

7 September 2023

Lexington Gold Ltd

("Lexington Gold" or the "Company")

Completion of Acquisition of White Rivers Exploration (Pty) Ltd, Issue of Equity, Additional Subscription and Total Voting Rights

Lexington Gold (AIM: LEX), the gold exploration and development company, further to its announcement of 15 May 2023 and associated circular to shareholders published on 2 June 2023, is pleased to announce, *inter alia*, the completion of its acquisition of White Rivers Exploration Proprietary Limited ("WRE"), an exploration and development company with significant gold assets in South Africa.

Accordingly, WRE has now exited its business rescue process with no creditors other than the Lexington Gold group, and the Company, through its wholly owned subsidiary Lexington Gold South Africa Proprietary Limited, is now the sole shareholder of WRE, with a 26 per cent. interest in WRE to be issued to Lexington Gold's Broad-Based Black Economic Empowerment ("BBBEE") partners in due course which will reduce Lexington Gold's remaining interest in WRE to 76 per cent. Capitalised terms in this announcement have the same meanings as ascribed to them in the Company's announcement of 15 May 2023 unless indicated otherwise.

Highlights:

- Lexington Gold is now the sole ultimate beneficial owner of WRE with a 26 per cent. interest to be issued to Lexington Gold's BBBEE partners in due course which will serve to reduce Lexington Gold's resultant interest in WRE to 76 per cent. Lexington Gold is currently finalising arrangements with a well-known BBBEE group in South Africa and will announce further details when this transfer of a 26 per cent. ownership interest has been completed.
- In accordance with the terms of the acquisition, Lexington Gold is issuing 36,129,032 new common shares (the "**Initial Consideration Shares**") to settle £2.24 million, representing 35 per cent. of the maximum Lexington Gold Equity of up to £6.4 million to be paid as consideration under the WRE Acquisition and Loan Agreements.
- The Initial Consideration Shares are being issued at a price of 6.20 pence per new common share (the "**Issue Price**") based on the 30-day VWAP to Tuesday, 5 September 2023 being 2 business days prior to this announcement.
- The balance of the consideration due under the WRE Acquisition and Loan Agreements is to be settled by way of the issue of new common shares in Lexington Gold at the Issue Price based on certain milestones being achieved.
- The Initial Consideration Shares are being issued as follows:
 - 27,142,784 shares to Mark Creasy or his nominee; and
 - 8,986,248 shares to Sunswell Holdings Pty Limited or its nominees.
- In addition, Mark Creasy has invested an amount of £100,000 by way of a subscription for 1,666,666 new common shares (the "**Creasy Subscription 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.
- Following the issue of the Initial Consideration Shares and the Creasy Subscription Shares, Mr Creasy will own 33,867,065 common shares representing approximately 9.16 per cent. of the Company's enlarged issued share capital.

Edward Nealon, Lexington Gold's Non-Executive Chairman, commented:

"The Company is delighted to have completed this potentially game changing acquisition, which received the overwhelming support of our shareholders. We are also excited to be working with Mark Creasy as we commence our initial work programmes seeking to convert the internally estimated 37 million ounces of non-compliant gold resource to an independent JORC code compliant estimate and unlocking long term shareholder value from these promising assets."

Deferred consideration milestones, extension of consent deadline and WRE's licence interests

The balance of the Lexington Gold Equity payable, being up to £4.16m, will fall due to be issued at the Issue Price upon the achievement of the following milestones:

Lexington Gold Equity			
%	No. of common shares	Amount	Milestone event
45%	46,451,613	£2.88m	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	£1.28m	Receipt of Ministerial Consent.

Table 1 below shows the current status of WRE's Prospecting licences and Prospecting Right applications.

Table 1: WRE's Prospecting Licences and Prospecting Right Applications

Project	Tenement	Area (hectares)	Status	Expiry date
Jelani Resources	FS 30/5/1/1/2/10350 PR	956.76	Renewal Awarded	1
Kroonstad	FS 30/5/1/1/2/889 PR	13,845.77	Renewal under appeal	2
Kroonstad	FS 30/5/1/1/2/10520 PR	12,429.45	Renewal under appeal	2
Kroonstad	FS 30/5/1/1/2/10519 PR	22,193.1	Executed	28-May-24
Bothaville	FS 30/5/1/1/2/10578 PR	9,510	Executed	03-Mar-24
Bothaville	FS 30/5/1/1/2/10579 PR	9,119.58	Executed	17-Mar-24
Ventersburg	FS 30/5/1/1/2/888 PR	8,418.7	Executed	09-Dec-23
Ventersburg	FS 30/5/1/1/2/10489 PR	8,965.9	Executed	09-Dec-23
Ventersburg	FS 30/5/1/1/2/10528 PR	2,248.6	Executed	21-Aug-24
Klerksdorp	NW 30/5/1/1/2/11335 PR	1,816.9	Renewal under appeal	2
Total		89,504.79		

¹ In South Africa renewals are for 3 years from the grant date of the renewal.

² Renewals under appeal by WRE following an initial rejection due to technical non-compliance of original renewals previously submitted by WRE. New applications by Lexington Gold SA have also been submitted over the same areas.

Further to Lexington Gold South Africa Proprietary Limited's receipt of its interest in WRE, the procedural application for Ministerial Consent in respect of the transaction will be made shortly and the parties to the WRE Acquisition and Loan Agreements have agreed that the deadline for obtaining such consent will be extended to 31 August 2024 or such later date as may be further agreed between the parties.

Lock-up and Orderly Market Arrangements

The Initial Consideration Shares and future issues of Lexington Gold Equity are subject to a 12-month lock-up from the date of issue and thereafter to a further 12-month orderly market arrangement via Lexington Gold's broker.

Application to trading on AIM and Total Voting Rights

Application will be made to the London Stock Exchange for the 36,129,032 Initial Consideration Shares and the 1,666,666 Creasy Subscription Shares (together, the "**New Common Shares**") to be admitted to trading on AIM ("**Admission**"). It is expected that Admission will become effective and that dealings in the New Common Shares will commence at 8.00 a.m. on or around 14 September 2023.

On Admission, the number of common shares in issue outside treasury and the total voting rights in the Company will be 369,894,673. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Lexington Gold under the notification provisions incorporated in the Company's Bye-laws.

Full details on WRE and its asset portfolio are set out in the Company's announcement of 15 May 2023 and associated circular of 2 June 2023.

Planned Work Programme

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

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

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

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

For further information, please contact:

Lexington Gold Ltd

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

www.lexingtongold.co.uk
via Yellow Jersey

Strand Hanson Limited (Nominated Adviser)

Matthew Chandler / James Bellman / Abigail Wennington

www.strandhanson.co.uk
T: +44 207 409 3494

WH Ireland Limited (Joint Broker)

Katy Mitchell

www.whirelandplc.com
T: +44 207 220 1666

Peterhouse Capital Limited (Joint Broker)

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

www.peterhousecap.com
T: +44 207 469 0930

Yellow Jersey PR Limited (Financial Public Relations)

Charles Goodwin / Annabelle Wills / Soraya Jackson

www.yellowjerseypr.com
T: +44 7747 788 221

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

Note to Editors:

Lexington Gold (AIM: LEX) is a gold exploration and development company currently holding interests in four diverse gold projects, covering a combined area of approximately 1,675 acres in North and South Carolina, USA and in five gold projects covering approximately 89,505 hectares in South Africa.

Further information is available on the Company's website, www.legalandgeneral.co.uk. Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

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