



NEWS RELEASE

EARLY EXERCISE OF VG GOLD WARRANTS INCREASES OWNERSHIP TO 42%

(All amounts expressed in Canadian dollars)

Toronto, October 21, 2009 **LEXAM EXPLORATIONS INC. (TSX-V:LEX)** is pleased to announce it has acquired ownership of 37,500,000 common shares of VG Gold Corp. by exercising 37,500,000 warrants at an exercise price of C\$0.15 per warrant for total proceeds to VG Gold of C\$5,625,000.

The warrants were acquired pursuant to a private placement, in which Lexam (in two tranches) acquired 37,500,000 units each consisting of one common share and one warrant of VG Gold. The acquisition of the units was pursuant to an agreement disclosed in Lexam's Early Warning Reports dated July 23, 2009 and September 2, 2009.

Immediately prior to giving effect to exercise of the warrants, Lexam held 37,500,000 common shares or approximately 27% of the issued and outstanding common shares in VG Gold. After giving effect to the exercise of the warrants, Lexam will hold 75,000,000 common shares or approximately 42% of the issued and outstanding common shares in VG Gold.

After exercising the warrants VG Gold will have approximately \$8.0 million in cash with no debt. VG Gold intends to use the proceeds to explore its exciting projects in Timmins, Ontario. The company is now fully funded and anticipates having two drills working continuously over the next twelve months.

About Lexam

Lexam is a North American exploration company. The Company holds significant equity stakes in VG Gold Corp and Rubicon Minerals Corp. Lexam also owns 75% of the Baca Oil & Gas Project in south-central Colorado, USA and it has a 50% joint venture interest in the Otish Basin uranium project located in Quebec, Canada with Golden Valley Mines.

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 fourth 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.

For further information, please contact:

Helen Bilhete
Director, Investor Relations

Tel: (647) 258-0395

Toll Free: (866) 441-0690

Fax: (647) 258-0408

E-Mail: info@lexamexplorations.com

Web: www.lexamexplorations.com

Corporate Head Office

Lexam Explorations Inc.
99 George Street, 3rd Floor
Toronto, ON M5A 2N4