



**NEWS RELEASE**

**THIRD QUARTER 2009 RESULTS**

*(All amounts expressed in Canadian dollars)*

Toronto, November 30, 2009 **LEXAM EXPLORATIONS INC. (TSX-V:LEX) (PINK SHEETS:LEXEF)** today reported financial results for the Third Quarter, 2009. The Company recorded net earnings of \$1,664,740 (\$0.03 per share) as compared to \$588,263 (\$0.01 per share) for the Third Quarter, 2008. The market value of securities, cash and other monetary assets minus total liabilities increased to approximately \$38.6 million during the Third Quarter, 2009 versus \$11.0 million in the respective period, 2008 and \$16.5 million at the end of the Second Quarter, 2009.

**FINANCIAL RESULTS**  
**Third Quarter - 2009**

For the three and nine months ended September 30, 2009, Lexam reported a profit of \$1,664,740 (\$0.03 per share) and \$1,593,931 (\$0.03 per share), respectively. This compares with a profit of \$588,263 (\$0.01 per share) and \$735,012 (\$0.02 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 market value of securities (including all VG Gold warrants with an exercise price of \$0.15), cash and other monetary assets minus total liabilities increased to approximately \$38.6 million during the Third Quarter 2009 versus \$11.0 million in the respective period, 2008 and \$16.5 million at the end of the Second Quarter 2009. As of November 25, 2009 this figure had increased to approximately \$39.7 million. Lexam believes this figure provides the best overview of the Company's financial health. For a quarter-over-quarter comparison, please see Table 1.

**Table 1.**

	<b>Q1 2008</b>	<b>Q2 2008</b>	<b>Q3 2008</b>	<b>Q4 2008</b>	<b>Q1 2009</b>	<b>Q2 2009</b>	<b>Q3 2009</b>	<b>Nov 25 2009</b>
Total Assets minus Total Liabilities (in millions)	\$10.5	\$10.1	\$11.0	\$10.3	\$12.6	\$16.5	\$38.6	\$39.7
Per Share Basis	\$0.22	\$0.21	\$0.23	\$0.21	\$0.26	\$0.34	\$0.80	\$0.82

The profit during the Third Quarter was due to realized gains made on the sale of certain Available-for-sale securities (\$4.0 million). This amount was partially offset by foreign exchange losses (\$0.9 million), administrative expenses (\$0.1 million), exploration expenses (\$0.1 million) and income tax expense (\$1.3 million).

Unlike the shares Lexam holds in Rubicon, which are held on the Company's Balance Sheet at fair market value, the VG Gold shares are equity accounted and held at cost, subject to quarterly adjustments based on Lexam's share of VG Gold's reported losses (or gains). Lexam's share of reported losses is determined by its percentage ownership in VG Gold.

For example if Lexam owns 40% of VG Gold it will assume 40% of VG Gold's reported losses. Assuming VG Gold reports a loss, Lexam will lower its cost of investment by this amount and record the same amount against its earnings. These losses have no direct impact on Lexam's cash balances or the value of its security holdings.

Lexam's working capital at September 30, 2009 was approximately \$16.7 million compared to \$9.6 million at December 31, 2008. The Company's cash balance at September 30, 2009 has decreased to \$1.4 million from \$2.0 million at December 31, 2008. The Company has no significant contractual obligations. At September 30, 2009 and December 31, 2008, Lexam had 48,499,287 common shares outstanding.

The complete Third Quarter report, including management's discussion and analysis, financial statements, and notes can be found on the Company's website at [www.lexamexplorations.com](http://www.lexamexplorations.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## **VG GOLD CORP INVESTMENT**

### **Timmins, Ontario, Canada**

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On July 21, 2009 Lexam announced that it agreed to make a \$3.0 million strategic 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 was priced at \$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. Under terms of the agreement Lexam was granted 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 common shares outstanding. Lexam completed the investment in two tranches with the first tranche closing on July 21, 2009 and the second tranche closing on September 1, 2009.

Subsequent to the end of the Third Quarter Lexam exercised its right to nominate a director. Mr. John Drake's nomination was submitted by Lexam and accepted by the VG Gold board on October 5, 2009. In addition, Lexam exercised 37.5 million warrants on October 21, 2009 for total consideration of \$5.6 million in order to help fund VG Gold's ongoing exploration. The warrant exercise increased Lexam's ownership from 27% (37.5 million common shares) to 42% (75 million common shares) of VG Gold's outstanding common shares.

At September 30, 2009 Lexam's investment in VG Gold (including an intrinsic value for warrants outstanding at that date) had a market value of \$23.6 million. As of November 25, 2009 Lexam's investment in VG Gold had a current market value of \$31.1 million.

**Table 1 – Change in VG Gold Investment**

	<b>VG Gold Investment (Q3-Sept 30, 2009)</b>	<b>VG Gold Investment (Nov 25, 2009)</b>
Number of Shares	37.5 million	75.0 million
Number of Warrants	37.5 million	-
Market Value	<b>\$23.6 million</b>	<b>\$31.1 million</b>

Early results from VG Gold's drilling have intersected favourable gold mineralization (**Table 2**). Drilling to date has been focused on the Paymaster West Project, where VG Gold has an option to earn 60% from Goldcorp Inc., by making \$6.0 million in exploration expenditures by June 2012. Once VG Gold has given notice that it has earned its 60%, Goldcorp has six months to decide if it wishes to increase its ownership from 40% to 70% by paying VG Gold \$710,000 and spending \$8.25 million on the property within two years and also completing a feasibility study by the end of year three. Drilling is expected to continue at the Paymaster West Project until the end of the year.

**Table 2 – Paymaster West  
Significant Drill Results**

<b>Hole Number</b>	<b>Grade (gpt)</b>	<b>Interval Length (m)</b>		<b>Grade (opt)</b>	<b>Interval Length (ft)</b>	<b>Qualified Person Note</b>
VGP-09-07	14.31	2.7		0.42	8.9	<b>i</b>
VGP-09-10	41.67	1.8		1.22	5.9	<b>i</b>
And	5.25	10.6		0.15	34.8	<b>i</b>
VGP-09-19	11.6	2.0		0.34	6.6	<b>ii</b>
VGP-09-20	1,390.0	0.9		40.54	3.0	<b>ii</b>
VGP-09-23	9.4	4.6		0.27	15.1	<b>iii</b>

In addition to the Paymaster West Project, VG Gold has identified a number of gold targets that appear very prospective on other projects that it controls. Drilling is scheduled to commence on the Fuller, Davidson-Tisdale and Buffalo Ankerite projects in late 2009/early 2010. VG Gold has indicated that they anticipate having two drills continuously working over the next twelve months.

#### *Qualified Person*

All of VG Gold's exploration work was conducted under the supervision of Kenneth Guy, P. Geo., a full-time employee of VG Gold and their designated Qualified Person as defined in Canadian National Instrument 43-101. Mr. Guy has reviewed, approved and taken responsibility for the contents of all of VG Gold's technical information appearing in this release and the original dissemination of the same information publicly released by VG Gold as per the following Notes:

Note i) Press Release dated September 8, 2009. Gold analysis of samples collected by VG Gold was assayed by Laboratoire Expert in Rouyn-Noranda, Quebec. Analysis consisted of a fire assay of a 30-gram sample with an atomic absorption finish. Samples assaying over 1.0 gram per tonne Au are re-assayed with gravimetric finish. Samples noted to contain visible gold are analyzed via total metallic assay method. A

rigorous Quality Control and Assurance program (QA/QC) is in place, using control samples such as Blanks and Rocklabs Standards and duplicate checks. In addition, duplicate analyses of 10% of the samples were corroborated by check assays on sample performed by Bourlamaque Laboratory of Val D'Or, Quebec.

Note ii) Press Release dated October 19, 2009. Gold analysis of samples collected by VG Gold was assayed by ALS Chemex. Analysis consisted of a fire assay of a 30-gram sample with an atomic absorption finish. Samples assaying over 10.0 gram per tonne Au are re-assayed with gravimetric finish. Samples noted to contain visible gold are analyzed via total metallic assay method. A rigorous Quality Control and Assurance program (QA/QC) is in place, using control samples such as Blanks and duplicate checks. In addition, duplicate analyses of 10% of the samples are corroborated by check assays on sample performed at a third party Laboratory.

Note iii) Press Release dated November 9, 2009. All drilling was completed using NQ size core. Gold analysis of the samples collected by VG Gold was assayed by ALS Chemex. Analysis consisted of a fire assay of a 30-gram sample with an atomic absorption finish. Samples assaying over 10.0 gram per tonne Au are re-assayed with gravimetric finish. Samples noted to contain visible gold are analyzed via total metallic assay method. A rigorous Quality Control and Assurance program (QA/QC) is in place, using control samples such as Blanks and duplicate checks. In addition, duplicate analyses of 10% of the samples are corroborated by check assays on sample performed at a third party Laboratory.

## **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 September 30, 2009 Lexam owned approximately 2.3 million shares of Rubicon. Subsequent to the end of the Third Quarter Lexam sold a further 1.2 million shares in order to exercise its warrants in VG Gold Corp. Lexam currently owns 1.1 million shares of Rubicon with a current market value of \$5.1 million (as of November 25, 2009). 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 US\$4.50, capital gains would only be applied to the US amount that exceeded US\$2.00. In this example the taxable amount would be US\$2.50).

**Table 3 – Change in Rubicon Investment**

	<b>Rubicon Investment (Q2-June 30, 2009)</b>	<b>Rubicon Investment (Q3-Sept 30, 2009)</b>	<b>Rubicon Investment (Nov 25, 2009)</b>
Number of Shares	4.0 million	<b>2.3 million</b>	<b>1.1 million</b>
Market Value	\$13.7 million	<b>\$10.2 million</b>	<b>\$5.1 million</b>

## **BACA OIL & GAS PROJECT**

### **Colorado, USA**

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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's exploration proposal includes 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 by the government before Lexam could move forward with its proposed exploration.

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 and scheduled a hearing for May 20, 2009.

On September 4, 2009 Lexam announced that the Federal District Court granted the SLVEC Motion for a Preliminary Injunction against the USFWS. This decision prohibits any exploration drilling by Lexam until a final ruling is reached in the litigation. No date has been scheduled for the pending litigation. Lexam will notify shareholders once a date has been established.

## **OTISH URANIUM PROJECT**

### **Québec, Canada**

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The Otish Uranium Project is located in north-central Québec, Canada. Lexam owns 50% of the project with the remaining 50% owned Golden Valley Mines. No exploration is currently planned for this project.

During the Third Quarter Lexam received a provincial rebate totaling approximately \$897,220 from the Québec government, in connection with recent exploration activities. Subsequent to the Third Quarter an additional \$56,374 was received. At September 30, 2009, Lexam expects to receive further provincial rebates from the Québec government, in connection with recent exploration activities.

### ***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.

## **RELIABILITY OF INFORMATION**

VG Gold is responsible for and has supplied to the Corporation all reported results from their exploration activities. All VG Gold technical information contained in this release is based entirely on information provided to Lexam Explorations Inc. by VG Gold. VG Gold is an entity in which the Corporation has a significant equity interest only. The Corporation does not accept responsibility for the use of any VG Gold technical data or the adequacy or accuracy of VG Gold technical information provided in this release. There can be no assurance that information reported to the Corporation by VG Gold is accurate, the Corporation has not independently verified such information and readers are therefore cautioned regarding the extent to which they should rely upon such information.

## **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 Third Quarter report including management's discussion and analysis, financial statements and notes can be found on our Company's website at [www.lexamexplorations.com](http://www.lexamexplorations.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

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