receipt of approval from Lexington Gold's shareholders at a duly convened general meeting, formal notification of which will be announced and sent to shareholders in due course.

### **WRE Loan Assignments:**

The £6.4m aggregate amounts payable in respect of the assignment of Mark Creasy's loans with a face value of ZAR197m (approximately £8.5m) and Sunswell's loans with a face value of US\$2m (approximately £1.59m) advanced historically to WRE are to be settled by the issue of new common shares in Lexington Gold (the "**Consideration Shares**").

The Consideration Shares will be issued based on certain pre-determined milestones being achieved, as described in the Appendix to this announcement, and will be subject to a 12-month lock-up arrangement and thereafter a 12-month orderly market arrangement from the date of their issue.

The WRE Loan Assignments are subject to Lexington Gold shareholders' approval.

### **Mark Creasy Loan Agreement:**

Mr Mark Creasy, who is cited by Forbes ([www.forbes.com](http://www.forbes.com)) as being "*one of Australia's most successful prospectors*", is the founder, controlling majority shareholder and the main financier and creditor of WRE.

Mr Creasy has, on 12 May 2023, entered into a £0.3m, one-year unsecured, loan agreement with Lexington Gold, at an interest rate of 7.5 per cent. per annum which will accrue until the scheduled maturity date.

### **Additional Information on WRE's assets**

#### **1. Technical summary of WRE's projects**

WRE is a major tenement holder in the Witwatersrand gold fields, with tenement interests covering approximately 89,499 ha. Such tenements comprise 10 prospecting rights (six granted licences and four renewal applications), which are grouped into five projects, including the Jelani Resources JV which is an incorporated joint venture arrangement with Avgold Limited, a subsidiary of Harmony Gold. The areas of interest represent brownfield and greenfield targets predominantly located in the Free State Province and one project situated in the North West Province. The main commodity to be explored for is gold, with uranium as a possible by-product.

The Witwatersrand gold fields have accounted for more than a third of the world's total gold production since 1886 and, collectively, represent the world's largest single gold producing district. It is estimated that the Witwatersrand gold fields have produced over 2 billion ounces of gold during over a century of mining activity and that approximately 1.2 billion ounces of gold still remains in situ.

WRE has a database with a vast number of borehole logs (approximately 2,500 mother holes) and associated assays from historically drilled holes in the Witwatersrand Basin. Such borehole database was assembled from 25 different sources and is considered by WRE to be the most comprehensive collection of surface Witwatersrand exploration drilling data within South Africa.

# LEXINGTON GOLD

WRE's existing licences and renewal applications are divided into five projects (see Figure 1 below) namely:

1. Jelani Resources JV (JV with Harmony Gold);
2. Kroonstad;
3. Bothaville NE;
4. Klerksdorp South; and
5. Ventersburg.

## **Jelani Resources JV:**

The Jelani Resources JV is located adjacent to Harmony Gold's Target Mine lease area in the north-western portion of the Welkom Goldfield. It comprises one Prospecting Right and is currently jointly held by WRE (65%) and Avgold Limited (35%). The Jelani Resources Prospecting Right covers an area of 956 ha (see Table 2 below).

In 2018, WRE established an independently estimated gold resource attributable to the Jelani Resources JV but such estimation has not yet been formally verified or accepted by the partners. Although not audited/code compliant, the resource estimate comprised 6.02Moz of gold, of which approximately 2.95Moz would potentially be attributable to WRE if all hurdles in respect of the JV are ultimately achieved, including successful feasibility studies, a decision to mine being made by the JV partners and if WRE chooses to participate in the funding of future development costs to retain a 49 per cent. interest in the JV. The Mineral Resources within the one kilometre Buffer Zone are attributable solely to Harmony Gold (100%). Harmony Gold has previously indicated that the Jelani Resources JV, subject to the successful completion of a bankable feasibility study, will be afforded the opportunity to mine the resources in the Buffer Zone on tribute once a commercially acceptable future agreement has been negotiated between the parties.

## **Non-JORC/Non-SAMREC compliant resource estimates**

WRE's internally estimated non-JORC/non-SAMREC compliant resources for all five of its projects are set out in Table 1 below.

**Table 1: WRE's non-code compliant Resource estimates derived utilising WRE's internal historical database**

<b>Project</b>	<b>Mt</b>	<b>Grade cmg/t</b>	<b>Grade Au g/t</b>	<b>Au Moz</b>
Jelani Resources JV*	14.18	717	6.47	2.95
Kroonstad				31.00
Bothaville NE	6.8	330	3.33	0.73
Ventersburg	10.55	521	6.91	2.34
Klerksdorp South				0.52
<b>Total:</b>				<b>37.54</b>

Notes:

\* - WRE's attributable resource post a potential future decision to mine (WRE assumed retained JV interest of 49%; Harmony Gold 51%).

WRE's Kroonstad project, has an independently estimated non-code compliant gold exploration target of between 6.06 million ounces and 62.41 million ounces with a gold grade of between 4.96 g/t and 11.54 g/t and potentially constitutes a new Witwatersrand goldfield.

# LEXINGTON

## GOLD

**Table 2: WRE's Prospecting Licences and Prospecting Right Renewal Applications**

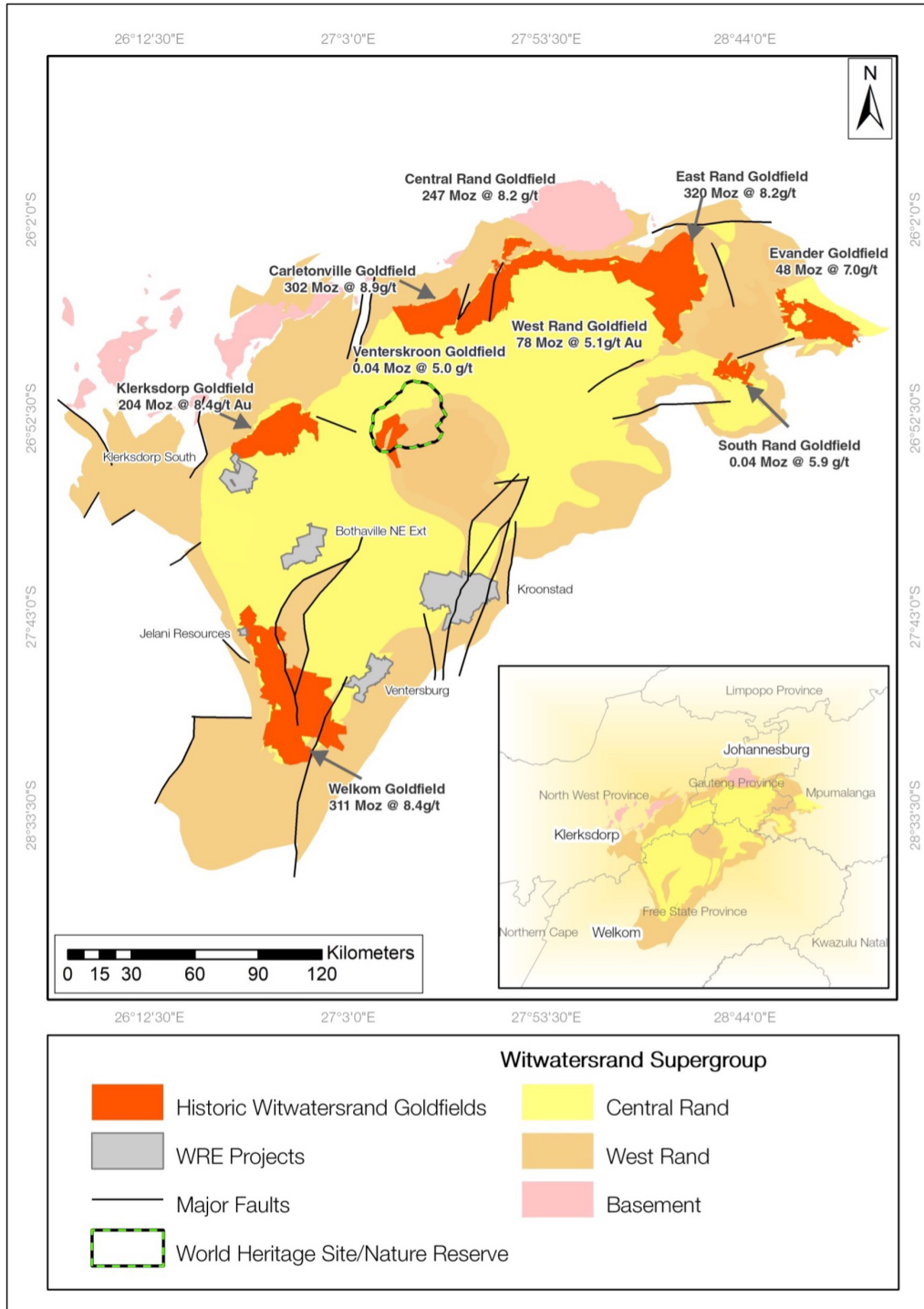
Project	Tenement	Area (hectares)	Status	Expiry date
Jelani Resources	FS 30/5/1/1/2/10350 PR	956	Renewal Submitted	*
Kroonstad	FS 30/5/1/1/2/889 PR	13,845	Renewal Submitted	*
Kroonstad	FS 30/5/1/1/2/10520 PR	12,429	Renewal Submitted	*
Kroonstad	FS 30/5/1/1/2/10519 PR	22,193	Executed	28-May-24
Bothaville	FS 30/5/1/1/2/10578 PR	9,510	Executed	03-Mar-24
Bothaville	FS 30/5/1/1/2/10579 PR	9,119	Executed	17-Mar-24
Ventersburg	FS 30/5/1/1/2/888 PR	8,418	Executed	09-Dec-23
Ventersburg	FS 30/5/1/1/2/10489 PR	8,965	Executed	09-Dec-23
Ventersburg	FS 30/5/1/1/2/10528 PR	2,248	Executed	21-Aug-24
Klerksdorp	NW 30/5/1/1/2/11335 PR	1,816	Renewal Submitted	*
<b>Total</b>		<b>89,499</b>		

\* - renewals of prospecting rights are for 3 years from the grant date of the renewal.

The rest of this page is intentionally blank

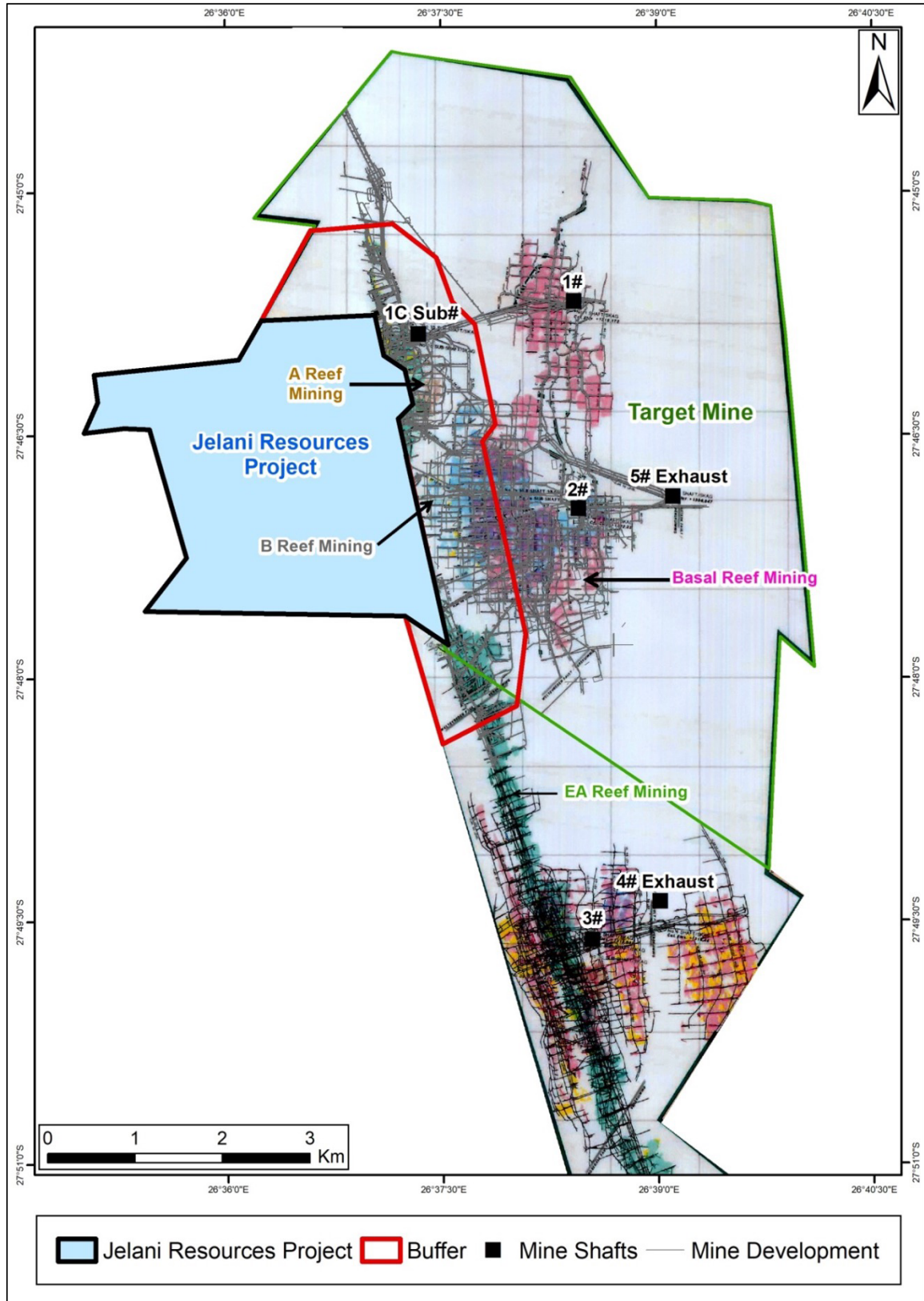
# LEXINGTON GOLD

**Figure 1: WRE's tenement interests located in the Witwatersrand Goldfields (including major estimated historic gold production).**



# LEXINGTON GOLD

Figure 2: Location of Jelani Resources JV relative to Harmony Gold's existing Target Mine operations. Historically mined out areas, shaft positions and underground developments are indicated.



# LEXINGTON

## GOLD

### 2. Proposed Work Programme

The Company's Directors believe that a multi-million ounce JORC 2012/SAMREC compliant Mineral Resource Estimate ("MRE") can be established in respect of WRE's asset portfolio and intends, subject to funding, for the Company to:

- Undertake detailed analysis and modelling of the existing geological database and extensive drilling data set; and
- Establish and implement the requisite work required to convert the current non-JORC/non-SAMREC compliant Mineral Resources into a code compliant MRE including verification and duplication drilling, as appropriate, as well as the re-sampling and assaying of historical drill core, where possible.

Furthermore, the Directors plan to unlock value from the Jelani Resources JV by engaging and working closely with Harmony Gold with the aim of progressing the project into potential future gold production.

Whilst WRE has internally estimated that it potentially has over 37 million ounces of non-code compliant gold resources across its projects (see Table 1 above) there can be no guarantee that the planned exploration and technical work by the Company, subject to funding, will be sufficient to establish JORC (2012) compliant Mineral Resources.

### 3. Shareholder Approval

Although the Company currently has sufficient share capital authorities in place to proceed with the Proposed WRE Transaction, the Board has elected to make the proposed acquisition subject to shareholder approval and will also be seeking approval for the issue of shares on the potential future exercise of the Mark Creasy Milestone Option (defined below) (which would potentially increase Mr Creasy's interest in the Company to over 30 per cent.) without triggering the requirement in the Company's Bye-laws for him to then make an offer for the Company.

### 4. Further information on WRE

WRE was incorporated and registered in South Africa as a private company in 2002 and its principal activity is that of mineral exploration and development. It was founded and funded by Mr Creasy to seek to explore the Witwatersrand basin's significant gold potential.

In 2014, WRE entered into a joint venture arrangement with subsidiaries of Harmony Gold via a vehicle now known as Jelani Resources Proprietary Limited (formerly called Friedshel 1541 Proprietary Limited) based on the potential for identifying a JORC compliant gold resource. WRE, through Jelani Resources, commissioned independent scoping studies to assess and determine potential mining rates from different shafts, potential annual gold production rates and an overall mine plan for the joint venture partners.

On 12 January 2023, WRE was placed in business rescue proceedings in South Africa and the Proposed WRE Transaction has subsequently been approved by its creditors and shareholders as part of the business rescue process overseen by the appointed business rescue practitioners. On completion of the Proposed WRE Transaction, WRE will exit business rescue with no creditors other than Lexington Gold.

The last audited financial statements prepared in respect of WRE are for its financial year ended 30 June 2021 which showed a net loss of ZAR33.2m (approximately £1.44m), total assets of ZAR61.5m (approximately £2.67m) and total liabilities of ZAR406m (approximately £17.6m).



# LEXINGTON GOLD

Mr Creasy is entitled to a gross production royalty at a rate of 2.5 per cent. in respect of WRE's existing projects. Such royalty obligation will remain in place post completion of the Proposed WRE Transaction in respect of any future production from the existing project areas.

## Competent Person's Statement

The technical information contained in this announcement that relates to WRE and its existing projects is based upon information compiled by Edward Nealon, Chairman of Lexington Gold. Mr Nealon is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Nealon consents to the inclusion in this announcement of the matters based upon the information in the form and context in which it appears.

## For further information, please contact:

### Lexington Gold Ltd

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

[www.lexingtongold.co.uk](http://www.lexingtongold.co.uk)  
via Yellow Jersey

### Strand Hanson Limited (Nominated Adviser)

Matthew Chandler / James Bellman / Abigail Wennington

[www.strandhanson.co.uk](http://www.strandhanson.co.uk)  
T: +44 207 409 3494

### WH Ireland Limited (Joint Broker)

Katy Mitchell / Ben Good / Enzo Aliaj

[www.whirelandplc.com](http://www.whirelandplc.com)  
T: +44 207 220 1666

### Peterhouse Capital Limited (Joint Broker)

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

[www.peterhousecap.com](http://www.peterhousecap.com)  
T: +44 207 469 0930

### Yellow Jersey PR Limited (Financial Public Relations)

Charles Goodwin / Annabelle Wills / Soraya Jackson

[www.yellowjerseypr.com](http://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 by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.*

## APPENDIX

### 1. WRE Share Subscription and Loan Agreements: summary of principal commercial terms

<b>Date</b>	13 May 2023
<b>Parties</b>	Lexington Gold South Africa Proprietary Limited (a recently incorporated wholly owned subsidiary of Lexington Gold Ltd) and WRE
<b>Issue of new shares in WRE and cancellation of old shares</b>	Lexington Gold or its nominee will be issued 76 ordinary shares in the capital of WRE and Lexington Gold's BBBEE partner will be issued 24 ordinary shares in the capital of

# LEXINGTON

## GOLD

---

WRE which are to be subscribed for and allotted/issued for an aggregate subscription price of ZAR100 (approximately £5) following which all of the existing issued shares of WRE as held by the current WRE shareholders are to be cancelled. Accordingly, Lexington Gold will have a 76 per cent. shareholding in WRE

---

### Conditions Precedent

- 1) the change of control of WRE being formally communicated in writing to Avgold Limited the co-shareholder in the Jelani Resources JV;
- 2) Confirmation that the Proposed WRE Transaction does not constitute a reverse takeover under the AIM Rules for Companies ("**AIM Rules**"); (*This condition has already been satisfied*)
- 3) Lexington Gold receiving a valid title opinion confirming the validity and status of all licences and renewal applications held by WRE and Jelani Resources in respect of their Prospecting Rights;
- 4) Lexington Gold shareholders' approval of these agreements and the WRE Loan Assignments including but not limited to the issue of new Lexington Gold common shares;
- 5) all other approvals required by applicable law in respect of the Proposed WRE Transaction being obtained including the consent required from the South African Minister of Mineral Resources and Energy to the change of control of WRE in terms of section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002 ("**MPRDA**") ("**Ministerial Consent**");

---

### Long Stop Date

The long stop date by which the remaining Conditions Precedent above must be satisfied is 30 November 2023 or such later date as may be agreed between the parties.

---

### £300k loan to WRE

The £300k five year loan to WRE (the "**WRE Loan**") will be subordinated to the extent necessary to render WRE factually solvent, and will be subordinated in favour of all other creditors whose liabilities are incurred after 6 January 2023 being the date the WRE business rescue commenced, until such time as, in the opinion of WRE's auditors, the assets of the Company, fairly valued, exceed the liabilities of WRE.

The WRE Loan will be drawn down in stages with £50k due within three business days of the signing of this agreement, £50k due within five business days of the signing of this agreement and the balance of £200k within five business days of this agreement becoming unconditional save for Ministerial Consent.

# LEXINGTON

## GOLD

Interest is payable at the prime overdraft rate quoted by the South African Reserve Bank plus 2.5 per cent. compounded monthly.

### Representations, indemnities, warranties and rule of law

The agreement also contains certain commercial and other representations, warranties and indemnities customary for a transaction of this nature and is governed by South African law.

## 2. WRE Loan Assignment Agreement: Mark Creasy Summary of principal commercial terms

<b>Date</b>	12 May 2023
<b>Parties</b>	Lexington Gold Ltd, Mark Creasy, Yandal Investments Pty Limited (a company wholly owned by Mr Creasy) and WRE
<b>Assignment of Loans</b>	Lexington Gold or its nominee will be assigned Mark Creasy's loans with a face value of approximately ZAR197m (approximately £8.5m) and Sunswell's loans with a face value of US\$2m (approximately £1.59m)
<b>Mark Creasey Portion of the Lexington Gold Equity consideration payable for the Loan Assignment</b>	<p>"<b>Lexington Gold Equity</b>" means an amount of new common shares in Lexington Gold which equates to £6.4m to be issued by Lexington Gold to Mark Creasy or his nominee(s) and Sunswell in accordance with the WRE Loan Assignments in the following proportions:</p> <ol style="list-style-type: none"><li>1) US\$2m (approximately £1.59m) worth of Lexington Gold common shares are to be issued to Sunswell or its shareholders based on the £/US\$ foreign exchange rate two business days prior to the first portion of the equity settlement falling due to be issued to Mark Creasy or his nominee(s) (the "<b>Sunswell Portion</b>"); and</li><li>2) The balance of the £6.4m to be issued to Mark Creasy or his nominee(s) (the "<b>Mark Creasey Portion</b>")</li></ol>
<b>Conditions Precedent</b>	<ol style="list-style-type: none"><li>1) the change of control of WRE being formally communicated in writing to Avgold Limited the co-shareholder in the Jelani Resources JV;</li><li>2) Confirmation that the Proposed WRE Transaction does not constitute a reverse takeover under the AIM Rules; (<i>This condition has already been satisfied</i>)</li><li>3) Lexington Gold receiving a valid title opinion confirming the validity and status of all licences and applications held by WRE and Jelani Resources in respect of their Prospecting Rights;</li></ol>

# LEXINGTON

## GOLD

- 
- 4) Lexington Gold shareholders' approval of the WRE Loan Assignments and the WRE Share Subscription and Loan Agreements including but not limited to the issue of Lexington Gold shares;
  - 5) all other approvals required by applicable law in respect of the Proposed WRE Transaction being obtained including the consent required from the South African Minister of Mineral Resources and Energy to the change of control of WRE in terms of section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002 ("**MPRDA**") ("**Ministerial Consent**").

---

<b>Condition Fulfilment Date</b>	The date by which the remaining Conditions Precedent must be satisfied which is 30 November 2023 or such later date as may be agreed between the parties.
----------------------------------	---

---

<b>Transaction related milestones in respect of the issue of the Mark Creasy Portion of the equity settlement</b>	<p>The Mark Creasy Portion of the equity settlement shall be issued based on the 30-day volume weighted average price ("<b>VWAP</b>") for Lexington Gold's common shares two days prior to the date of issue of the first tranche of the equity settlement in 1) below:</p> <ol style="list-style-type: none"><li>1) 35% of the equity settlement on the Condition Fulfilment Date, even if Ministerial Consent remains outstanding;</li><li>2) 20% of the equity settlement on the later of the Condition Fulfilment Date and the date that Ministerial Consent is granted; and</li><li>3) 45% of the equity settlement on the later of the Condition Fulfilment Date and the date of renewal of four of the Prospecting Rights split, 25%, 10%, 8% and 2% respectively between the four Prospecting Rights concerned.</li></ol>
---	---

---

<b>Deferred consideration Milestone in respect of the issue of the Mark Creasy Milestone Option</b>	<p>The deferred consideration value accretive milestone is the announcement by Lexington Gold of the establishment of at least 1 million ounces of JORC/SAMREC-compliant gold resource in respect of any of WRE's existing projects excluding the Jelani Resources JV (the "<b>Milestone</b>").</p>
---	---

Upon the later of 12 months from the date of this agreement and the Milestone being achieved, Mark Creasy or his nominee(s) will be granted an option over 110,000,000 new Lexington Gold common shares (the "**Mark Creasy Option Shares**") for a period of 12 months following the date of the announcement of the Milestone being achieved at an exercise price of £0.075 (7.5 pence) per Lexington Gold share which can be exercised in full or in part (the "**Milestone Options**").

# LEXINGTON

## GOLD

---

If the Milestone Options were to be issued and exercised in full, their potential future exercise would provide an £8.25m cash inflow to the Company.

---

### Lock-up re Lexington Equity Consideration

The Lexington Gold shares to be issued in connection with the terms of this agreement shall not be disposed of for a period of 12 months after their date of issue (the “**Lock-Up Period**”). Following expiry of the Lock-Up Period, there will be a 12-month orderly market arrangement in respect of the potential sale of such Lexington Gold shares.

---

### Representations and warranties and rule of law

The agreement also contains certain commercial and other representations and warranties customary for a transaction of this nature and is governed by South African law.

---

### 3. WRE Loan Assignment Agreement: Sunswell Summary of principal commercial terms

---

#### Date

13 May 2023

---

#### Parties

Lexington Gold Ltd, Sunswell Holdings Pty Ltd and WRE

---

#### Assignment of Loans

Lexington Gold or its nominee will be assigned Mark Creasy’s loans with a face value of approximately ZAR197m (approximately £8.5m) and Sunswell’s loans with a face value of US\$2m (approximately £1.59m).

---

#### Sunswell Portion of the Lexington Gold Equity consideration payable for the Loan Assignment

“**Lexington Gold Equity**” means an amount of new common shares in Lexington Gold which equates to £6.4m to be issued by Lexington Gold to Mark Creasy or his nominee(s) and Sunswell in accordance with the WRE Loan Assignments in the following proportions:

- 1) US\$2m (approximately £1.59m) worth of Lexington Gold common shares are to be issued to Sunswell or its shareholders based on the £/US\$ foreign exchange rate two business days prior to the first portion of the equity settlement falling due to be issued to Mark Creasy or his nominee(s) (the “**Sunswell Portion**”); and
- 2) The balance of the £6.4m to be issued to Mark Creasy or his nominee(s) (the “**Mark Creasey Portion**”).

---

#### Conditions Precedent

- 1) the change of control of WRE being formally communicated in writing to Avgold Limited the co-shareholder in the Jelani Resources JV;
- 2) Confirmation that the Proposed WRE Transaction does not constitute a reverse takeover under the

# LEXINGTON

## GOLD

---

AIM Rules; (*This condition has already been satisfied*)

- 3) Lexington Gold receiving a valid title opinion confirming the validity and status of all licences and applications held by WRE and Jelani Resources in respect of their Prospecting Rights;
- 4) Lexington Gold shareholders' approval of the WRE Loan Assignments and the WRE Subscription and Loan Agreements including but not limited to the issue of Lexington Gold shares;
- 5) all other approvals required by applicable law in respect of the Proposed WRE Transaction being obtained including the consent required from the South African Minister of Mineral Resources and Energy to the change of control of WRE in terms of section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002 ("**MPRDA**") ("**Ministerial Consent**").

---

<b>Condition Fulfilment Date</b>	The date by which the remaining Conditions Precedent must be satisfied which is 30 November 2023 or such later date as may be agreed between the parties.
<b>Transaction related milestones in respect of the issue of the Sunswell Portion of the equity settlement</b>	<p>The Sunswell Portion of the equity settlement shall be issued based on the 30-day VWAP for Lexington Gold's common shares two days prior to the date of issue of the first tranche of the equity settlement in 1) below:</p> <ol style="list-style-type: none"><li>1) 35% of the equity settlement on the Condition Fulfilment Date, even if Ministerial Consent remains outstanding;</li><li>2) 20% of the equity settlement on the later of the Condition Fulfilment Date and the date that Ministerial Consent is granted; and</li><li>3) 45% of the equity settlement on the later of the Condition Fulfilment Date and the date of renewal of four of the Prospecting Rights split, 25%, 10%, 8% and 2% respectively between the four Prospecting Rights concerned.</li></ol>
<b>Lock-Up re Lexington Gold equity consideration</b>	The Lexington Gold shares to be issued in connection with the terms of this agreement shall not be disposed of for a period of 12 months after their date of issue (the " <b>Lock-Up Period</b> "). Following expiry of the Lock-Up Period, there will be a 12-month orderly market arrangement in respect of the potential sale of such Lexington Gold shares.
<b>Representations and warranties and rule of law</b>	The agreement also contains certain commercial and other representations and warranties customary for a transaction of this nature and is governed by South African law.

---

# LEXINGTON

## GOLD

---

---

#### 4. Mark Creasy Loan Agreement: principal commercial terms

<b>Date</b>	12 May 2023
<b>Parties</b>	Lexington Gold Ltd and Mark Creasy
<b>Amount of Loan</b>	£300,000
<b>Drawdown date</b>	Three business days after the date of the agreement.
<b>Use of proceeds</b>	The Borrower shall utilise all monies borrowed under the agreement solely for its general working capital purposes including settling its liabilities to third parties or to satisfy operating costs and/or advancing the same to one or more of its subsidiaries to settle their liabilities to third parties or to satisfy their operating costs in the normal course of business.
<b>Interest rate</b>	7.5% p.a.
<b>Repayment Date</b>	12 months from the drawdown date.
<b>Representations and warranties</b>	The agreement also contains certain commercial and other representations and warranties customary for a transaction of this nature.

---

- ENDS -

#### Glossary of technical terms

“Au”	gold;
“g/t”	grammes per tonne;
“ha”	Hectare;
“Indicated Mineral Resource”	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit;
“Inferred Mineral Resource”	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration,

# LEXINGTON

## GOLD

sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;

“JORC”	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
“JORC (2012)”	the 2012 edition of the JORC Code;
“km <sup>2</sup> ”	square kilometres;
“Mineral Resource”	a ‘Mineral Resource’ is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories;
“Mt”	millions of tonnes;
“oz”	ounces;
“SAMREC”	the South African code for the reporting of exploration results, mineral resources and mineral reserves; and
“ZAR”	South African Rand.

### Note to Editors:

Lexington Gold (AIM: LEX) is a gold exploration and development company currently holding interests in 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 several 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](http://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.