

LEXINGTON

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 (“MAR”) AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019. 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.

10 July 2023

Lexington Gold Ltd

(“Lexington Gold” or the “Company”)

£2.5 million Equity Fundraise and Conversion of Loans

Lexington Gold (AIM: LEX), the gold exploration and development company with projects in North and South Carolina, USA, is pleased to announce that the Company has raised, in aggregate, gross proceeds of approximately £2.5m from certain existing and new investors to, *inter alia*, unlock value from its proposed conditional acquisition of a 76 per cent. interest in White Rivers Exploration Proprietary Limited (“WRE”), an exploration and development company with significant gold assets in South Africa (the “**Proposed WRE Transaction**”), full details of which were announced on 15 May 2023. In addition, outstanding loans of US\$150,000 due to the Company’s Chairman, Edward Nealon, and £300,000 due to Mark Creasy (together, in both instances, with accrued interest thereon) have been settled in new equity on the same terms as the fundraising (the “**Loan Conversion Shares**”) in order to conserve the Company’s working capital.

Fundraising: The Company has raised, in aggregate, gross proceeds of £2,516,300 (the “**Fundraising**”) at a price of 6 pence (the “**Fundraising Price**”) per common share of US\$0.003 each in the capital of the Company (“**Common Shares**”) from the issue of, in aggregate, 41,938,334 new Common Shares (the “**Fundraising Shares**”) conditional upon admission of such Fundraising Shares to trading on AIM (“**Admission**”). The Fundraising comprises a placing of 17,188,334 new Common Shares (the “**Placing Shares**”) to raise £1,031,300 at the Fundraising Price (the “**Placing**”), via the Company’s joint brokers, Peterhouse Capital Limited and WH Ireland Limited, and share subscriptions for, in aggregate, 24,750,000 new Common Shares at the Fundraising Price to raise £1,485,000 (the “**Share Subscriptions**”). The Share Subscriptions include a subscription of £100,000 by Edward Nealon, Lexington Gold’s Chairman, for 1,666,667 Fundraising Shares, representing approximately 4 per cent. of the total Fundraising amount.

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Use of Proceeds: The Board believes that a multi-million ounce JORC 2012/SAMREC compliant Mineral Resource Estimate (“MRE”) can be established in respect of WRE’s existing asset portfolio, such that the net proceeds from the Fundraising are intended to be used primarily in relation to the following activities, as well as providing additional general working capital for the group:

- Undertaking detailed analysis and modelling of the existing WRE geological database and extensive drilling data set;
- Establishing and implementing the requisite work required to initiate conversion of WRE’s 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;
- Preparation work on comprehensive independent competent person’s reports in respect of WRE’s projects;
- Unlocking value from the Jelani Resources JV by engaging and working closely with Harmony Gold with the aim of progressing this project into potential future gold production; and
- Continuation of planned further work on the Company’s projects in the Carolinas, USA, including in particular potential drilling of the drill ready targets identified at the Jennings-Pioneer Project.

Edward Nealon, Non-Executive Chairman of Lexington Gold, commented:

“The level of interest shown and support received during our fundraising process has been most encouraging, particularly in light of the current difficult market conditions, and we are delighted to have been able to raise this additional funding at a premium to the Company’s prevailing market share price. The majority of the Fundraising has been sourced from existing shareholders, who have continued to support the Company’s growth and development. We firmly believe that a multi-million ounce JORC 2012/SAMREC compliant MRE can be established in respect of WRE’s existing asset portfolio and the new funds will help us progress this key objective, unlock value from WRE’s assets and also continue our work in the USA.”

“We again thank our existing shareholders for their continued support and welcome our new investors to the register. We look forward to providing further updates on the proposed acquisition and our operational progress in due course.”

Further Details of the Fundraising: Pursuant to the Fundraising, in aggregate, 41,938,334 Fundraising Shares will be issued at the Fundraising Price to a director of the Company, certain existing shareholders and certain new investors conditional upon Admission. The Fundraising Price represents a premium of approximately 2.0 per cent. to the closing middle market price of a Common Share of 5.9 pence on 7 July 2023, being the latest practicable business day prior to this announcement. The Company is also issuing warrants to the Fundraising participants to subscribe for up to a further 41,938,334 new Common Shares which are exercisable at 10 pence per share (representing an approximate 67% premium to the Fundraising Price) for an exercise period of three years from Admission (the “**Fundraising Warrants**”). The Company is currently assessing whether such warrants can be held in CREST. It is the Company’s current intention that the warrants to be issued, could be held in either certificated form or within CREST and the Company will update investors in the Fundraising accordingly in due course.

The Fundraising Shares represent, in aggregate, approximately 12.6 per cent. of the Company’s enlarged issued share capital (as enlarged by the issue of the Fundraising Shares and the Loan

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Conversion Shares). The Fundraising Shares and Loan Conversion Shares will be fully paid and rank *pari passu* in all respects with the Company's existing Common Shares.

Loan Conversion Shares: The Company has agreed to settle, in aggregate, £423,518 of outstanding Loans including accrued interest on the same terms as the Fundraising by way of the issue of 7,058,639 new Common Shares and 7,058,639 warrants with the same terms as the Fundraising Warrants. £120,061 of this amount was due to Edward Nealon, the Company's Chairman, in relation to his US\$150,000 loan to the Company announced on 14 March 2023 which will be settled by the issue of 2,001,024 new Common Shares and 2,001,024 warrants with the same terms as the Fundraising Warrants. The remaining £303,457 was due to Mark Creasy in relation to his £300,000 loan to the Company which was announced on 15 May 2023 which will be settled by the issue of 5,057,615 new Common Shares and 5,057,615 warrants with the same terms as the Fundraising Warrants.

The table below shows Mr Nealon's resultant shareholding in the Company and his percentage holding of the Company's total voting rights (TVR) at Admission:

Director	Common Shares			Resultant holding	% of TVR at Admission
	Current holding	Fundraising Shares	Loan Conversion Shares		
Edward Nealon (<i>Non-Executive Chairman</i>)	7,916,145	1,666,667	2,001,024	11,583,836	3.49%

Related Party Transaction - Director Participation: As Edward Nealon is a director of the Company, his participation in the Fundraising and the issue of the Loan Conversion Shares and associated warrants to him constitute related party transactions pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the independent directors, being Bernard Olivier, Melissa Sturgess and Rhod Grivas, having consulted with the Company's Nominated Adviser, Strand Hanson Limited, consider Mr Nealon's participation in the Fundraising and issue to him of the Loan Conversion Shares and associated warrants to be fair and reasonable insofar as the Company's shareholders are concerned.

Related Party Transactions - Substantial Shareholder Participations: The participation in the Share Subscriptions by certain of the Company's existing substantial shareholders, namely Pure Ice Ltd, Orasa Chiaratanasen and Mark Mitchel Greenwood, also constitute related party transactions pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the Board, having consulted with the Company's Nominated Adviser, Strand Hanson Limited, consider such participations to be fair and reasonable insofar as the Company's shareholders are concerned.

Application to trading on AIM: The Fundraising is conditional on Admission. Application will be made to the London Stock Exchange for the 41,938,334 Fundraising Shares and 7,058,639 Loan Conversion Shares (together, the "New Common Shares") to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Common Shares will commence at 8.00 a.m. on or around 20 July 2023.

Total Voting Rights: On Admission, the number of Common Shares in issue outside treasury and the total voting rights in the Company will be 332,098,975. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Lexington Gold under the notification provisions incorporated in the Company's Bye-laws.

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Additional Information: The table below shows the resultant shareholdings of the substantial shareholders who participated in the Fundraising and their percentage holdings of total voting rights (TVR) in the Company at Admission.

Shareholder	Common Shares			% of TVR at Admission
	Current holding	Fundraising Shares	Resultant holding	
Pure Ice Ltd	65,810,946	13,333,333	79,144,279	23.83%
Orasa (a.k.a Doris) Chiaratanasen	42,349,200	7,500,000	49,849,200	15.01%
Mark Greenwood	33,794,999	916,667	34,711,666	10.45%

Unless otherwise defined herein, all capitalised terms in this announcement shall have the meanings ascribed to them in the Company's announcement of 15 May 2023.

For further information, please contact:

Lexington Gold Ltd

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

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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. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

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PDMR Notification Form:

The notification below is being 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 ("Common Shares")		
	Identification code	BMG5479L1072		
b)	Nature of the Transaction	Subscription for Common Shares in a fundraising Settlement of a loan in Common Shares		
c)	Price(s) and volume(s)		Price(s)	Volume(s)
		Fundraising shares	6 pence	1,666,667
		Loan Settlement Shares	6 pence	2,001,024
d)	Aggregated information Aggregated volume Price	3,667,691 Common Shares at 6 pence		
e)	Date of the transaction	7 July 2023		
f)	Place of the transaction	Outside of an exchange		