



NEWS RELEASE

FIRST QUARTER FINANCIAL RESULTS NEVADA TRANSACTION WITH RUBICON CLOSED

(All dollar amounts in CDN\$)

Toronto, May 25, 2007 **LEXAM EXPLORATIONS INC. (TSX-V: LEX)** is pleased to announce financial results for the first quarter 2007 and the closing of the Nevada property exchange to Rubicon Minerals (AMEX:RBY & TSX:RMX). This transaction has considerably strengthened the Company's financial position.

FINANCIAL RESULTS

During the quarter Lexam increased the level of exploration expenditures at its Baca Oil and Gas Project in south-central Colorado in order to advance the project towards potential drilling.

A 25 square mile 3D seismic survey over the natural gas targets was completed in order to confirm and better define the deep gas targets that had been identified through the use of extensive 2D seismic and to identify new potential targets areas. The 3D seismic data analysis and interpretation is nearly complete and the results are expected to be released in early June versus mid-May as previously announced by the Company. This is due to additional work Lexam has initiated to improve the reliability of the data interpretation and Company's confidence in the drill targets.

Due to the increased level of exploration, Lexam's incurred a loss of \$1,634,693 (\$0.03 per share) during the first quarter versus a loss of \$135,830 (\$0.00 per share) for the same period, 2006.

At the end of the first quarter Lexam had working capital of \$1.9 million compared to working capital of \$3.6 million at December 31, 2006. Lexam's working capital at the end of the first quarter did not include the proceeds from the Nevada property sale to Rubicon Minerals or the proceeds to be received from the sale of the Jason base metal property in the Yukon.

The complete first quarter report, including management's discussion and analysis, financial statements, and notes can be found on the Company's website at www.lexamexplorations.com and on SEDAR at www.sedar.com.

NEVADA PROPERTIES EXCHANGE CLOSED

8.6 Million Rubicon Shares Received

On February 26, 2007 Lexam announced it had entered into an agreement with Rubicon Minerals to sell its 225,000 acres of mineral rights for approximately 8,571,000 common shares of Rubicon. The transaction was designed to position Rubicon as one of North America's most exciting gold exploration companies.

Lexam's objective when selling these properties was **1)** Finance its current exploration activities and minimize future shareholder dilution and **2)** Focus the Company on energy exploration that could deliver significant returns for shareholders if a discovery is made. Lexam believed that by selling these properties and receiving shares versus cash, its Rubicon holdings would experience an appreciation in value and better position the Company financially. When the transaction was announced Lexam's Rubicon shares had a market value of \$0.70. In only three months the Rubicon shares have increased to \$2.02 (May 24, 2007 closing price).

BACA OIL & GAS – COLORADO

On May 24, 2007, Lexam was notified that the San Luis Valley Ecosystem Council (SLVEC) had filed and served a Complaint against the United States Fish and Wildlife Service (USFWS) in Federal District Court in Colorado. The SLVEC claims that the USFWS has not complied with the National Environmental Policy Act (NEPA) in connection with certain exploration activities carried out and proposed by Lexam on the Baca Oil & Gas Project.

To date, Lexam has been in full compliance with all environmental laws and regulations as set out by the State of Colorado and the USFWS in connection with the Baca Oil and Gas Project and will continue to operate within their stated guidelines. Should the SLVEC Complaint against the USFWS succeed, Lexam may need to comply with additional environmental guidelines as required under NEPA before further exploration work could begin.

About Lexam

Lexam Explorations is a North American based energy exploration company. Lexam's shares are publicly traded on the **TSX-Venture Exchange under the symbol LEX**. The company is advancing the **Baca Oil & Gas Project** located in south-central **Colorado, USA**, which is 75% owned by Lexam and 25% by ConocoPhillips and has an option to earn 50% interest in Golden Valley Mines **Otish Basin** uranium project located in **Quebec, Canada**.

CAUTIONARY STATEMENT

Some of the statements contained in this release are "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by such forwardlooking statements. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties such as: ability to raise financing for further exploration and development activities; risks relating to estimates of reserves, deposits and production costs; extraction and development risks; the risk of commodity price fluctuations; political, regulatory and

environmental risks; and other risks and uncertainties in the reports and disclosure documents filed by Lexam from time-to-time with Canadian securities regulatory authorities. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The complete first quarter report including management's discussion and analysis, financial statements and notes can be found on our Company's website at www.lexamexplorations.com and on SEDAR at www.sedar.com.

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