



NEWS RELEASE

SECOND QUARTER 2009 FINANCIAL RESULTS

(All amounts expressed in Canadian dollars)

Toronto, August 19, 2009 **LEXAM EXPLORATIONS INC. (TSX-V:LEX /OTC:LEXEF)** today reported financial results for the Second Quarter, 2009. The Company recorded net earnings of \$59,416 (\$0.00 per share) versus \$76,874 (\$0.00 per share) for the Second Quarter ended 2008. Working capital increased to approximately \$17.9 million during the Second Quarter, 2009 versus \$8.6 million in the respective period, 2008 and \$11.8 million at the end of the First Quarter, 2009.

FINANCIAL RESULTS Second Quarter - 2009

For the three and six months ending June 30, 2009, Lexam reported a profit of \$59,416 (\$0.00 per share) and a loss of \$70,809 (\$0.00 per share) compared with a gain of \$76,874 (\$0.00 per share) and a gain of \$146,749 (\$0.00 per share) in the respective periods, 2008. Net profit (or loss), due to accounting standards, will fluctuate from year-to-year. Lexam anticipates this to continue in future quarters.

The profit during the Second Quarter of this year was due to Lexam selling certain securities at a price that was above their fair market value recorded at the end of the First Quarter (\$0.8 million). This amount was offset by a foreign exchange loss (\$0.4 million), administrative expenses (\$0.1 million), exploration expenses (\$0.1 million) and a provision for taxes (\$0.1 million).

Working capital increased to approximately \$17.9 million during the

Second Quarter of 2009 versus \$8.6 million in the respective period, 2008 and \$11.8 million at the end of the First Quarter 2009. Total shares outstanding remained unchanged from the First Quarter of 2009 at 48,499,287.

The complete Second 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.

BACA OIL & GAS PROJECT Colorado, USA

The Baca Oil and Gas Project is located in south-central Colorado, USA. Lexam owns 75% of the oil and gas rights. The remaining 25% is owned by ConocoPhillips. Lexam is advancing the project and is planning to drill two natural gas wells that will reach depths of 4,265 m.

During the Fourth Quarter of 2008, Lexam announced that the United

States Fish and Wildlife Service (USFWS) had issued a Finding of No Significant Impact (FONSI). The USFWS' decision was reached based on the results of an Environmental Assessment (EA) conducted by the Service under the National Environmental Policy Act (NEPA). The USFWS environmental review process lasted 15 months and involved extensive public meetings, participation, and comment by all interested parties. This decision by the USFWS was the final approval required before Lexam could move forward with its planned exploration for oil and gas.

The Baca Project has been consistently challenged by opposition groups and on November 3, 2008 the San Luis Valley Ecosystem Council (SLVEC) made a motion to reopen litigation against the USFWS. The SLVEC maintains that USFWS decision to issue a FONSI based on the EA does not comply with NEPA.

During the First Quarter of 2009, the District Court of Colorado ordered that the motion to reopen litigation against the USFWS be allowed to proceed. A Preliminary Injunction Hearing was held on May 20, 2009 where the presiding judge indicated that he would try to rule by July 31, 2009 whether Lexam is allowed to proceed with its planned exploration or if injunctive relief should be provided to the SLVEC. To date, there has been no ruling on the matter.

In the Second Quarter Lexam's state permits to drill were renewed by the Colorado Oil and Gas Conservation Commission (COGCC). The permits are valid for one year.

OTISH URANIUM PROJECT Québec, Canada

The Otish Uranium Project is located in north-central Québec, Canada. Lexam

owns 50% of the project with the remaining 50% owned by Golden Valley Mines Ltd. Lexam has no plans to explore the project in 2009.

At June 30, 2009, Lexam expects to receive a provincial rebate totaling approximately \$0.9 million from the Québec government, in connection with prior exploration activities.

RUBICON MINERALS INVESTMENT Red Lake, Ontario, Canada

In early 2007 Lexam traded its Nevada properties for Rubicon common shares. Since then, Rubicon has announced exciting drill results from its Phoenix Gold Project, located in the Red Lake gold district of Ontario, Canada.

At June 30, 2009 Lexam owned approximately 4.0 million shares of Rubicon. Subsequent to the end of the Second Quarter Lexam sold a further 0.6 million shares in order to make an equity investment in VG Gold Corp. Lexam currently owns 3.4 million shares of Rubicon with a current market value of \$11.0 million (as of August 19, 2009). It is important to note that Lexam has net taxes receivable in relation to these shares based on Rubicon's share price at the time the shares were received (US\$2.00 per share). Therefore, Lexam is only required to pay capital gains on sales that exceed US\$2.00 per share (For example, if a share is sold for \$2.50 capital gains would only be applied to amount that exceeded \$2.00. In this example the taxable amount would be \$0.50).

VG GOLD CORP INVESTMENT Timmins, Ontario, Canada

On July 21, 2009, subsequent to the end of the Second Quarter, Lexam agreed to make a \$3.0 million investment in VG Gold Corp. for an aggregate subscription of 37.5 million

units issued by way of a private placement. VG Gold is an exploration company focused on the Timmins mining camp in Ontario, Canada. Each unit is priced at \$0.08 and includes one common share and one common share purchase warrant exercisable at \$0.15 per share for a period of eighteen months. The private placement is being completed in two tranches, of which, only the second is subject to approval of VG Gold shareholders. Upon closing of both tranches Lexam will own approximately 27% of VG Gold's outstanding shares and 42% on a partially diluted basis.

The first tranche consisting of 12,594,814 units totalling \$1.0 million was closed on July 21, 2009 and the

Company is fully funded to complete the second tranche of 24,905,186 units totalling \$2.0 million which is expected to take place during early September, 2009 subject to VG Gold's shareholder approval. Assuming the second tranche is approved and all warrants are exercised, Lexam's investment in VG Gold would have a current market value of \$30.0 million (as of August 19, 2009) after the initial investment of \$8.6 million.

ANNOUNCEMENT OF APPOINTMENT

On August 18, 2009, Nils Engelstad joined Lexam as Vice President, Legal & Corporate Secretary. He previously practised corporate law with a national firm based in Toronto.

About Lexam

Lexam Explorations Inc. is a North American exploration company. 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, it also has a 50% joint venture interest in the Otish Basin Uranium Project located in Québec, Canada with Golden Valley Mines Ltd. and the Company holds significant equity stakes in Rubicon Minerals Corp. and VG Gold Corp.

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 second 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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