As an AIM-quoted company, Lexington Gold Ltd and its subsidiaries are required to apply a recognised corporate governance code, demonstrating how the Group complies with such corporate governance code and where it departs from it.

The Directors of the Company have formally taken the decision to apply the QCA Corporate Governance Code (the "**QCA Code**"). The Board recognises the principles of the QCA Code, which focus on the creation of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which small to medium sized companies, such as Lexington, have been created.

THE BOARD

The Board has, from Admission on 25 November 2020, comprised of four Directors of which one is an executive and three are non-executive, reflecting a blend of different experience, expertise and backgrounds. The Board considers that Melissa Sturgess is the sole independent non-executive director. Edward Nealon, in light of his significant tenure at the Company since 2004, and Rhod Grivas, in light of the potential for him to receive future payments from the Company pursuant to the Tranche 1 Deferred Consideration and Tranche 2 Deferred Consideration aspects of the acquisition by the Company of Global Asset Resources Ltd, are not deemed to be independent non-executive directors. The Board notes that the presence of only one independent non-executive director does not currently and will not comply with principle 5 of the QCA Code, namely that a company should have at least two independent non-executive directors. Nevertheless, the Board believes that the current Board composition is appropriate in light of the balance of skills and experience of its members and the Company's size and early stage of development, however it will monitor this position on an ongoing basis as the Group grows and develops and seek to make appropriate changes or additions to the composition of the Board as necessary. The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively, and that all Directors will have adequate time to fulfil their roles.

The Board further notes that the Company does not comply with Principle 7 of the QCA Code, being the requirement to evaluate board performance based on clear and relevant objectives, seeking continuous improvement. Given the size and nature of the Company, the Board does not currently consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code, but will closely monitor this situation as the Group grows.

The Board is responsible for determining policy and business strategy, setting financial and other performance objectives and monitoring achievement throughout the year and all major decisions will be taken by the full Board. The Chairman takes responsibility for the conduct of the Company and Board meetings and ensures that directors are properly briefed to enable full and constructive discussions to take place. The Group's day-to-day operations are managed by Bernard Olivier as Chief Executive Officer. All Directors will have access to the Company's solicitors, along with the Group's Company Secretary and any Director requiring independent professional advice in the furtherance of his/her duties may obtain such advice at the expense of the Group.

Details of the current Directors, their roles and background are set out on the Company's website at www.lexingtongold.co.uk.

The role of the Chairman is to provide leadership of the Board and ensure its effectiveness on all aspects of its remit to maintain control of the Group. In addition, the Chairman is responsible for the implementation and practice of sound corporate governance.

The role of the Chief Executive Officer is to oversee the strategic development of the Group and communicating it clearly to the Board and, once approved by the Board, implementing it. In addition, the Chief Executive Officer is responsible for overseeing the management of the Group and its executive management.

Under the Company's Bye-laws, the appointment of all new Directors must be approved by shareholders in a general meeting. In addition, one third of Directors are required to retire and to submit themselves for re-election at each Annual General Meeting.

APPLICATION OF THE QCA CODE

In the spirit of the QCA Code it is the Board's job to ensure that the Group is managed for the long-term benefit of all shareholders and other stakeholders with effective and efficient decision-making. Corporate governance is an important part of that job, reducing risk and adding value to the Group. The Board will continue to monitor the governance framework of the Group as it grows.

Strategy and Business model: The Company is a mining exploration and development company and its strategy and business model is to seek to create medium and long-term value for shareholders by acquiring mining exploration projects and then leveraging the technical knowledge and experience of its Directors and senior management to develop and realise value from such projects. As part of this strategy the Company utilises modern geological methods, analysis of historical exploration data and results of ongoing exploration activities to plan and reduce the development risks for its projects. The Chief Executive's operational and financial review for the year ended 31 December 2023 in this annual report provides a summary of the exploration activities undertaken during the period. The risks associated with the Company's strategy are summarised below under the heading Risk Factors and Management. The Company does not generate any revenue and as referred to in Note 2(a) of the 2024 Financial Statements, the Group intends to seek additional funding by way of further debt and/or equity raising as and when required. Management has successfully raised money in the past, but there can be no guarantee that adequate funds will be available when needed in the future and management seeks to reduce the funds required by maintaining tight budgetary controls on ongoing corporate and exploration expenditure. The key performance indicators for the Company are therefore linked to the achievement of project milestones and the increase in overall enterprise value.

The Company announced on 25 November 2020 the completion of a reverse takeover transaction to acquire 4 gold exploration projects in North Carolina and South Carolina, a fundraising of £3.3m gross and re-admission of the Company's shares to trading on the AIM Market of the LSE under the ticker code LEX.

When considering the reverse takeover transaction and more recent acquisition of WRE, Lexington was focussed on securing projects whose operations are conducted in a manner that protects the environment, the health and safety of employees, third parties and local communities in general. Lexington believes that a successful project is best achieved through maintaining close working relationships with local communities, and this social ideology is at the forefront of all of Lexington's field activities by establishing and maintaining co-operative relationships with local communities, hiring local personnel and using local contractors and suppliers. Where issues are raised, the Board takes the matters seriously and, where appropriate, steps are taken to ensure that these are integrated into the Company's strategy.

Careful attention is given to ensure that all exploration and development activity is performed in an environmentally responsible manner and abides by all relevant mining and environmental acts. Lexington takes a conscientious role in all of its operations and is aware of its social responsibility and its environmental duty.

Both engagement with local communities and the performance of all activities in an environmentally and socially responsible way are closely monitored by the Board to ensure that ethical values and behaviours are recognised.

CORPORATE GOVERNANCE COMMITTEES

The Board has established four committees comprising Non-Executive Directors and Executive Directors.

The composition of the committees is as follows:

Audit	**Remuneration**	**Nomination**	**AIM Rules/MAR Compliance**
Melissa Sturgess (*Chair*)	Edward Nealon (*Chair*)	Edward Nealon (*Chair*)	Melissa Sturgess (Chair)
Edward Nealon	Melissa Sturgess	Melissa Sturgess	Rhod Grivas
Bernard Olivier		Bernard Olivier	
		Rhod Grivas	

THE AUDIT COMMITTEE

The audit committee receives reports from management and the external auditors relating to the interim report and the annual report and financial statements, reviews reporting requirements and ensures that the maintenance of accounting systems and controls is effective.

The audit committee has unrestricted access to the Company's auditors. The audit committee also monitors the controls which are in force and any perceived gaps in the control environment. The Board believes that the current size and nature of the Group does not justify the establishment of an independent internal audit department/function. Finance personnel are periodically instructed to conduct specific reviews of business functions relating to key risk areas and to report their findings to the Board.

The audit committee meets during the year to review the published financial information, the effectiveness of external audit and internal financial controls including the specific matters set out below.

Significant issues considered by the audit committee during the year have been the Principal Risks and Uncertainties and their effect on the financial statements. The audit committee tracked the Principal Risks and Uncertainties through the year and kept in contact with the Group's management, external service providers and advisers. The audit committee is satisfied that there has been appropriate focus and challenge on the high-risk areas.

BDO Audit (WA) Pty Ltd, the current external auditors, have been in office since 2015 and the last time a tender for the audit took place was in 2020. The external auditors present their annual audit findings to the Board.

REMUNERATION COMMITTEE

The remuneration committee determines the scale and structure of the remuneration of the executive Directors and approves the granting of options to Directors and senior employees and the performance related conditions thereof. The remuneration committee also recommends to the Board a framework for rewarding senior management, including Executive Directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Group and ensure that the elements of the remuneration package are competitive and help in underpinning the performance-driven culture of the Group.

NOMINATIONS COMMITTEE

All the Board are members of the nominations committee which is involved in the identification and approval of Board members which the Board considers to be appropriate given the Company's size and nature, but it will continue to monitor the situation as it grows.

CORPORATE CULTURE

The Board believes that the Company and its employees and consultants should act in an ethical manner and comply with relevant regulations governing its operations as: i) this is the right practice to adopt and ii) adopting an ethically positive corporate culture assists the Company in meeting its strategy and business plan objectives referred to above. In this regard, the Company has, as described below, formed an AIM Rules & MAR Compliance committee, adopted an ESG policy, a Bribery and Anti-Corruption policy and a Share Dealing policy. The Company also ensures that all exploration and development activities undertaken on its projects are in compliance with local environmental rules and regulations. Adherence to the Corporate culture and its related policies are monitored and any exceptions reported to the Board.

AIM RULES & MAR COMPLIANCE COMMITTEE

The AIM Rules and MAR Compliance Committee monitors the Company's compliance with the AIM Rules and MAR and seeks to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and vice versa. The committee ensures that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and MAR. The committee also ensures that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, ensures that they are appropriately updated on their AIM responsibilities and obligations.

INTERNAL CONTROL

The Board is responsible for establishing and maintaining the Group's system of internal control. Internal control systems manage rather than eliminate the risks to which the Group is exposed and such systems, by their nature, can provide reasonable but not absolute assurance against misstatement or loss. There is a continuous process for identifying, evaluating and managing the significant risks faced by the Group. The key procedures which the Directors have established with a view to providing effective internal control, are as follows:

- Identification and control of business risks

  The Board identifies the major business risks faced by the Group and determines the appropriate course of action to manage those risks.

- Budgets and business plans

  Each year the Board approves the business plan and annual budget. Performance is monitored and relevant action taken throughout the year through the regular reporting to the Board of changes to the business forecasts.

- Investment appraisal

  Capital expenditure is controlled by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Board. Appropriate due diligence work is carried out if a business or asset is to be acquired.

- Annual review and assessment

  The Board during the year conducted a detailed review and assessment of the effectiveness of the Group's strategy, a process that will be maintained on an ongoing basis.

Financial Statements

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year.

In preparing financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business.

ESG POLICY

The Company is a mineral exploration company, and its activities are, at this stage, confined to onsite exploration activities. The Board believes it is part of the Group's corporate responsibility to ensure its current and future operations are conducted in a responsible manner and in compliance with all local environmental regulations and that integrating ESG matters into its operations is an important element to being a responsible corporate citizen.

BRIBERY AND ANTI-CORRUPTION POLICY

The Company has adopted an anti-corruption and bribery policy which applies to the Board and employees, it also applies to suppliers, contractors and consultants to the Group. It generally sets out the responsibilities of the management and employees of, and suppliers, contractors and consultants to, the Group in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in an honest and ethical manner, be aware of and refer to this policy in all of their business activities and to conduct business on the Company's behalf in compliance with it.

SHARE DEALING CODE

The Company has adopted a share dealing code which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of MAR and of the AIM Rules. The Company takes all reasonable steps to ensure compliance with such dealing code by the Directors, related parties and any relevant employees.

RELATIONS WITH SHAREHOLDERS

The Board attaches considerable importance to the maintenance of good relationships with shareholders. Presentations by the Directors to institutional shareholders and City analysts are made as and when considered appropriate by the Board and the Company's advisers.

The Company's principal shareholder contact is its Chief Executive Officer, Bernard Olivier.

The Company has its own website (www.lexingtongold.co.uk) for the purposes of improving information flow to shareholders, as well as to potential investors.

DEPARTURE FROM THE QCA CODE

In accordance with the AIM Rules for Companies, the following paragraphs explain where Lexington departs from the QCA Code:

Principle 5 - "**Maintain the board as a well-functioning, balanced team led by the chair**"

The Board notes that the presence of only one independent non-executive director does not currently and will not comply with Principle 5 of the QCA Code, namely that a company should have at least two independent non-executive directors. Nevertheless, the Board believes that the Board composition is appropriate in light of the balance of skills and experience of its members and the Company's size and early stage of development, however it will monitor this position on an ongoing basis as the Group grows and develops and seek to make appropriate changes or additions to the composition of the Board as necessary. The Board is satisfied that it will have a suitable balance between independence on the one hand, and knowledge of the Company's projects on the other, to enable it to discharge its duties and responsibilities effectively, and that all Directors will have adequate time to fulfil their roles.

Principle 7 - "**Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**"

The Board further notes that the Company does not comply with Principle 7 of the QCA Code, being the requirement to evaluate Board performance based on clear and relevant objectives, seeking continuous improvement. Given the size and nature of the Company, the Board does not currently consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code, but will closely monitor this situation as the Group grows.

Shareholder Meetings held in Bermuda

The Company is incorporated in Bermuda and holds its Shareholder Meetings in Bermuda which does not facilitate shareholder engagement as much as a UK incorporated company holding meetings in England. The Company does provide detailed explanatory notes of all resolutions put to Shareholder Meetings in notices of shareholder meetings so as to assist shareholders in their voting decisions.

RISK FACTORS AND MANAGEMENT

The Company's Admission document dated 30 October 2020 in Part III on page 46 detailed the risk factors applicable to the Company and its operations. The Admission document can be downloaded from the Company's AIM Rule 26 web page. These risks include but are not limited to:

Title risk
The Group has diligently investigated its title to, and rights and interests in, the Mining Lease Agreements and licences that constitute its projects in the USA and South Africa respectively, and, to the best of its knowledge, such title, rights and interests are in good standing, although this should not be construed as a guarantee of the same. The Mining Lease Agreements and licences may be subject to undetected defects. If a defect does exist, it is possible that the Group may lose all or part of its interest in the Mining Lease Agreements and licences to which the defect relates and its planned exploration programmes and future activities and prospects may accordingly be adversely affected.

General exploration and mining extraction risks
The business of exploration for, and development and exploitation of, mineral deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Mineral deposits assessed by the Group may not ultimately contain economically recoverable volumes of resources and even if they do, delays in the construction and commissioning of mining projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

Commodity price risk
The inherent value and economic viability of the Company's exploration projects is linked to commodity prices generally and specifically to the price of gold as the Company's current projects are all gold focussed.

Currency risk
The Group reports its financial results and maintains its accounts in United States Dollars, the currency in which the Group primarily operates. The Group does not have any currency hedges in place and is exposed to foreign currency movements.

Dependence on key personnel
The success of the Group is, and will continue to be, to a significant extent, dependent on retaining the services of the directors and senior management and the loss of one or more could have a materially adverse effect on the Group.

Signed in accordance with a resolution of the directors.

Bernard Olivier
Chief Executive Officer
Approved 26 June 2024