



NEWS RELEASE

LEXAM COMPLETES \$3 MILLION INVESTMENT IN VG GOLD

(All amounts expressed in Canadian dollars)

Toronto, September 1, 2009 LEXAM EXPLORATIONS INC. (TSX-V:LEX) is pleased to announce that it has completed the second tranche of its \$3,000,000 strategic investment in VG Gold Corp. ("VG Gold") for an aggregate subscription of 37,500,000 units issued by way of a private placement. Each unit was priced at C\$0.08 and included one common share and one common share purchase warrant exercisable at \$0.15 per share for a period of eighteen months. Lexam now owns approximately 27% of VG Gold's outstanding shares and 42% on a partially diluted basis. Lexam is VG Gold's largest shareholder.

INVESTMENT DETAILS

The first tranche consisting of 12,594,814 units for gross proceeds of \$1,007,585 closed on July 21, 2009. The second tranche of the private placement consisting of 24,905,186 units was approved by VG Gold shareholders on August 31, 2009 and closed earlier today for gross proceeds of \$1,992,415.

Under terms of the arrangement Lexam has the right to nominate a director and the right to participate pro-rata in future VG Gold financings, provided Lexam's aggregate interest remains above 10% of the common shares outstanding. Lexam may increase or reduce its investment in VG Gold according to market conditions or other relevant factors.

ABOUT LEXAM

Lexam 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 Quebec, Canada with Golden Valley Mines. 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 forward-looking 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. Lexam 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 fourth quarter 2008 and second quarter 2009 reports 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.

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