



## NEWS RELEASE

### THIRD QUARTER RESULTS

*(All amounts expressed in Canadian dollars unless otherwise stated)*

Toronto, December 1, 2008 **LEXAM EXPLORATIONS INC. (TSX-V:LEX /OTC:LEXEF / Frankfurt:D2Q)** is pleased to announce financial results for the third quarter 2008, an update on the Otish Uranium Project in Québec, Canada and the Baca Oil and Gas Project in Colorado, USA.

### THIRD QUARTER HIGHLIGHTS & SUBSEQUENT EVENTS

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- Otish Uranium: Results from 36 of 69 core drill holes have been received, with initial values showing encouraging grades, including: **0.14% U<sub>3</sub>O<sub>8</sub>, over 5.6 m (meters)** and **0.42% U<sub>3</sub>O<sub>8</sub> over 2.4 m, including 1.63% U<sub>3</sub>O<sub>8</sub> over 0.6 m and including, 2.02% U<sub>3</sub>O<sub>8</sub> over 0.4 m.**
  - Baca Oil & Gas: United States Fish and Wildlife Service (USFWS) issues a Finding of No Significant Impact (FONSI) regarding Lexam's two proposed wells. This decision allows the Company to proceed with its planned exploration.
  - Treasury: Lexam's financial position remains strong. As of September 30, cash and securities totaled \$9,222,886 and no debt.
  - Funds totaling \$1.2 million received subsequent to the Third Quarter from the Québec provincial government and the U.S. Internal Revenue Service.
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### FINANCIAL RESULTS Third Quarter - 2008

For the three and nine months ending September 30, 2008, Lexam reported a loss of \$173,276 (\$0.00 per share) and \$1,888,507 (\$0.04 per share) compared with a loss of \$1,589,986 (\$0.03 per share) and a gain of \$8,742,933 (\$0.18 per share) in the respective periods, 2007. The net income recorded during the nine months for the prior year was

primarily attributable to the gain recorded on the sale of the Company's Nevada and Yukon properties.

The loss during the third quarter of this year was due to expenses associated with the environmental review process at the Baca Oil and Gas Project (\$0.1 million), exploration at the Otish Uranium Project (\$0.6 million) and administrative expenses (\$0.2 million). These expenses were partially offset by

the recovery of income tax by our US subsidiary in connection with our 2007 taxes (\$0.7 million).

For the fourth quarter of 2008, Lexam forecasts exploration expenses of \$0.1 million related to exploration at the Otish Uranium Project, which approximately 40% will be paid back to Lexam by the Quebec government in accordance with the province's rebate policy. The Company is also estimating expenses of \$0.1 million at the Baca Oil and Gas Project. These costs are associated with the planned earthwork that is being completed in preparation of drilling.

At the end of the third quarter Lexam had a working capital of \$11 million, compared with working capital of \$11.9 million in 2007. Subsequent to the end of the Third Quarter funds totaling \$1.2 million were received from the Québec provincial government and the U.S. Internal Revenue Service.

Total shares outstanding increased by 30,000 to 48,499,287 due to a director exercising warrants that were issued as part of the Company's equity financing in 2006. All remaining warrants expired during the quarter.

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).

#### **OTISH URANIUM PROJECT – QUEBEC, CANADA**

The Otish Uranium Project is located in north-central Québec, Canada. Lexam has an option to earn 50% of the project from Golden Valley Mines by spending \$3 million over three years.

Between June and October of this year, Lexam and Golden Valley Mines have

completed 69 holes totaling 2,800 m of diamond drill core. This fall, results from the first 36 holes have been released. Significant drill highlights include: **0.14% U<sub>3</sub>O<sub>8</sub>, over 5.6 m and 0.42% U<sub>3</sub>O<sub>8</sub> over 2.4 m, including 1.63% U<sub>3</sub>O<sub>8</sub> over 0.6 m and including, 2.02% U<sub>3</sub>O<sub>8</sub> over 0.4 m.**

The objective of the drill program was to confirm and then expand upon the historically documented uranium mineralization. Drilling successfully accomplished this goal and has outlined new high-grade mineralization as highlighted by the drill results. The mineralization is shallow, located approximately 20 m below surface and the estimated thickness of the zone is 5 m. The mineralization is located in two separate areas that are separated by 2.4 km. The exploration potential between these two areas remains untested.

Once the assay results for the remaining 33 holes have been received, Lexam and Golden Valley Mines will evaluate the exploration potential of the project in order to establish a budget for the 2009 drill program.

#### **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. On October 22, 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 purpose of the EA is to ensure that exploration is conducted in a reasonable

manner that protects the project's surface and other resources. The EA includes specific terms and conditions applicable to Lexam's proposed exploration that are designed to accomplish this objective. Lexam has begun the necessary work required to satisfy the terms and conditions that will allow it to begin earth moving activities that are associated with road and well pad construction.

The Baca Project has been consistently challenged by opposition groups and Lexam can make no assurances that the USFWS decision will not be challenged by further legal actions. Such actions could lead to delays or other circumstances that could be undesirable to Lexam and its shareholders. Lexam plans to vigorously defend its right to mineral exploration in the event that a legal challenge threatens to further delay the project.

Michael P. Rosatelli, P. Geo. is a "Qualified Person" as defined in National Instrument 43-101 and is responsible for the technical information presented in this news release regarding the Otish Uranium Project.

### ***About Lexam***

**Lexam Explorations** is a North American based energy 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 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 third quarter report

### **RUBICON MINERALS – 4.4 MILLION SHARES (\$4.6 MILLION)**

In early 2007 Lexam announced that it had traded its Nevada properties for Rubicon common shares. Since then, Rubicon has announced encouraging drill results from its Phoenix Gold Project, located in the heart of the prolific Red Lake gold district of Ontario that have increased the value of these shares versus Lexam's base value.

Lexam owns approximately 4.4 million shares of Rubicon that have a current market value of \$4.6 million (as of November 28, 2008). It is important to note that Lexam has prepaid taxes in relation to these shares based on Rubicon's price at the time the shares were received (US\$2.00 per share). Therefore, Lexam is not required to pay any additional tax until Rubicon's shares exceed US\$2.00 per share.

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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