LEXINGTON GOLD LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

LEXINGTON GOLD LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Contents	**Page No.**

CORPORATE DIRECTORY
FOR THE YEAR ENDED 31 DECEMBER 2024

Directors:	Edward Nealon - Non-Executive Chairman Bernard Olivier - Chief Executive Officer Melissa Sturgess - Non-Executive Director Rhoderick Grivas - Non-Executive Director
Registered office:	Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda Email: info@lexingtongold.co.uk Website: www.lexingtongold.co.uk
Transfer secretary:	Computershare Investor Services PLC The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom Telephone: +44 (0)370 702 0003 Facsimile: +44 (0)370 703 6116 Website: www.computershare.com/uk
Nominated adviser:	Strand Hanson Limited 26 Mount Row, London W1K 3SQ Telephone: +44 (0)20 7409 3494
Joint broker:	Peterhouse Capital Limited 3rd Floor, 80 Cheapside, London EC2V 6EE Telephone: +44 (0)20 7469 0930
Joint broker:	Optiva Securities Limited 7 Harp Lane, London EC3R 6DP Telephone: +44 (0)203 981 4178
Solicitors:	Joelson JD LLP 30 Portland Place, London W1B 1LZ
Auditors:	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA 6000, Australia
Financial PR:	Yellow Jersey PR Limited 231-232 Thanet House London WC2R 1DA Telephone: +44 (0)20 3004 9512

LEXINGTON GOLD LTD

CHAIRMAN'S STATEMENT

Dear Fellow Shareholder,

I am pleased to report that 2024 was a transformative year for the Company. There has been a step change in our trajectory and the groundwork we have laid during the year has strongly positioned Lexington to unlock, what we believe, could prove to be considerable future value for shareholders.

Our geological potential, paired with capital discipline and strategic patience, can yield extraordinary outcomes, and this approach was applied across our South African and US project portfolios during the year. I am delighted that Lexington now holds what we view as being one of the most compelling exploration-stage portfolios in our sector.

In South Africa, our drilling and technical work across the Bothaville, Jelani and Ventersburg projects has moved us from geological hypothesis to quantified potential. Between these three assets alone, we now have circa 10 million ounces of potential gold either estimated through formal JORC-compliant Resources or Exploration Targets. For a junior natural resources company, this is a rare position to be in, and one we do not take lightly.

In the United States, our continued success at the Jennings-Pioneer project reinforces our conviction in the Barite Hill Trend's mineral potential. The discovery of gold and strategic by-products such as tellurium not only provides resource optionality but also positions us at the forefront of emerging demand themes linked to clean energy and strategic minerals.

We also took important steps to seek to improve marketability, trading liquidity and visibility. Our listing on the OTCQB, the United States Venture Market, post the reporting period end in March 2025, and the strong support of our cornerstone investors during our recent April 2025 fundraising, reflect a growing recognition of Lexington's value proposition.

The Board's role is not merely to support the technical progress of the Company but rather includes ensuring that the group's capital is allocated rationally, our partners are aligned, and our risks are carefully managed. At Lexington, we strive to be good stewards of capital by deploying funds only where the return on geological risk, time, and shareholder equity is compelling.

Our sincere thanks go to our shareholders for their ongoing support and trust, to our team for their resilience, and to our partners for their collaboration. We are convinced that sizeable gold deposits are present in our licenced acreage and with continued persistence and a focused approach, we intend to unlock the considerable long term value potential of our attractive asset portfolio.

Edward Nealon
Non-Executive Chairman

20 June 2025

CHIEF EXECUTIVE'S OPERATIONAL AND FINANCIAL REVIEW
FOR THE YEAR ENDED 31 DECEMBER 2024

Overview

2024 was another year of meaningful advancement for Lexington Gold. Our core focus remained on advancing our high-quality gold exploration projects in South Africa and the United States. We successfully executed multiple drill programmes, published a maiden JORC-compliant Mineral Resource Estimate for our Jelani JV, and defined exploration targets totalling several million ounces of gold across our portfolio. Our continued strategy of value-driven, technically robust exploration has positioned the Company well to unlock long-term shareholder value.

We also made important strides in strengthening our access to capital markets, secured additional funding, and maintained a disciplined financial structure. These achievements reflect a year of careful capital allocation, strong operational delivery and expanding geological potential across our projects.

Project Review

1. South Africa

1.1 Bothaville Project

At the Bothaville Project we completed a 2,355 metre percussion and diamond drilling programme focused on delineating the A-Reef within the Kimberley Formation. Our team completed four mother holes and multiple deflections. Drilling resulted in a total of eight intersections of the A-Reef, with similar geological characteristics to other A-Reef mineralised zones in the Witwatersrand Basin. The drilling campaign confirmed the presence of the A-Reef at shallow depth and the presence of A-Reef channels at Bothaville.

The geological information, assay results and historical data compiled were integrated into a 3D geological model. The latest drilling, together with the updated geological model, enabled the independent estimation of a JORC-compliant Exploration Target for Bothaville which was announced post the reporting period end in January 2025.

The JORC Exploration Target comprises a range of between 16 to 30 million tonnes at grades of 3.26 to 6.03 g/t Au, translating to 1.7 to 5.8 million ounces of contained gold. The JORC Exploration Target estimation included historical assay results such as:

- 7.7 g/t Au over 68.2 cm; and
- 6.1 g/t Au over 77 cm.

1.2 Jelani Resources JV

In September 2024, we released our first JORC (2012) compliant Mineral Resource Estimate for the Jelani JV Project, located in the Free State Goldfield and held via our 74% interest in White Rivers Exploration Proprietary Limited ("**WRE**"). **The total JORC resource estimate, independently audited by SRK, totals 6.02 million ounces of gold at an average grade of 6.47 g/t**.

This resource was based on validated historical borehole data, 3D geological block modelling, and detailed structural interpretation. Our attributable interest currently stands at 0.56Moz, with scope to increase this to 2.24Moz if operations are ultimately expanded to include the Buffer Zone.

In Q1 2025, the board of Jelani Resources Proprietary Limited engaged Bara Consulting (Pty) Ltd ("**Bara**") to undertake a high-level conceptual mining study on the Jelani JV Project (the "**Bara Study**"). The primary aim of the study is to assess the technical and economic parameters that would underpin a Mining Right Application under South Africa's Mineral and Petroleum Resources Development Act.

The Bara Study will cover the following key areas:

- Investigation of available infrastructure;
- Preliminary underground mine design based on the current JORC resource model;
- Assessment of mining method suitability;
- High-level scheduling of potential production start-up scenarios, based on phased development access;
- Conceptual-level capex and opex estimates, incorporating the potential use of adjacent existing infrastructure; and
- Preliminary ESG and permitting considerations in support of a future project execution strategy.

Bara's engagement marks a major step forward in the potential commercialisation of the Jelani JV Project as it will assist with the internal project development decision-making process and support stakeholder engagement, including with Harmony Gold, and the requisite mining licence application.

1.3 Ventersburg Project

A comprehensive technical report by Shango Solutions was completed in December 2024. Their report drew on historical borehole results, litho-stratigraphic correlations and structural models, confirming the presence of mineralisation across multiple reef horizons, including the A-, B- and C-Reefs.

The Exploration Target was defined as 1.39 to 3.55 million ounces at gold grades between 2.82 g/t and 3.44 g/t. Ventersburg is strategically located adjacent to Gold One Africa's 4.31Moz Mineral Resource and near Sibanye-Stillwater's operations. Engagement has commenced with neighbouring rights holders regarding potential collaboration.

Most notably, in November 2024, we announced a potential collaboration with Gold One Africa Limited to examine potential strategic synergies at the Ventersburg Project with their adjacent asset, which could enhance the project's development timeline and access to shared infrastructure access.

2. United States

2.1 Jennings-Pioneer Project

In April 2024, Lexington Gold completed a diamond drilling programme totalling 495 metres across three holes at its Jennings-Pioneer Project in South Carolina, USA. The campaign confirmed mineralisation within the Barite Hill Trend, intersecting quartz-sericite schist, gossans and carbonate-altered metavolcanics. Gold and associated tellurium and silver mineralisation were also confirmed by assay results.

Highlighted assay results included:

1.14 g/t Au from 127m to 150m including:
- 10m at 2.11 g/t Au from 127m to 137m
- 2m at 5.66 g/t Au from 133m to 135m

0.80 g/t Au and 60.49 ppm (60.49 g/t) Te from 14m to 53m including:
- 11m at 1.03 g/t Au and 79.54 ppm (79.54 g/t) Te from 42m to 53m

This serves to validate the potential of the Barite Hill Trend to host a near-surface, high-margin deposit.

On 23 May 2025, the Company announced the commencement of a new diamond core drilling programme at the project further to the execution of a drilling contract with Logan Drilling USA on 30 April 2025. The programme aims to expand upon the encouraging results from the abovementioned 2024 drilling campaign, which confirmed the presence of gold, silver, base metals (including copper and zinc), and tellurium mineralisation extending northeast from the historic Barite Hill open pit mine. The current drilling campaign will target both the Jennings Trend and the Barite Hill Trend, with an initial plan to complete a minimum of 600 metres of diamond core drilling over approximately two months, followed by assay analysis.

2.2 Project Priority

Given the relative prospectivity of the Jennings-Pioneer, Carolina Belle and JKL Projects the Board decided to focus on these projects in preference to Project Argo and accordingly has decided not to incur further expenditure on Project Argo which means that the Minimum Funding Contributions for Project Argo will not be met and an impairment provision has accordingly been made against the carrying value of Project Argo in these financial statements.

3. Environmental and Social Responsibility

Lexington Gold continues to integrate ESG principles across its exploration portfolio. In South Africa, we work closely with local communities and our B-BBEE partner, Letsema Holdings Proprietary Limited, to ensure inclusive participation in project activities. Core samples are processed locally, and fieldwork engages regional subcontractors wherever possible.

We maintain stringent compliance with environmental regulations in both South Africa and the US, and no reportable environmental incidents occurred during the year.

4. Financial Review

For the year ended 31 December 2024, Lexington Gold reported a net loss of US$1.4 million (2023: US$0.1 million), primarily due to the impairment of Project Argo in the US offset in part by a fair value adjustment to the warrant derivative liability.

- Exploration expenditure: US$0.89 million (2023: US$0.49 million)
- Operating expenses: US$0.88 million (2023: US$0.77 million)

Cash and cash equivalents at the year-end stood at approximately US$0.9 million (2023: US$2.6 million). In April 2025, we successfully completed a fundraising of £530,000 gross (~US$670,000), to provide liquidity for ongoing operations and general working capital.

No revenue was generated during the year, in line with the Company's exploration-stage status with no producing assets. Cost discipline remains a priority, and the Group continues to explore potential non-dilutive and project-level funding opportunities.

5. Dividend

The directors have not declared a dividend (2023: Nil).

6. Corporate Activities

As announced on 13 May 2024, the prospecting right owned by Jelani Resources Proprietary Limited ("**Jelani Resources**") (the "**Jelani Resources Prospecting Right**") was formally renewed until 29 May 2026.

The renewal of the Jelani Resources Prospecting Right was a milestone for the issue of, in aggregate, 25,806,451 deferred consideration shares in respect of the Company's acquisition of WRE such that the following new common shares were issued:

- 19,387,703 shares to Mark Creasy or his nominee; and
- 6,418,748 shares to Sunswell Holdings Pty Limited ("**Sunswell**") or its nominees.

7. Post Period End Events

Post the reporting period end, on 23 May 2025 we announced the commencement of a second round of drilling at the Jennings-Pioneer Project. The drill programme will involve step-out and infill drilling to delineate the mineralised zones further.

Corporate and Market Developments

So far in 2025, we have achieved several corporate milestones, namely:

- The commencement of trading on the OTCQB Venture Market (March 2025)
- The appointment of Optiva Securities as joint broker (April 2025)
- An equity fundraising of £530,000 gross at 3.4p per share (April 2025)

These developments serve to enhance our capital markets visibility and support our broader investor engagement strategy.

As announced on 20 May 2025, the Company has now received its final Section 11 Ministerial Consent from the South African Department of Mineral Resources and Energy ("**DMRE**") in connection with the acquisition of its 74% owned subsidiary WRE as detailed in its announcements of 15 May 2023 and 7 September 2023 ("**Ministerial Consent**"). The granting of such Ministerial Consent is a milestone event which triggered the issue of a further tranche of 20,645,161 new common shares (the "**Deferred Consideration Shares**") to settle £1.28 million of deferred consideration, calculated at an issue price of 6.20 pence per share (the "**Issue Price**").

Post the reporting period end, Pol Sun Limited ("**Pol Sun**"), a former minority shareholder holding less than 5% of WRE's issued share capital, initiated legal proceedings in the High Court of South Africa.

Its application seeks declaratory relief challenging the validity of WRE's business rescue proceedings and the subsequent cancellation of Pol Sun's equity interest as part of the adopted business rescue plan. The business rescue process was conducted by independent business rescue practitioners from BDO Business Restructuring (Pty) Ltd, in accordance with the provisions of the South African Companies Act, 2008.

The business rescue plan was voted on and duly adopted by 100% of WRE's creditors and a majority of its shareholders and was implemented during 2023. Pol Sun was not a creditor of WRE and did not participate in the creditor approval process. All creditor claims were settled in full as part of the approved business rescue plan.

Pol Sun's application appears to seek the reinstatement of its former equity interest, which was cancelled as part of the adopted rescue plan.

Based on legal advice received, the Company understands that the application is unlikely to succeed. The advice notes that the cancellation of Pol Sun's shareholding was lawfully effected under the statutory powers available to the business rescue practitioners. Accordingly, the Company has been advised that it has strong grounds to defend the application.

Given the remote likelihood of the case being successful against the Company, no provision has been recognised in these financial statements.

8. Outlook

Looking ahead, Lexington Gold remains focused on delivering long-term value through the disciplined advancement of its exploration and development-stage projects. Our priorities include building on the strong technical foundations established across our South African and US portfolios, progressing project-level studies and unlocking the inherent potential of our resource base.

In particular, we are committed to maturing the Jelani JV Project towards a more advanced development stage, whilst continuing to refine and expand the geological models at Bothaville, Ventersburg and Jennings-Pioneer. Potential corporate development, strategic funding and partnership opportunities will also remain key to supporting our forward momentum.

We believe that the platform established over the past 12 months positions Lexington Gold well to convert its high-quality geological assets into long-term shareholder value.

Bernard Olivier

Bernard Olivier
Chief Executive Officer

20 June 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the annual report and financial statements in accordance with applicable laws and regulations. The directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). The financial statements are required to give a true and fair view of the state of affairs of the Group and the profit or loss of the Group for that period.

In preparing these 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 IFRS have been followed, subject to any material departures discussed 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy, at any point in time, the financial position of the Group which are free from material misstatement whether due to fraud or error and to enable them to ensure that the financial statements comply with IFRS. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatements or loss.

DIRECTORS' DECLARATION

The directors confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of Lexington Gold Ltd and the undertakings included in the consolidation as a whole;
- the Report of the Directors includes a fair review of the development or performance of the business and the position of Lexington Gold Ltd and the undertakings included in the consolidation as a whole, together with a description of the principal risks and uncertainties that they face; and
- there are reasonable grounds to believe that the Group will be able to pay its debts when they become due and payable in the foreseeable future (at least 12 months from the date of this report).

On behalf of the board

Bernard Olivier

Bernard Olivier
Chief Executive Officer

20 June 2025

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present this report, together with the audited consolidated financial statements for the year ended 31 December 2024 for Lexington Gold Ltd (the “**Company**”, “**Lexington Gold**” or “**Lexington**”) and together with its subsidiaries (the “**Group**”).

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Group’s principal activity is gold exploration and development. The main focus, in the year under review, has been on its four diverse gold projects within a well mineralised Super Terrane in North and South Carolina, USA and its South African projects.

A detailed review of the Group’s activities, the development of its business and an indication of likely future developments is set out in the Chief Executive’s operational and financial review on pages 3 to 6.

GOING CONCERN

For the year ended 31 December 2024, the Group recorded a loss of US$1.4 million (2023: US$0.1 million) and had net cash outflows from operating activities of US$0.9 million (2023: US$0.7 million). An operating loss is expected in the year subsequent to the date of these accounts. 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 or equity to fund its projects and activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity’s ability to continue as a going concern such 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 secured additional funding by way of a £530,000 gross equity fundraise on 17 April 2025;
- The Directors are confident that they will be able to raise additional funds to satisfy the Group’s cash requirements as and when necessary; 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. This financial report does 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.

RESULTS

The consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 and the consolidated statement of financial position at that date are set out on pages 24 and 25 of this report respectively. The Group recorded a loss for the year ended 31 December 2024 of US$1.4 million (2023: US$0.1 million).

Given the relative prospectivity of the Jennings-Pioneer, Carolina Belle and JKL Projects the Board decided to focus on these projects in preference to Project Argo and accordingly has decided not to incur further expenditure on Project Argo which means that the Minimum Funding Contributions for Project Argo will not be met and an impairment provision has accordingly been made against the carrying value of Project Argo in these financial statements.

Taking into account these losses, the impairment of Project Argo and exploration expenditure, shareholders’ equity at 31 December 2024 was approximately US$14.0 million (2023: US$14.5 million). The Directors have not declared a dividend (2023: Nil).

A CLASS SHARE CAPITAL

When Lexington Gold historically acquired certain tanzanite assets from Afgem Limited (“**Afgem**”), a mechanism was put in place to accommodate any of Afgem’s South African shareholders’ desire to maintain their investment in the tanzanite assets and to comply with South African Reserve Bank (“**SARB**”) foreign exchange regulations pertaining to foreign investments by South African citizens. This mechanism involved the creation of TanzaniteOne SA, a South African domiciled wholly owned subsidiary of Lexington Gold Ltd.

A CLASS SHARE CAPITAL (CONTINUED)

In order to facilitate an exit for those TanzaniteOne SA class A shareholders, Lexington Gold made an offer to acquire their A class shares, where the offer shall be binding on Lexington Gold for a period of 20 years from April 2004.

On 28 February 2015, TanzaniteOne SA issued notice to class A shareholders convening a Scheme meeting on 26 March 2015 and notice to shareholders convening a meeting of shareholders of TanzaniteOne SA on 26 March 2015, both meetings duly approved a Scheme of Arrangement the details of which are:

(a) each A class shareholder received one redeemable class A share with no par value and a premium of R0.0003 per share in the capital of Rohstein Class A Proprietary Limited, Registration Number 2014/093972/07 ("**Rohstein**"), a wholly owned subsidiary of Lexington Gold for each class A share they owned in the Company (the "**Scheme Consideration Shares**"); and

(b) all the TanzaniteOne SA class A shares were cancelled.

Lexington Gold made an offer on 25 February 2015 which expired on 29 April 2024 (the "**Offer**") to all holders of the Scheme Consideration Shares to purchase their Scheme Consideration Shares on *mutatis mutandis,* the same terms and conditions as the terms and conditions on which Lexington Gold offered to purchase each existing class A share of TanzaniteOne SA.

On 27 March 2015, TanzaniteOne SA sold Rohstein to Lexington Gold so that the Scheme Consideration Shares are issued by a wholly owned subsidiary of Lexington Gold rather than TanzaniteOne SA.

The Offer is no longer available due to the expiration of the designated period of the offer.

DIRECTORS

The following directors have held office during and subsequent to the reporting year up to the date of sign-off of these financial statements:

- Edward Nealon
- Bernard Olivier
- Melissa Sturgess
- Rhoderick Grivas

The current Directors' biographical details:

Edward Nealon (74), Chairman

Mr Nealon is a geologist with over 49 years' experience in the mining and exploration industry. After graduating in 1974, he commenced his career in South Africa with Anglo American Corporation, before moving to Australia in 1980 where he spent two years in exploration with Rio Tinto. He founded his own consulting company in 1983 and has practiced in most of the world's major mining centres. Mr Nealon was the founder of Aquarius Platinum Ltd and served as either its CEO or Executive Chairman for a number of years. He holds a Masters degree in Geology and is a member of the Australian Institute of Mining and Metallurgy.

Bernard Olivier (49), Chief Executive Officer

Dr Bernard Olivier is a qualified geologist and has been involved with the mining and exploration industry for the past 26 years. Dr Olivier has over 17 years' experience as a public company director of ASX-listed and AIM-quoted mining and exploration companies. Dr Olivier was previously the CEO of Tanzanite One Limited (AIM: TNZ) and was credited with restructuring and returning the group to profitability in 2010. As CEO he also led the team which established a maiden JORC Resource estimate of 3.9 million gold ounces for Bezant Resources plc's (AIM: BZT) Mankayan project and achieved an 8 pence per share return of capital to its shareholders. Dr Olivier is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and currently also serves as a Director and Chief Executive Officer of Gem Resources plc.

Melissa Sturgess (58), Non-Executive Director

Ms Sturgess holds a BSc. and an MBA and has many years' experience acting as a director of AIM-quoted and ASX-listed companies, mainly involved in the acquisition, structuring and financing of natural resources transactions across Africa. Ms Sturgess commenced her career in Australia as a member of the Executive

DIRECTORS (CONTINUED)

Committee of Aquarius Platinum Limited, one of the first Australian/UK dual-listed companies and a miner of platinum in South Africa and Zimbabwe. She was also founding director of Sylvania Resources Limited and a number of other companies operating in the metals and mining sector throughout Africa and quoted on AIM. Ms Sturgess relocated from Australia to London in 2006 and during her career has raised significant amounts of capital. She was a key driver in the successful recapitalisation of Messaging International Plc during 2016 which subsequently changed its name to SigmaRoc Plc, acquired a building materials business from LaFargeHolcim via a reverse takeover and raised £50 million from a range of investors in the Channel Islands and the UK. Ms Sturgess is also CEO and a major shareholder of Ananda Pharma Plc, quoted on the Aquis Stock Exchange in the UK.

Rhoderick Grivas (58), Non-Executive Director

Mr Grivas is a professional geologist with over 30 years' experience in the natural resources industry. Mr Grivas has held a number of director and management positions with publicly listed mining and exploration companies, including Managing Director of ASX and TSX-listed gold miner Dioro Exploration NL (ASX: DIO), where he oversaw the discovery and development of a gold resource through feasibility to production. Mr Grivas has a strong combination of equity market, M&A, commercial, strategic, and executive management capabilities. Mr Grivas is a member of the AusIMM.

MEETINGS OF THE DIRECTORS

The number of meetings of the board of directors of the Company and its committees held during the year ended 31 December 2024 and the number of meetings attended by each director is tabled below:

2024

Director	Number of meetings held whilst in office				Number of meetings attended			
	Board	Remuneration and Succession Planning	Audit and Risk Management	Nomi-nation	Board	Remuneration and Succession Planning	Audit and Risk Management	Nomi-nation
Edward Nealon	4	-	3	-	4	-	3	-
Bernard Olivier	4	-	3	-	4	-	3	-
Melissa Sturgess	4	-	3	-	4	-	3	-
Rhoderick Grivas	4	-	-	-	4	-	-	-

2023

Director	Number of meetings held whilst in office				Number of meetings attended			
	Board	Remuneration and Succession Planning	Audit and Risk Management	Nomi-nation	Board	Remuneration and Succession Planning	Audit and Risk Management	Nomi-nation
Edward Nealon	4	1	2	-	4	1	2	-
Bernard Olivier	4	-	2	-	4	-	2	-
Melissa Sturgess	4	1	2	-	4	1	2	-
Rhoderick Grivas	4	-	-	-	4	-	-	-

INTERESTS IN THE SHARES OF THE COMPANY

The interest of the current directors and their related entities in the shares of Lexington Gold were:

	As at 31 December 2024 Common Shares	As at date of report Common Shares
Edward Nealon	11,583,836	11,583,836
Bernard Olivier	1,776,937	1,776,937
Melissa Sturgess	331,250	331,250
Rhoderick Grivas	3,912,138	3,912,138

DIRECTORS' AND EXECUTIVES' EMOLUMENTS

The Board is responsible for determining and reviewing compensation arrangements for the directors and executive management. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on an annual basis by reference to industry and market conditions. In determining the nature and amount of officers' emoluments, the Board takes into consideration the Group's financial and operational performance. Details of the nature and amount of each element of the remuneration of each director of the Group during the financial year are shown in the table below:

2024

	Directors' fees	Executive fees (1)	Total
	US$	US$	US$
Edward Nealon	22,500	13,500	36,000
Bernard Olivier	22,500	103,500	126,000
Melissa Sturgess	22,500	-	22,500
Rhoderick Grivas	22,500	13,500	36,000
	90,000	130,500	220,500

2023

	Directors' fees	Executive fees (1)	Total
	US$	US$	US$
Edward Nealon	22,500	13,500	36,000
Bernard Olivier	22,500	86,500	109,000
Melissa Sturgess	22,500	-	22,500
Rhoderick Grivas	22,500	18,750	41,250
	90,000	118,750	208,750

(1) For duties as executive director and consulting.

SHARE OPTIONS AND WARRANTS

On 4 December 2020, the Company granted, in aggregate, 19,610,910 options over new common shares to its directors and senior managers exercisable at a price of 2.75 pence per share (the "**Options**").

The Options vest in three equal tranches being: (i) one third on their date of issue; (ii) one third on 25 November 2021; and (iii) one third on 25 November 2022, and are exercisable for a period of 10 years from their date of grant. Details of the Options granted to directors are set out in the table below:

Directors	Number of Options granted and resultant holding of Options
Edward Nealon	2,614,788
Bernard Olivier	4,140,081
Melissa Sturgess	2,614,788
Rhoderick Grivas	2,614,788
Total:	11,984,445

During the 2023 financial year, the Company issued warrants for the potential issue of 50,663,639 shares at an exercise price of 10 pence per share which expire on 20 July 2026. Details of such warrants outstanding to the directors are set out in the table below:

Directors	Number of warrants outstanding
Edward Nealon	3,667,691
Total:	3,667,691

DIRECTORS' AND OFFICERS' INSURANCE

During the year, the Company paid an insurance premium in respect of an insurance contract, taken out against the liability of current directors and officers. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract, as disclosure is prohibited under the terms of the contract.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Companies within the Group are required, on cessation of mining operations, to rehabilitate the relevant mining area on which mining operations have been conducted. Bernard Olivier, Chief Executive Officer, is the officer responsible for compliance on these matters for all mining properties within the Group. Environmental activities are continuously monitored to ensure that established criteria from each operation and environmental management programmes, approved by relevant authorities, have been met. There have been no known significant breaches of any environmental conditions.

CORPORATE GOVERNANCE

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 BOARD (CONTINUED)

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 communicate 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 2024 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 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 four 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 focused 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 the Executive Director.

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 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 Director 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 ethically 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 are 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 for Companies. 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.

DEPARTURE FROM THE QCA CODE (CONTINUED)

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

Bernard Olivier
Chief Executive Officer

20 June 2025

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Lexington Gold Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lexington Gold Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the accompanying financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (‘IASB’).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants (IESBA Code)* that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of Exploration and Evaluation Assets

As disclosed in Note 6 to the financial report, the carrying value of capitalised exploration and evaluation assets represents a material asset of the Group at 31 December 2024. In accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources, the recoverability of exploration and evaluation expenditure requires judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, Alternative Investment Market announcements and directors' minutes; • Considering whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 2(m) and Note 6 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ('IASB') and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial statement is located in Appendix 1. This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 20 June 2025

APPENDIX 1 ADDITIONAL INFORMATION ON THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**2024** US$'000	2023 US$'000
Other income		**-**	-
Operating expenses	4	**(881)**	(770)
Impairment	6	**(792)**	-
Operating loss		**(1,673)**	(770)
Fair value gain on derivative liability	19	**243**	703
Net finance income/(cost)		**2**	6
Loss before taxation		**(1,428)**	(61)
Income tax charge	5	**-**	-
Loss for the year		**(1,428)**	(61)
Attributable to:			
Equity owners of the parent		**(567)**	50
Non-controlling interest		**(861)**	(111)
Other comprehensive income			
Loss for the year		**(1,428)**	(61)
Items that may be reclassified to profit or loss:			
Exchange losses arising on translation of foreign operations		**(23)**	(87)
Total comprehensive loss for the year		**(1,451)**	(148)
Attributable to:			
Equity owners of the parent		**(568)**	(46)
Non-controlling interest		**(883)**	(102)
Total comprehensive loss for the year		**(1,451)**	(148)
(Loss)/profit per share attributable to the owners of the parent during the year	16		
Basic (loss)/profit per share (US cents/share)		**(0.15)**	0.02
Diluted (loss)/profit per share (US cents/share)		**(0.15)**	0.01

The accompanying notes form part of these financial statements.

LEXINGTON GOLD LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 US$'000	2023 US$'000
Assets			
Non-current assets			
Exploration and evaluation assets	6	**15,467**	15,490
Total non-current assets		**15,467**	15,490
Current assets			
Other receivables	7	**64**	79
Restricted cash and cash equivalents	8	**55**	45
Cash and cash equivalents	9	**855**	2,617
Total current assets		**974**	2,741
Total assets		**16,441**	18,231
Equity			
Share capital	10	**1,197**	1,121
Share premium	11	**67,293**	65,425
Shares to be issued	12	**3,113**	5,058
Share option reserve	13	**651**	651
Foreign currency translation reserve	14	**(99)**	(98)
Accumulated loss		**(58,191)**	(57,624)
Total equity attributable to equity owners of the parent		**13,964**	14,533
Non-controlling interest	15	**1,750**	2,633
Total equity		**15,714**	17,166
Current liabilities			
Trade and other payables	17	**578**	673
Borrowings	18	**-**	-
Derivative liability	19	**149**	392
Total current liabilities		**727**	1,065
Total equity and liabilities		**16,441**	18,231

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Issued share capital US$'000	Share premium US$'000	Shares to be issued US$'000	Share option reserve US$'000	Foreign currency translation reserve US$'000	Accumu-lated loss US$'000	Total equity attributable to shareholders US$'000	Non-controlling interest US$'000	Total equity US$'000
Year ended 31 December 2024										
At start of year		**1,121**	**65,425**	**5,058**	**651**	**(98)**	**(57,624)**	**14,533**	**2,633**	**17,166**
Total comprehensive loss for the year		**-**	**-**	**-**	**-**	**(1)**	**(567)**	**(568)**	**(883)**	**(1,451)**
Loss for the year		**-**	**-**	**-**	**-**	**-**	**(567)**	**(567)**	**(861)**	**(1,428)**
Foreign exchange on translation	*14*	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**	**(22)**	**(23)**
Transactions with owners in their capacity as owners:										
Issue of share capital	*10,11 &12*	**77**	**1,868**	**(1,945)**	**-**	**-**	**-**	**-**	**-**	**-**
Expired offer	*10*	**(1)**	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**
At end of year		**1,197**	**67,293**	**3,113**	**651**	**(99)**	**(58,191)**	**13,964**	**1,750**	**15,714**
Year ended 31 December 2023										
At start of year		**851**	**60,163**	**-**	**651**	**(2)**	**(57,674)**	**3,989**	**970**	**4,959**
Total comprehensive (loss)/profit for the year		**-**	**-**	**-**	**-**	**(96)**	**50**	**(46)**	**(102)**	**(148)**
Profit/(loss) for the year		-	-	-	-	-	50	50	(111)	(61)
Foreign exchange on translation	*14*	-	-	-	-	(96)	-	(96)	9	(87)
Transactions with owners in their capacity as owners:										
Issue of share capital	*10&11*	153	3,712	-	-	-	-	3,865	-	3,865
Share issue cost	*11*	-	(163)	-	-	-	-	(163)	-	(163)
Warrants exercised	*11*	9	102	-	-	-	-	111	-	111
Warrants granted	*19*	-	(1,095)	-	-	-	-	(1,095)	-	(1,095)
Acquisition of subsidiary	*10,11 &12*	108	2,706	5,058	-	-	-	7,872	1,765	9,637
At end of year		**1,121**	**65,425**	**5,058**	**651**	**(98)**	**(57,624)**	**14,533**	**2,633**	**17,166**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024 US$'000	2023 US$'000
Cash flows from operating activities			
Cash utilised by operations	20.1	**(937)**	(742)
Interest received		**2**	13
Net cash flows utilised in operating activities		**(935)**	(729)
Cash flows from investing activities			
Payments for exploration		**(886)**	(493)
Investment in restricted cash		**(9)**	-
Acquisition of subsidiary, net of cash		**-**	(287)
Net cash flows utilised by investing activities		**(895)**	(780)
Cash flows from financing activities			
Proceeds from issue of shares	20.2	**-**	3,432
Share issue cost		**-**	(163)
Proceeds from borrowings		**-**	525
Net cash flows generated from financing activities		**-**	3,794
Net (decrease)/increase in cash and cash equivalents		**(1,830)**	2,285
Movement in cash and cash equivalents			
Net foreign currency exchange losses		**68**	(92)
At the beginning of the year		**2,617**	424
Net decrease in cash and cash equivalents		**(1,830)**	2,285
Cash and cash equivalents at the end of the year		**855**	2,617

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Lexington Gold Ltd (the "**Company**", "**Lexington Gold**" or "**Lexington**") and its subsidiaries (together, "**the Group**") 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 and six gold projects covering approximately 114,638 hectares in South Africa.

The Company is a limited liability company incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

The Company is quoted on the Alternative Investment Market ("**AIM**") of the London Stock Exchange. The financial statements were authorised for issue by the directors on 20 June 2025.

2 MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Going concern basis of accounting

For the year ended 31 December 2024, the Group recorded a loss of US$1.4 million (2023: US$0.1 million) and had net cash outflows from operating activities of US$0.9 million (2023: US$0.7 million). An operating loss is expected in the year subsequent to the date of these accounts. 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 or equity to fund its projects and activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern such 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 secured additional funding by way of a £530,000 gross equity fundraise on 17 April 2025;
- The Directors are confident that they will be able to raise additional funds to satisfy the Group's cash requirements as and when necessary; 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. This financial report does 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.

(b) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") and Bermuda Companies Act, 1981. The consolidated financial statements have been prepared under the historical cost convention, as modified by:

- Share options measured at fair value; and
- Financial assets and liabilities at fair value through profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Significant judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are summarised below.

Judgements:

- Control over projects – Notes 2(e) and 24
  The assessment of control over a subsidiary requires significant judgement and consideration of various factors. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group holds 74% interest in White Rivers Exploration (Pty) Ltd ("**WRE**") and WRE holds 65% interest in Jelani Resources (Pty) Ltd ("**Jelani Resources**"). While the effective ownership in Jelani Resources (48%) is below 50%, the substance of the relationship demonstrates control. The decision-making ability at the Jelani Resources level is effectively controlled by WRE (through its 65% stake), which is, in turn, controlled by the Group.
- The capitalisation and recoverability of exploration and evaluation expenditures – Notes 2(m) and 6
  The application of the Group's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that costs incurred will be recovered through successful development or sale of the asset under review when assessing impairment. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalised, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalised is written off in the net profit or loss in the period when the new information becomes available.

Estimates and assumptions:

- Accounting for warrant liabilities – Notes 2(p), 19 and 22
  When the fair value of financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, they are measured using model valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in estimating fair values. The application of the Black-Scholes option-pricing model requires the use of a number of inputs and significant assumptions including volatility.

(d) New and amended standards not early adopted by the Group

At the date of approval of these financial statements, the following Standards and Interpretations which may be applicable to the Group, but have not been applied in these financial statements, were in issue but not yet effective:

Details of amendment	*Effective date*
Lack of Exchangeability (Amendments to IAS 21) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	Annual reporting periods beginning on or after 1 January 2025
Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*.	Annual reporting periods beginning on or after 1 January 2026

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) New and amended standards not early adopted by the Group (continued)

IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	Annual reporting periods beginning on or after 1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	Annual reporting periods beginning on or after 1 January 2027

The Group is in the process of assessing the impact that the adoption of these standards will have on its financial statements in the period of initial adoption.

IFRS 18 *Presentation and Disclosures in Financial Statements*, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 *Basis of Preparation of Financial Statements* (renamed from *Accounting Policies, Changes in Accounting Estimates and Errors*). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group does not expect to be eligible to apply IFRS 19.

(e) Consolidation

<u>Subsidiaries</u>

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or the non-controlling interest’s proportionate share of the recognised amounts of the acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Consolidation (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(f) Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in United States dollars ("**US$**") rounded to the nearest thousand unless stated otherwise.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to US$ at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to US$ at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign currency differences are recognised directly in equity in the foreign currency translation reserve ("**FCTR**"). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss. Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future are considered to form part of a net investment in a foreign operation and are recognised directly in equity.

(g) Financial instruments

(i) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and subsequent measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (continued)

(iii) Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

(iv) Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(h) Share capital

Ordinary and A class shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Employee benefits

Share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Employee benefits (continued)

Share-based payment transactions (continued)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Short-term employee benefits

Short-term employee benefits are those that are paid within 12 months after the end of the period in which the services have been rendered and are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to defined contribution retirement benefit plans are recognised in profit or loss in the periods during which services are rendered by employees. The Group pays contributions to publicly administered pension insurance plans on a mandatory and contractual basis. The Group has no legal or constructive obligations to pay further contributions if the plans do not hold sufficient assets to pay employees the benefits relating to employee service in the current and prior periods.

(j) Expenses

Finance income and costs

Finance costs comprises interest payable on borrowings calculated using the effective interest rate method and unwinding of the discount on provisions.

Finance income is recognised in profit or loss as it accrues, using the effective interest method.

(k) Tax expense

Tax expense comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and does not give rise to equal taxable and deductible temporary differences;
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future; and
- the initial recognition of assets and liabilities in a transaction that is not a business combination.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Tax expense (continued)

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rate enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle the balances on a net basis.

Additional taxes that arise from the distribution of dividends to A class shareholders in South Africa are recognised at the same time as the liability to pay the related dividend.

(l) Earnings per share

The Group presents basic and diluted earnings per share ("**EPS**") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes, warrants and share options granted to employees.

(m) Exploration, evaluation and development expenditure

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written off as incurred. Following the granting of a prospecting right, general administration and overhead costs directly attributable to exploration and evaluation activities are expensed and all other costs are capitalised and recorded at cost on initial recognition. As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated.

The following expenditures are included in the initial and subsequent measurement of the exploration and evaluation assets:

- Acquisition of rights to explore;
- Topographical, geological, geochemical or geographical studies;
- Exploratory drilling;
- Trenching;
- Sampling;
- Activities in relation to the evaluation of both the technical feasibility and the commercial viability of extracting minerals;
- Exploration staff related costs; and
- Equipment and infrastructure.

Exploration and evaluation costs that have been capitalised are classified as either tangible or intangible according to the nature of the assets acquired and this classification is consistently applied.

If commercial reserves are developed, the related deferred exploration and evaluation costs are then reclassified as development and production assets within property, plant and equipment.

All capitalised exploration and evaluation expenditure is monitored for indications of impairment in accordance with IFRS 6.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Asset acquisition

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value.

(o) Convertible debt

The proceeds received on the issue of the Group's convertible debt which fail the fixed-for-fixed criterion under IFRS are allocated into their liability and derivative liability components. The derivative liability is measured at fair value with subsequent changes recognised in profit or loss. The debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the debt.

(p) Warrant liabilities

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms. The assessment considers whether the warrants have the characteristics of a derivative financial liability that is measured at fair value, with changes in value recorded in profit or loss or an equity instrument. The equity classification applies to instruments where a fixed amount of cash (or liability), denominated in the issuer’s functional currency, is exchanged for a fixed number of shares (the “fixed-for-fixed” criteria).

For issued warrants that meet the criteria for equity classification, the warrants are recorded as a component of additional paid-in capital at the time of issuance. For issued warrants that do not meet all the criteria for equity classification, the warrants are recorded as a derivative liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognised as a non-cash gain or loss in profit or loss.

3 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incurs expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker ("**CODM**") which in the case of the Group is the Board of Directors. The CODM makes decisions about the resources to be allocated to the segment and assesses its performance, where discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions.

Segment information is presented in respect of the Group's business segment. The primary format, business segments, is based on the Group's management and internal reporting structures.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

3.1 Business operating segments

The Group has three reportable segments. The strategic business units offer different focus areas for the Group. The Group comprises the following reportable segments:

- Corporate;
- Exploration activities USA; and
- Exploration activities RSA.

The accounting policies of the reportable segments are the same as described in Note 2.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/loss before income tax, as included in the internal management reports that are reviewed by the Executive Committee. Segment profit/loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate in such sectors. Inter-segment pricing is determined on an arm's length basis.

	Corporate 2024	Corporate 2023	**Exploration USA 2024**	Exploration USA 2023	**Exploration RSA 2024**	Exploration RSA 2023	**Total 2024**	Total 2023
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
External revenues	**-**	-	**-**	-	**-**	-	**-**	-
Fair value gain/(loss)	**243**	703	**-**	-	**-**	-	**243**	703
Impairment	**-**	-	**(792)**	-	**-**	-	**(792)**	-
Reportable segment loss before income tax	**(794)**	(718)	**(819)**	(4)	**(60)**	(48)	**(1,673)**	(770)
Income tax (charge)/credit	**-**	-	**-**	-	**-**	-	**-**	-
Exploration expenditure	**-**	-	**(513)**	(404)	**(373)**	(89)	**(886)**	(493)
Reportable segment assets	**855**	2,493	**4,685**	4,965	**10,901**	10,773	**16,441**	18,231
Reportable segment liabilities	**218**	422	**6**	17	**503**	626	**727**	1,065

4 OPERATING EXPENSES

	2024	2023
	US$'000	US$'000
Auditors' remuneration	**(35)**	(31)
Directors' emoluments and fees	**(221)**	(209)
Net foreign exchange gain	**(26)**	2
Office expenses	**(47)**	(44)
Professional and other services	**(511)**	(467)
Travel and accommodation	**(19)**	(20)
Penalties and interest	**(22)**	-
Other expenses	**-**	(1)
Total operating expenses	**(881)**	(770)

5 INCOME TAX CREDIT

Current tax charge		
Current period	**-**	-
Deferred tax credit	**-**	-
Total income tax charge/(credit)	**-**	-

The Group's assets are in the exploration phase and are accumulating unused tax losses available for offset against future profits. The deferred tax asset relating to these losses is not provided for due to the uncertainty over the timing of future trading profits.

6 EXPLORATION AND EVALUATION ASSETS

	2024	2023
	US$'000	US$'000
United States		
Balance at beginning of year	**4,960**	4,556
Additions	**513**	404
Impairment	**(792)**	-
	4,681	4,960
South Africa		
Balance at beginning of year	**10,530**	-
Acquired (Note 27)	**-**	10,256
Additions	**373**	89
Foreign currency	**(117)**	185
	10,786	10,530
Total at the end of year	**15,467**	15,490

Exploration activities United States
The amount 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 and 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 23.

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

6 EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Given the relative prospectivity of the Jennings-Pioneer, Carolina Belle and JKL Projects the Board decided to focus on these projects in preference to Project Argo and accordingly has decided not to incur further expenditure on Project Argo which means that the Minimum Funding Contributions for Project Argo will not be met and an impairment provision has accordingly been made against the carrying value of Project Argo in these financial statements. Uwharrie Resources Inc. has provided an extension to 30 June 2025 to meet the Minimum Funding Contribution and this requirement has been met in relation to Jennings Pioneer, Caroline Belle and JKL.

Exploration activities South Africa
The amount relates to the Group’s exploration and development activities in respect of its six gold projects covering approximately 114,638 hectares in South Africa assessing the Witwatersrand basin’s significant gold potential, acquired as part of the Company’s acquisition of WRE in 2023.

Pursuant to the WRE acquisition agreement, Mr Creasy or his nominee(s), by way of certain additional deferred consideration, will be granted an option over 110 million new common shares in Lexington Gold upon the later of 12 months from the date of his assignment agreement (being 12 May 2023) and a value accretive milestone being achieved, namely the establishment of at least 1 million ounces of JORC/SAMREC-compliant gold resource in respect of any of WRE’s existing projects excluding Jelani Resources. If granted, such options will be exercisable in full or in part for a period of 12 months following the date of the announcement of the milestone having been achieved at an exercise price of 7.5 pence per share. No provision has been made for the potential payment of the additional deferred consideration as WRE’s projects are in the exploration phase and therefore it is not certain that 1 million ounces of JORC/SAMREC-compliant gold resource will be achieved, or at all.

Mr Creasy is entitled to a gross production royalty at a rate of 2.5 per cent. in respect of WRE’s existing projects and such obligation will remain in place in respect of any future production from the existing project areas.

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

7 OTHER RECEIVABLES

	2024 **US$‘000**	2023 US$‘000
Prepayments	**64**	79
	64	79

All of the Group’s other receivables have been reviewed for indicators of impairment. None of the receivables were found to be impaired.

Other receivables consist of balances receivable in the following currencies:		
United States Dollars	**63**	69
South African Rand	**1**	10
	64	79

Translated into United States Dollars at foreign exchange rates applicable at the reporting date. The Group’s exposure to credit risk is disclosed in Note 21.1.

8 RESTRICTED CASH AND CASH EQUIVALENTS

	2024 **US$‘000**	2023 US$‘000
Short-term deposits	**55**	45
	55	45

Short-term deposits are denominated in South African Rand and have been pledged as collateral for the financial assurance lodged with the Department of Mineral Resources and Energy in South Africa.

9 CASH AND CASH EQUIVALENTS

	2024 **US$'000**	2023 US$'000
Cash at bank and on hand	**855**	2,617
	855	2,617
Cash and cash equivalents consist of balances denominated in the following currencies:		
United States Dollars	**133**	69
Australian Dollars*	**1**	1
British Pounds*	**661**	2,359
South African Rand*	**60**	188
	855	2,617

* Translated into United States Dollars at foreign exchange rates applicable at the reporting date. The Group's exposure to interest rate risk and sensitivity analysis for financial instruments is disclosed in Note 21.

10 SHARE CAPITAL

10.1 Common share capital

	2024 **US$'000**	2023 US$'000
Authorised		
3,000,000,000 Common Shares of US$0.003 each	**9,000**	9,000
Issued		
398,969,609 (2023: 373,163,158) Common Shares of US$0.003 each	**1,197**	1,120
Common share capital		
Balance at the beginning of the year	**1,120**	850
Share placement and subscription	**-**	126
Loans converted	**-**	22
Warrants exercised	**-**	9
Consideration shares	**77**	108
Creasy Subscription Shares	**-**	5
Balance at the end of the year	**1,197**	1,120

Each fully paid common share carries the right to one vote at a meeting of the Company. Holders of common shares also have the right to receive dividends and to participate in the proceeds from sale of all surplus assets in proportion to the total shares issued in the event of the Company winding up.

Reconciliation of number of Common Shares in issue	**Number of shares 2024**	Number of shares 2023
Common Shares in issue at beginning of the year	**373,163,158**	283,102,002
Share placement and subscription	**-**	41,938,334(1)(6)
Loans converted	**-**	7,058,639(2)(6)
Warrants exercised	**-**	3,268,485
Consideration shares	**25,806,451**(3)	36,129,032(4)
Creasy Subscription Shares	**-**	1,666,666(5)(6)
Common Shares in issue at end of the year	**398,969,609**	373,163,158

In addition, there are 727,499 common shares held within treasury which are non-voting and are excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

10 SHARE CAPITAL (CONTINUED)

Notes:

(1) As announced on 10 July 2023, the share placement and subscription comprised a placing of 17,188,334 new Common Shares ("**Placing Shares**") and share subscriptions for 24,750,000 new Common Shares ("**Share Subscriptions**"). The Share Subscriptions included a subscription of £100,000 by Edward Nealon, Lexington Gold's Chairman, for 1,666,667 new Common Shares.

(2) Pursuant to the announcement of 10 July 2023, an amount of £120,061 due to Edward Nealon in relation to his US$150,000 loan to the Company announced on 14 March 2023 was settled by the issue of 2,001,024 new Common Shares and £303,457 due to Mark Creasy in relation to his £300,000 loan to the Company announced on 15 May 2023 was settled by the issue of 5,057,615 new Common Shares.

(3) As announced on 13 May 2024, following the renewal of the Jelani Resources Prospecting Right, these deferred consideration shares in respect of the WRE acquisition were issued.

(4) As announced on 7 September 2023, the Company issued 36,129,032 new Common Shares (the "**Initial Consideration Shares**") as consideration under the WRE Acquisition and Loan Agreements.

(5) Further to the announcement of 7 September 2023, Mark Creasy invested an amount of £100,000 by way of a subscription for 1,666,666 new common shares (the "**Creasy Subscription Shares**").

(6) One warrant per new Common Share was also granted to subscribe on a one-to-one basis for new Common Shares in the Company which are exercisable at 10 pence per share for an exercise period to 20 July 2026.

10.2 A class share capital

	2024 US$'000	2023 US$'000
Authorised		
Nil (2023: 66,666,667) A class shares of ZAR 0.0003 each	**-**	3
Issued		
Nil (2023: 1,009,029) A class shares of ZAR 0.0003 each issued by the Company's wholly owned subsidiary, Rohstein Class A (Proprietary) Limited	**-**	1
A class shares have been converted at the historical rate at 1 June 2004 of ZAR6.52 to the US Dollar.		
Total issued share capital (Common shares and A class shares)	**1,197**	1,121

Reconciliation of A Class share capital	**Number of shares 2024**	Number of shares 2023
Shares in issue at beginning of the year	**1,009,029**	1,009,029
Expired rights	**(1,009,029)**	-
Shares in issue at end of the year	**-**	1,009,029

When Lexington Gold historically acquired certain tanzanite assets from Afgem Limited ("**Afgem**"), a mechanism was put in place to accommodate any of Afgem's South African shareholders' desire to maintain their investment in the tanzanite assets and to comply with South African Reserve Bank ("**SARB**") foreign exchange regulations pertaining to foreign investments by South African citizens. This mechanism involved the creation of TanzaniteOne SA, a South African domiciled wholly owned subsidiary of Lexington Gold Ltd.

In order to facilitate an exit for those TanzaniteOne SA class A shareholders, Lexington Gold made an offer to acquire their A class shares, where the offer was binding on Lexington Gold for a period of 20 years from April 2004.

10 SHARE CAPITAL (CONTINUED)

On 28 February 2015, TanzaniteOne SA issued notice to class A shareholders convening a Scheme meeting on 26 March 2015 and notice to shareholders convening a meeting of shareholders of TanzaniteOne SA on 26 March 2015, both meetings duly approved a Scheme of Arrangement the details of which are:

(a) each A class shareholder received one redeemable class A share with no par value and a premium of R0.0003 per share in the capital of Rohstein Class A Proprietary Limited, Registration Number 2014/093972/07 ("**Rohstein**"), a wholly owned subsidiary of Lexington Gold for each class A share they owned in the Company (the "**Scheme Consideration Shares**"); and

(b) all the TanzaniteOne SA class A shares were cancelled.

Lexington Gold made an offer on 25 February 2015 which expired on 29 April 2024 (the "**Offer**") to all holders of the Scheme Consideration Shares to purchase their Scheme Consideration Shares on *mutatis mutandis,* the same terms and conditions as the terms and conditions on which Lexington Gold offered to purchase each existing class A share of TanzaniteOne SA.

On 27 March 2015, TanzaniteOne SA sold Rohstein to Lexington Gold so that the Scheme Consideration Shares are issued by a wholly owned subsidiary of Lexington Gold rather than TanzaniteOne SA.

The Offer is no longer available due to the expiration of the designated period of the offer.

11 SHARE PREMIUM

	2024	2023
	US$'000	US$'000
Balance at beginning of the year	**65,425**	60,163
Share placement and subscription	**-**	3,070
Share issue costs	**-**	(163)
Loans converted	**-**	522
Warrants exercised	**-**	102
Consideration shares	**1,868**	2,706
Creasy Subscription Shares	**-**	120
Warrants issued	**-**	(1,095)
Balance at end of year	**67,293**	65,425

12 SHARES TO BE ISSUED

Balance at beginning of the year	**5,058**	-
Contingent consideration on acquisition of WRE	**-**	5,058
Transferred to share capital and share premium upon achievement of milestones	**(1,945)**	-
Balance at end of year	**3,113**	5,058

Pursuant to the acquisition of WRE, as announced on 7 September 2023, the contingent issuable new Common Shares, fell due and will fall due to be issued at a price of 6.20 pence per new common share upon the achievement of the following milestones:

Lexington Gold Equity

%	**No. of common shares**	**Milestone event**
45%	46,451,613[1]	Later of 30 November 2023 and the date of renewal of four of the Prospecting Rights split, 25%, 10%, 8% and 2% respectively between the four Prospecting Rights concerned.
20%	20,645,161[2]	Receipt of Ministerial Consent.

Notes:

1. 25,806,451 of these shares (25%) were issued on 13 May 2024 pursuant to the renewal of the Jelani Resources Prospecting Right.
2. These shares were issued on 20 May 2025 following Ministerial Consent being granted.

12 SHARES TO BE ISSUED (CONTINUED)

The fair value of the contingent consideration has been based on the acquisition date share price (6.20 pence per share converted at the historical rate of GBP0.8225 to the US Dollar).

13 SHARE OPTION RESERVE

	2024	2023
	US$'000	US$'000
Balance at beginning and end of the year	**651**	651

Share-based payments

The terms and conditions of the share option plan are as follows:

Grant date	**Number of share options**	**Vesting conditions**	**Contractual life**
4 December 2020	19,610,910	1/3 immediately, 1/3 in one year, 1/3 in two years	10 years from vesting date
Total options	19,610,910		

The number and weighted average exercise prices of share options and warrants are as follows:

	2024		2023	
	Weighted average exercise price (UK pence/ share)	**Number of options/ warrants**	Weighted average exercise price (UK pence/ share)	Number of options/ warrants
Exercisable at the beginning of the year	**2.75**	**19,610,910**	2.75	27,455,274
Exercised warrants	**-**	**-**	2.75	(3,268,485)
Forfeited warrants	**-**	**-**	2.75	(4,575,879)
Exercisable at the end of the year	**2.75**	**19,610,910**		19,610,910

14 FOREIGN CURRENCY TRANSLATION RESERVE

	2024	2023
	US$'000	US$'000
Balance at beginning of the year	**(98)**	(2)
Translation of foreign operations in the year	**(1)**	(96)
Balance at end of the year	**(99)**	(98)

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

15 NON-CONTROLLING INTEREST

	2024	2023
	US$'000	US$'000
Balance at beginning of year	**2,633**	970
26% interest in White Rivers Exploration (Pty) Ltd	**-**	1,765
Loss allocated	**(883)**	(102)
Balance at end of year	**1,750**	2,633

15 NON-CONTROLLING INTEREST (CONTINUED)

Project Carolina Belle, LLC, Project Jennings-Pioneer, LLC, Project Argo, LLC and Project JKL, LLC are 51% owned. White Rivers Exploration (Pty) Ltd and Western Allen Ridge Gold Mines (Pty) Ltd are 74% owned and Jelani Resources (Pty) Ltd is 65% (together, the "**White Rivers Exploration Group**") owned by the Group. Refer to Note 24 for the principal places of business. All have material non-controlling interests (NCI). No dividends were paid by these entities.

Summarised financial information in relation to Project Carolina Belle, LLC, Project Jennings-Pioneer, LLC, Project Argo, LLC, Project JKL, LLC and the White Rivers Exploration Group before intra-group eliminations, is presented below together with amounts attributable to NCI:

Project Carolina Belle, LLC **As at 31 December**	**2024** **US$'000**	2023 US$'000
Assets:		
Exploration and evaluation assets	**1,720**	1,586
Liabilities:		
Inter-company loans	**(1,175)**	(1,091)
Accumulated non-controlling interests	**(240)**	(242)
Operating expenses for the year	**(5)**	-

Project Jennings-Pioneer, LLC **As at 31 December**	**2024** **US$'000**	2023 US$'000
Assets:		
Exploration and evaluation assets	**1,116**	771
Liabilities:		
Inter-company loans	**(571)**	(276)
Accumulated non-controlling interests	**(240)**	(243)
Operating expenses for the year	**(5)**	-

Project Argo, LLC **As at 31 December**	**2024** **US$'000**	2023 US$'000
Assets:		
Exploration and evaluation assets	**-**	700
Liabilities:		
Inter-company loans	**(246)**	(205)
Accumulated non-controlling interests	**148**	(243)
Operating expenses for the year	**(5)**	-
Impairment	**(792)**	-
Loss allocated to NCI	**(399)**	-
Other comprehensive loss allocated to NCI	**-**	-
Total comprehensive loss allocated to NCI	**(399)**	-

15 NON-CONTROLLING INTEREST (CONTINUED)

Project JKL, LLC **As at 31 December**	**2024** **US$'000**	2023 US$'000
Assets:		
Exploration and evaluation assets	**1,845**	1,653
Liabilities:		
Inter-company loans	**(1,299)**	(1,158)
Accumulated non-controlling interests	**(240)**	(242)
Operating expenses for the year	**(5)**	-

White Rivers Exploration (Pty) Ltd Group **For the period ended 31 December**	**2024** **US$'000**	2023 US$'000
Operating expenses	**(102)**	59
Operating loss	**(102)**	59
Finance cost	**(1,649)**	(483)
Loss before taxation	**(1,751)**	(424)
Income tax charge	**-**	-
Loss for the year	**(1,751)**	(424)
Loss allocated to NCI	**(462)**	(111)
Other comprehensive loss allocated to NCI	**(22)**	9
Total comprehensive loss allocated to NCI	**(484)**	(102)

As at 31 December	**2024** **US$'000**	2023 US$'000
Assets:		
Exploration and evaluation assets	**10,786**	10,530
Restricted cash and cash equivalents	**55**	45
Cash and cash equivalents	**50**	71
Liabilities:		
Trade and other payables	**(501)**	(623)
Loans and other borrowings	**(11,110)**	(9,714)
Accumulated non-controlling interests	**(1,179)**	(1,663)

16 EARNINGS PER SHARE

Basic and diluted (loss)/profit per share

The calculation of basic and diluted (loss)/profit per share at 31 December 2024 was based on the loss attributable to common shareholders of US$567,000 (2023: profit of US$50,000) and a weighted average number of common shares outstanding during the year ended 31 December 2024 for basic EPS of 389,566,163 (2023: 319,173,625) and diluted EPS of 389,566,163 (2023: 456,544,948) calculated as follows:

	2024 **US$'000**	2023 US$'000
(Loss)/profit attributable to common shareholders	**(567)**	50

16 EARNINGS PER SHARE (CONTINUED)

	Number of shares 2024	Number of shares 2023
Weighted average number of common shares		
Weighted average number of common shares used in basic EPS	**389,566,163**	319,173,625
Effects of:		
Share options	**-**	19,610,910
Warrants	**-**	50,663,639
Contingent share consideration	**-**	67,096,774
Weighted average number of common shares used in diluted EPS	**389,566,163**	456,544,948
Basic (loss)/profit per common share (US cents/share)	**(0.15)**	0.02
Diluted (loss)/profit per common share (US cents/share)	**(0.15)**	0.01

The diluted loss per share and the basic loss per share are recorded as the same amount in 2024, as conversion of share options decreases the basic loss per share, thus being anti-dilutive.

17 TRADE AND OTHER PAYABLES

	2024 US$'000	2023 US$'000
Trade and other payables	**578**	673
Total trade and other payables	**578**	673
Trade and other payables consist of balances payable in the following currencies:		
United States Dollars	**40**	48
Australian Dollars	**15**	-
British Pounds	**19**	-
South African Rand	**504**	625
	578	673

18 BORROWINGS

Interest bearing borrowings		
Balance at the beginning of the year	**-**	-
Proceeds from borrowings	**-**	525
Interest accrued	**-**	7
Foreign exchange	**-**	12
Loan converted to equity	**-**	(544)
Balance at the end of the year	**-**	-

Loan from director

As announced on 14 March 2023, a wholly owned subsidiary of the Company entered into a US$150,000 unsecured loan facility (the "**Loan Facility**") with Edward Nealon (the "**Lender**"), to be utilised to satisfy the Group's ongoing working capital requirements and costs associated with evaluating potential additional new gold projects/opportunities.

The Loan Facility had a 12-month term from the date of drawdown and bore interest at a rate of 5 per cent. per annum, payable on maturity. The agreement had customary terms and conditions for a facility of this nature, including a condition that the Company and its relevant subsidiary would not pledge or charge any assets to any other creditors without the prior consent of the Lender, such consent not to be unreasonably withheld. In the event of any unremedied default, interest was payable at a rate of 1 per cent. per month.

18 BORROWINGS (CONTINUED)

Loan from Mr Mark Creasy

On 12 May 2023, the Company entered into a one-year unsecured loan agreement with Mark Creasy, alongside the acquisition of White Rivers Exploration (Pty) Ltd, for a principal amount of £300,000 (approximately US$375,000) (the "**Mark Creasy Loan Agreement**"). The loan bore interest at a rate of 7.5 per cent. per annum which accrued until its maturity.

As announced on 10 July 2023, the abovementioned outstanding loans (together with accrued interest thereon) from Edward Nealon and Mark Creasy were settled by way of the issue of new equity on the same terms as the then fundraising in order to conserve the Company's working capital.

19 DERIVATIVE LIABILITY

	2024	2023
	US$'000	US$'000
Derivative liability from warrants		
Balance at the beginning of the year	**392**	-
Warrant liability recognised at inception	**-**	1,095
Change in fair value of warrants	**(243)**	(703)
Balance at the end of the year	**149**	392

Warrants were issued to fundraising participants, Edward Nealon and Mark Creasy, allowing them to subscribe for new Common Shares at an exercise price of 10 pence per share on a one-to-one basis (refer to Note 10). The warrants are accounted for as liabilities as the Company concluded that the warrants failed to meet the fixed-for-fixed criteria as the exercise price is priced in pence per share and the Company's functional currency is United States dollars.

The fair value of the warrants was estimated using the Black-Scholes-pricing model. The application of the Black-Scholes option-pricing model requires the use of a number of inputs and significant assumptions including volatility. The following reflects the inputs and assumptions:

	31 December 2024	**31 December 2023**	**7 September 2023**	**8 July 2023**
Share price	3.75 pence	4.2 pence	6 pence	5.9 pence
Exercise price	10 pence	10 pence	10 pence	10 pence
Risk-free interest rate	3.75 %	3.9 %	3.9 %	3.9 %
Expected terms (in years)	1.55 years	2.55 years	2.87 years	3 years
Expected dividend yield	0 %	0 %	0 %	0 %
Expected volatility	56.6 %	59.9 %	60.7 %	62.1 %

20 NOTES TO THE STATEMENT OF CASH FLOWS

	2024	2023
	US$'000	US$'000
20.1 Cash utilised by operations		
Loss before income tax	**(1,428)**	(61)
Adjusted for:		
▪ Net finance (income)/cost	**(2)**	(6)
▪ Fair value adjustment of derivative liability	**(243)**	(703)
▪ Impairment	**792**	-
▪ Net foreign exchange difference	**26**	(2)
Cash from operations before working capital changes	**(855)**	(772)
Working capital changes:		
Trade and other receivables	**15**	(5)
Trade and other payables	**(97)**	35
Cash utilised by operations before interest and tax	**(937)**	(742)

20 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

20.2 Proceeds from issue of shares

	2024 US$'000	2023 US$'000
Share capital and premium at end of year (Notes 10 & 11)	**68,490**	66,546
Share issue cost	**-**	163
Loans converted to shares*	**-**	(544)
Acquisition of subsidiary*	**-**	(2,814)
Warrants issued*	**-**	1,095
Consideration shares*	**(1,945)**	-
Offer expired on Scheme Consideration Shares*	**(1)**	-
Share capital and premium at beginning of year	**(66,546)**	(61,014)
Proceeds from issue of shares net of transaction costs	**-**	3,269
Share issue cost shown separately	**-**	163
	-	3,432

* Non-cash financing and investing activities

21 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

21.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents and bank deposits. Those balances reflect the maximum exposure to credit risk.

The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

21.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored on a monthly basis. At present, no liquidity risk is foreseen.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Financial liabilities
Financial liabilities are payable as follows:

	Trade and other payables US$'000
31 December 2024	
Less than one year	**578**
One to five years	**-**
31 December 2023	
Less than one year	673
One to five years	-

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

The Group is not exposed to significant interest rate risks as any interest bearing borrowings are mainly of a short-term nature.

Foreign currency risk

The Group does not hedge foreign exchange fluctuations and therefore is exposed to all foreign currency movements.

In the normal course of business, the Group enters into transactions primarily denominated in US$. However, the Group has investments and liabilities in a number of different currencies. As a result, the Group is subject to translation exposure from fluctuations in foreign currency exchange rates. The Company's strategy towards managing its foreign currency exposure is through transacting using its functional currency.

Sensitivity analysis

A 10 per cent. strengthening of the United States Dollar against the following currencies at 31 December would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as at 31 December 2022.

	2024	2023
	US$'000	US$'000
Profit or loss		
Australian Dollars	**1**	-
British Pounds	**(64)**	(236)
South African Rand	**39**	113

A 10 per cent. weakening of the United States Dollar against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

21.4 Price risk

The Group's exposure to price risk on its financial assets is considered negligible as the Group does not hold any investments in either equity or debt securities.

21.5 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Group's target is to achieve a return on capital of between 12 and 16 per cent. The Group achieved a negative return on capital of 6% in 2023 (2023: 5%). There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22 FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that particular asset or liability.

Trade payables and Trade and Other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. For receivables/payables with a remaining useful life of less than one year, the carrying amount is deemed to reflect fair value.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Financial instruments by category

The fair value of financial instruments together with the carrying amounts shown in the statement of financial position are as follows:

	Note	Carrying amount US$'000	Fair value US$'000
31 December 2024			
Trade and other receivables (excluding prepayments)	7	**-**	**-**
Restricted cash and cash equivalents	8	**55**	**55**
Cash and cash equivalents	9	**855**	**855**
Financial assets measured at amortised cost		**910**	**910**
Trade and other payables	17	**578**	**578**
Derivative liability	19	**149**	**149**
Financial liabilities measured at amortised cost		**727**	**727**

	Note	Carrying amount US$'000	Fair value US$'000
31 December 2023			
Trade and other receivables (excluding prepayments)	7	-	-
Restricted cash and cash equivalents	8	45	45
Cash and cash equivalents	9	2,617	2,617
Financial assets measured at amortised cost		**2,662**	**2,662**
Trade and other payables	17	673	673
Derivative liability	19	392	392
Financial liabilities measured at amortised cost		**1,065**	**1,065**

The carrying amount of trade and other payables approximates their fair value.

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.

22 FINANCIAL INSTRUMENTS (CONTINUED)

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 US$'000)	Level 1	Level 2	Level 3
31 December 2024			
Financial liabilities			
Derivative liability	**-**	**-**	**149**
31 December 2023			
Financial liabilities			
Derivative liability	-	-	392

There were no transfers between levels for recurring fair value measurements during the year.

Reconciliation: Level 3 recurring fair value measurements

	2024 US$'000	2023 US$'000
Derivative liability		
Opening balance	**392**	-
On initial recognition of warrants	**-**	1,095
Fair value adjustment	**(243)**	(703)
	149	392

Sensitivity - Derivative liability
A reasonably possible change in the volatility rate of +/- 2% would result in:

- An increase in the carrying value of US$18,223 (+2%)
- A decrease in the carrying value of US$17,395 (-2%).

23 COMMITMENTS AND CONTINGENCIES

United States projects

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 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 (being end of November 2025) of completion of the Company's acquisition of Global Asset Resources Ltd ("**GAR**").

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 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 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.

23 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 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 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 Common Shares (at the Company's sole discretion) at such time.

No provision has been made for the payment of the deferred consideration as the Tranche 1 Performance Milestone and Tranche 2 Performance Milestone events have not occurred. The Group’s projects are in the exploration phase and therefore it is not certain that an economic assessment of mineral potential or a pre-feasibility study will be completed in the next few years, if at all.

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 (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. Annual commitments have been met to date. 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 in its US Projects

			AU$		
Project	**Minimum Total**	**Minimum Nov-21**	**Minimum Nov-22**	**Minimum Nov-23**	**Minimum Nov-24**
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. in its US Projects

Project	**Minimum Total**	**Minimum Nov-25**	**Minimum Nov-26**
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.

There are no other contingencies for the year ended 31 December 2024 (2023: Nil).

24 RELATED PARTIES

Identity of related parties

The Group has a related party relationship with key management personnel.

Related party transactions

Current directors of the holding company and their close family members as at the end of the year controlled 4.41% (2023: 4.72%) of the voting shares of Lexington Gold.

	2024	2023
	US$'000	US$'000
Short-term benefits		
Directors' emoluments for the year		
Services as directors of the Company		
Directors' fees		
Salary	**90**	90
Executive fees		
Salary	**131**	119
Share options	**-**	-

Loan from director

As announced on 14 March 2023, a wholly owned subsidiary of the Company entered into a US$150,000 unsecured loan facility with Edward Nealon, to be utilised to satisfy the Group's ongoing working capital requirements.

As announced on 10 July 2023, the outstanding loan (together with accrued interest thereon) from Edward Nealon to the Company was settled in new equity on the same terms as the simultaneous fundraising in order to conserve the Company's cash reserves by way of the issue of 2,001,024 new common shares and 2,001,024 warrants with the same terms as the Fundraising Warrants. In addition, the Share Subscriptions included a subscription of £100,000 by Edward Nealon for 1,666,667 Fundraising Shares and 1,666,667 associated Fundraising Warrants.

Loan from shareholder

On 12 May 2023, the Company entered into a one-year unsecured loan agreement with Mark Creasy for a principal amount of £0.3m.

As announced on 10 July 2023, the outstanding loan (together with accrued interest thereon) from Mark Creasy was settled in new equity on the same terms as the simultaneous fundraising in order to conserve the Company's cash reserves by way of the issue of 5,057,615 new common shares and 5,057,615 warrants with the same terms as the Fundraising Warrants.

As announced on 7 September 2023, Mark Creasy was issued 27,142,784 new common shares pursuant to the WRE Acquisition and Loan Agreements. In addition, Mark Creasy invested an amount of £100,000 by way of a subscription for 1,666,666 new common shares and 1,666,666 associated Fundraising Warrants on the same commercial terms as the Company's approximate £2.5 million equity fundraising announced on 10 July 2023.

Share options

On 4 December 2020, the Company granted, in aggregate, 19,610,910 options over new common shares to its directors and senior managers exercisable at a price of 2.75 pence per share (the "**Options**") (refer to Note 13).

The Options vested in three equal tranches being: (i) one third on their date of issue; (ii) one third on 25 November 2021; and (iii) one third on 25 November 2022, and are exercisable for a period of 10 years from their date of grant. Details of the Options granted to directors are set out in the table below:

24 RELATED PARTIES (CONTINUED)

Director	Number of Options granted and resultant holding of Options
Edward Nealon	2,614,788
Bernard Olivier	4,140,081
Melissa Sturgess	2,614,788
Rhoderick Grivas	2,614,788
Total:	11,984,445

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.

The remuneration of key management personnel recognised in profit or loss including salaries and other current employee benefits amounted to US$220,500 (2023: US$208,750). No terminal or other long-term benefits were paid to key management personnel during the year (2023: Nil).

Group entities

Significant subsidiaries	Country of incorporation	Products/Services	Net amounts owing (by)/to subsidiaries 2024 US$'000	2023 US$'000	Functional currency	Share-holding *2024*	Share-holding *2023*
Global Asset Resources Pty Ltd	Australia	Holding company	**(99)**	(94)	AUD	100%	100%
Global Asset Resources Holdings, Inc	United States	Exploration company	**(4)**	(4)	US$	100%	100%
Project Carolina Belle, LLC	United States	Exploration company	**(1,180)**	(1,091)	US$	51%	51%
Project Jennings-Pioneer, LLC	United States	Exploration company	**(576)**	(276)	US$	51%	51%
Project Argo, LLC	United States	Exploration company	**(252)**	(205)	US$	51%	51%
Project JKL, LLC	United States	Exploration company	**(1,305)**	(1,158)	US$	51%	51%
Lexington Gold SA Limited	Hong Kong	Holding company	**26**	6	US$	100%	100%
Lexington Gold South Africa (Pty) Ltd	South Africa	Holding company	**28**	(140)	ZAR	100%	100%
Rohstein Class A (Pty) Ltd	South Africa	A Class shareholding	**-**	-	ZAR	100%	100%
White Rivers Exploration (Pty) Ltd	South Africa	Exploration company	**(9,868)**	(8,519)	ZAR	74%	74%
Reef Exploration (Pty) Ltd	South Africa	Exploration company	**(56)**	(15)	ZAR	74%	74%
Western Allen Ridge Gold Mines (Pty) Ltd	South Africa	Exploration company	**(22)**	(9)	ZAR	74%	74%
Jelani Resources (Pty) Ltd	South Africa	Exploration company	**(1,164)**	(1,186)	ZAR	48%*	48%*

* - Indirectly held via White Rivers Exploration (Pty) Ltd's 65% shareholding in Jelani Resources (Pty) Ltd.

The assessment of control over a subsidiary requires significant judgement and consideration of various factors. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All transfers of funds between South African entities and non-South African entities are subject to South Africa's exchange control rules and regulations.

25 SUBSEQUENT EVENTS

As announced on 14 January 2025, further to the Company's announcement of 28 October 2024, the Company has established a maiden Exploration Target (JORC, 2012) for the Group's Bothaville Project in the Free State province, South Africa. The Exploration Target estimation is based on drilling results, historical data, and advanced geological modelling and was produced by Shango Solutions in accordance with the Joint Ore Reserve Committee guidelines ("**JORC 2012**").

As announced on 3 March 2025, the Company's common shares were approved for trading on the OTCQB Venture Market ("**OTCQB**") in the United States under the ticker symbol OTCQB:LEXLF. The Company continues to maintain its primary quotation on AIM.

As announced on 17 March 2025, the Board of Directors of Jelani Resources (Pty) Ltd has engaged Bara Consulting (Pty) Ltd ("**Bara Consulting**") to conduct an updated study on the Jelani Resources Project ("**Bara Study**"). The Bara Study will be conducted at a conceptual level and will focus principally on validating and refining the proposed mining approach and engineering concepts assuming the utilisation of existing infrastructure, but only to the extent that its availability to Jelani Resources has been confirmed (the "**Confirmed Available Infrastructure**"), in order to support a potential mining right application.

As announced on 17 April 2025, the Company raised, in aggregate, gross proceeds of £530,000 (the "**Fundraising**") from a combination of new and existing shareholders, via the issue of 15,588,240 new common shares of US$0.003 each in the capital of the Company ("**Common Shares**") at a price of 3.4 pence per new Common Share (the "**Placing Price**") and appointed Optiva Securities Ltd ("**Optiva Securities**") as the Company's joint broker.

As announced on 30 April 2025, the Company has signed a drilling contract with Logan Drilling USA, a subsidiary of Logan Drilling Group, to commence a new exploration programme at its Jennings-Pioneer Project, located within the highly prospective Carolina Slate Belt in South Carolina, USA.

As announced on 20 May 2025, the Company has received its final Section 11 Ministerial Consent from the South African Department of Mineral Resources and Energy ("**DMRE**") in connection with its acquisition of its 74% owned subsidiary WRE ("**Ministerial Consent**") and further to the Company's announcements on 15 May 2023 and 7 September 2023, the granting of Ministerial Consent is a milestone event which triggered the issue of 20,645,161 new common shares ("**Deferred Consideration Shares**") to settle £1.28 million deferred consideration, calculated at an issue price of 6.20 pence per share ("**Issue Price**").

Post period end, Pol Sun Limited ("**Pol Sun**"), a former minority shareholder holding less than 5% of the issued share capital in WRE, initiated legal proceedings in the High Court of South Africa.

The application seeks declaratory relief challenging the validity of the business rescue proceedings and the subsequent cancellation of Pol Sun's equity interest as part of the adopted business rescue plan. The business rescue process was conducted by independent business rescue practitioners from BDO Business Restructuring (Pty) Ltd, in accordance with the provisions of the South African Companies Act, 2008.

The business rescue plan was voted on and duly adopted by 100% of WRE's creditors and a majority of shareholders and was implemented during 2023. Pol Sun was not a creditor of WRE and did not participate in the creditor approval process. All creditor claims were settled in full as part of the approved business rescue plan.

Pol Sun's application appears to seek the reinstatement of its former equity interest, which was cancelled as part of the adopted rescue plan.

Based on legal advice received, the Company understands that the application is unlikely to succeed. The advice notes that the cancellation of Pol Sun's shareholding was lawfully effected under the statutory powers available to the business rescue practitioners. Accordingly, the Company has been advised that it has strong grounds to defend the application.

Given the remote likelihood of the case being successful against the Company, no provision has been recognised in these financial statements.

Other than the above, no significant events have occurred subsequent to the reporting date that could have a material impact on the consolidated financial statements.

26 ULTIMATE HOLDING COMPANY

The Company is widely owned by the public and is quoted on AIM, a market operated by London Stock Exchange plc.

27 ACQUISITION OF SUBSIDIARY

In the prior year, the Company announced the completion of its acquisition of WRE an exploration and development company with significant gold assets in South Africa for an initial consideration comprising 36,129,032 fully paid new common shares (the "**Initial Consideration Shares**") in Lexington Gold.

The Initial Consideration Shares were issued at a price of 6.20 pence per new common shares (the "**Issue Price**") based on the 30-day VWAP to 5 September 2023.

Since the acquisition date to 31 December 2024, WRE has contributed nil to group revenues and a loss of US$39,000 to group loss. If the acquisition had occurred on 1 January 2023, group revenue would have been nil and group loss for the period ended 31 December 2024 would have been US$355,000.

The acquisition-date values of the assets acquired and liabilities assumed and the consideration transferred were as follows:

	Acquisition US$'000
Exploration and evaluation assets	10,256
Restricted cash and cash equivalents	(43)
Cash and cash equivalents	(149)
Trade and other payables	(376)
Non-controlling interest at proportionate share	(1,765)
Net assets and liabilities acquired	7,923
Consideration	
- Issue of Lexington common shares	(2,814)
- Contingent issuable common shares	(5,058)
- Acquisition cost	(51)
Total consideration	(7,923)