



NEWS RELEASE

\$4.4 MILLION PRIVATE PLACEMENT CLOSED REACTIVATION TO TSX-V FROM NEX DEBT FREE BALANCE SHEET

(All amounts are expressed in Canadian dollars.)

Toronto, Ontario – August 1, 2006 **Lexam Explorations Inc.** (TSX-V: LEX) is pleased to announce that it has closed the previously announced private placement of \$4.4 million, at a price of \$0.50 per unit, with each unit consisting of one common share and one-half share purchase warrant exercisable at \$0.70 per share for two years. The units are subject to a four month hold period that expires on November 31, 2006.

The Company has received approval from the TSX-Venture Exchange to reactivate from the NEX market under the symbol LEX. Lexam's shares will begin trading on the TSX-Venture at market open, August 1, 2006.

"I am very pleased to see Lexam listed on the TSX-Venture. With a TSX-Venture listing, a completed private placement and debt free balance sheet, Lexam now has a solid foundation from which to grow," stated Rob McEwen, Chairman and CEO of Lexam.

Proceeds from the private placement will be used to advance the 100,000 acre Baca Grant oil and gas project in south-central Colorado where Lexam is currently permitting the project for a 3D seismic survey that will allow Lexam to better define the targets that have been identified. Based on the 3D seismic survey Lexam plans to drill two deep natural gas wells that will reach depths equalling 14,000 ft (4,265 m).

Lexam's proposed share for debt settlement of \$94,925 at \$0.50 per share has been approved and the Company is now debt free. The securities issued for debt are subject to a four month hold period that expires on November 31, 2006. As previously announced, Rob McEwen has agreed to forgive debt owed by Lexam to a company he controls in the aggregate amount of \$402,700. Lexam anticipates using funds raised through the private placement to pay all remaining liabilities, which total approximately \$132,000.

About Lexam

Lexam Explorations is a Canadian based oil and gas exploration company. Lexam's shares are publicly traded on the **TSX-V: LEX**. The company is advancing the **Baca Grant oil & gas project** located in the San Luis Valley in southern-central **Colorado**, which is 75% owned by Lexam and 25% by ConocoPhillips.

THE TSX VENTURE EXCHANGE NEITHER APPROVES NOR DISAPPROVES OF THE INFORMATION CONTAINED IN THIS NEWS RELEASE.

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