NEWS RELEASE

LEXAM ANNOUNCES POSITIVE PRELIMINARY ECONOMIC ASSESSMENT RESULTS FOR THE OPEN PIT PROJECTS IN TIMMINS

Project Generates 32% IRR and C$33 Million NPV After-Tax; Cash Costs of US$865 per Ounce Gold

April 23, 2014, Toronto, Ontario, Canada: Lexam VG Gold Inc. (the "Company", "Lexam") (TSX: LEX, FRANKFURT: VN3A, OTCQX: LEXVF) announces the results of a Preliminary Economic Assessment ("PEA") on its open pit gold projects in Timmins, Ontario, Canada. The PEA was initiated to assess the potential of Lexam's gold projects, which include the Buffalo Ankerite, Davidson Tisdale, Fuller and Paymaster properties. The study was completed by RPA Inc. ("RPA") of Toronto, Canada, and is based on the Company's June 2013 mineral resource estimate.

The focus on the potential for open pit mining on the properties was driven by the near surface nature of the gold mineralization and previously released drill results indicating substantial widths of mineralization. In addition, there remains exploration potential to further expand the existing mineral resource at surface and to depth, in particular by expansion of the recently updated underground resource estimate of 650,600 ounces ("oz") gold ("Au") Measured and Indicated from 4.16 million tonnes grading 4.86 grams per tonne ("g/t") Au and 574,500 oz Au Inferred from 4.07 million tonnes grading 4.39 g/t Au. Further exploration by Lexam will focus on increasing the open pit and underground resources and adding new resource areas.

All dollar amounts in this press release are stated in C$ unless otherwise specified. PEA results are presented on a 100% ownership basis. The disclosure set forth below is derived from the PEA unless expressly noted.

Highlights of PEA Base Case, Scenario 1A (gold price US$1,300/oz, exchange rate C$:US$ 0.90):

- After-tax Net Present Value ("NPV") of $33 million (at 7.5% discount rate), Internal Rate of Return ("IRR") of 32%, and 2.1 years payback.
- Average annual gold production of 45,000 oz Au over a life-of-mine ("LoM") of 6.5 years with a strip ratio of 9.6:1.
- Cash operating costs over LoM average US$865/oz Au.
- Initial capital cost to construct the mine is estimated at $58 million with potential to reduce initial costs through project optimization and more advanced studies.
- Base case assumes toll milling for all mineralization and contract mining for a portion of the waste stripping.
- Mining dilution of up to 27.5% is factored depending on the mineralized zone and thickness, along with mining extraction of 95%.

The PEA is preliminary in nature and includes the use of inferred resources, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Thus, there is no certainty that the results of this PEA will be realized. Actual results may vary, perhaps materially.

Upon completion of the PEA, specific steps recommended by RPA include improving the definition of voids, which have been modeled conservatively by the recent resource estimate, and diamond drilling to upgrade the inferred resource to an indicated category. In management's view, the results of the PEA provide a strong incentive for continued exploration targeting resource expansion and classification upgrading, as well as geotechnical, metallurgical and engineering optimization studies.

Table 1 provides details of the base case PEA results along with a gold price and production rate sensitivity analysis.

Table 1 Details of the PEA and Sensitivities on a 100% Ownership Basis

Description	Units	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 2
		Base Case	Low Gold Price Sensitivity	High Gold Price Sensitivity	Production Rate Sensitivity
Gold Price	**US$/oz**	**1,300**	**1,250**	**1,400**	**1,400**
Exchange Rate	**C$:US$**	**0.90**	**0.90**	**0.90**	**0.90**
Production Profile:					
LoM	years	6.5	6.5	6.5	9.2
Mineralized Production Rate	tonnes per day ("tpd")	2,000	2,000	2,000	3,500
LoM Annual Production	oz	45,000	45,000	45,000	62,000
Strip Ratio	Waste:Ore	9.6	9.6	9.6	9.9
Cash Operating Cost	US$/oz	865	860	875	944
Processing:					
Grade	g/t Au	2.23	2.23	2.23	1.74
Recovered Au	oz Au	293,000	293,000	293,000	571,000
Capital Costs:					
Initial Capital	C$ (millions)	58	58	58	95
Pre-Tax Operating Performance:					
Net Pre-Tax Cashflow	C$ (millions)	73	58	103	174
IRR	**%**	**36%**	**30%**	**49%**	**42%**
NPV at a Discount Rate of 7.5%	**C$ (millions)**	**41**	**31**	**61**	**91**
Payback	years	1.9	2.1	1.5	2.0
Construction	years	1.0	1.0	1.0	1.0
After-Tax Economic Performance:					
Net After-Tax Cashflow	C$ (millions)	61	50	84	137
IRR	**%**	**32%**	**27%**	**41%**	**35%**
NPV at a Discount Rate of 7.5%	**C$ (millions)**	**33**	**26**	**49**	**70**
Payback	years	2.1	2.3	1.8	2.4

Scenario 1A, the base case, and Scenarios 1B and 1C are based on gold price sensitivities, all using the same mine design basis and a 2,000 tpd production rate. Scenario 2, based on production rate sensitivity, employs a mine design basis at US$1,400/oz Au (resulting in an increased production profile) and 3,500 tpd production rate. All scenarios assume toll milling of mineralization at an existing facility in the local Timmins area. All cash operating costs consider for royalties.

The PEA contains a cash flow model based upon the geological and engineering work completed to date and technical and cost inputs developed by RPA. The Canadian National Instrument 43-101 ("NI 43-101") technical report summarizing the

results of the updated PEA will be filed on SEDAR and made available on the Company's website within 45 days of this press release.

The PEA is based on a mineral resource estimate with an effective date of June 1, 2013, presented in the June 20, 2013 Technical Report titled "Technical Report and Updated Resource Estimate on the Buffalo Ankerite, Fuller, Paymaster, and Davidson Tisdale Gold Deposits" and authored by Dr. Wayne Ewert, P.Geo., Mr. Eugene Puritch, P.Eng., Ms. Tracy Armstrong, P.Geo., Mr. Yungang Wu, P.Geo., Mr. Antoine Yassa, P.Geo., Mr. Richard Routledge, P.Geo. of P&E Mining Consultants Inc. and by Ms. Katharine Masun, P.Geo., Mr.Tudorel Ciuculescu, P.Geo. of RPA Inc. Each of the foregoing is a Qualified Person and Independent of the Company in accordance with NI 43-101.

Qualified Person

The economic analysis contained in this news release is based upon information prepared by Mr. Glen Ehasoo, P.Eng., Senior Mining Engineer, RPA, Suite 388, 1130 West Pender Street, Vancouver, BC, Canada, who is a Qualified Person as defined by NI 43-101. Mr. Glen Ehasoo is independent of Lexam as defined by NI 43-101.

Kenneth W. Guy, P.Geo, a consultant to Lexam VG Gold, is the Qualified Person who supervised the preparation of the technical data in this news release.

About Lexam VG Gold

Lexam VG Gold explores for gold in the Timmins area of northern Ontario, Canada. The Company is carrying out ongoing exploration programs, designed to build the resource base and to test the growth potential and determine the economics on its four key property assets: Buffalo Ankerite and Fuller (100% interest), Davidson Tisdale (68.5% Lexam / 31.5% SGX Resources Inc.) and Paymaster (60% Lexam / 40% Goldcorp Canada Ltd.).

Together with the underground resource estimate presented at the beginning of this press release, an open pit resource of 761,400 oz Au Measured and Indicated from 12.41 million tonnes grading 1.91 g/t Au and 358,400 oz Au Inferred from 6.28 million tonnes grading 1.78 g/t Au, updates the *Company's net resource estimate to a total of 1.412 million oz Au Measured and Indicated and 932.9 thousand oz Au Inferred* - more details are presented further below in (4) of Technical Information. Lexam VG Gold had $3.5 million in cash on December 31, 2013, with no bank debt. The Company has 226,570,860 issued and outstanding shares, with 27% owned by Chairman Rob McEwen.

Technical Information

The technical information contained in this press release has been reviewed and approved by Kenneth W. Guy, P.Geo, a consultant to Lexam VG Gold and a Qualified Person within the meaning of the National Instrument 41-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101").

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) The Measured and Indicated resources of the Company are distributed as follows:

Open Pit Measured and Indicated: 24,300 oz Au Measured from 0.31 million tonnes grading 2.44 g/t Au and 737,100 oz Au Indicated from 12.1 million tonnes grading 1.89 g/t Au;

Underground Measured and Indicated: 43,600 oz Au Measured from 0.24 million tonnes grading 5.55 g/t Au and 607,000 oz Au Indicated from 3.92 million tonnes grading 4.81 g/t Au.

(5) The resource estimates contained herein do not constitute a Feasibility or Pre-Feasibility study and contain no mineral reserves within the meaning of NI 43-101 or SEC Industry Guide 7. The mineral resource figures referred to in this press release are estimates and therefore insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of technical or economic viability and no assurances can be given that the indicated levels of gold content will be achieved. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this press release are well established, resource estimates are imprecise by their nature and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. In addition, this news release includes Inferred resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

Cautionary Note to U.S. Investors

All resource estimates reported by Lexam VG Gold are calculated in accordance with NI 43-101 and the Canadian Institute of Mining and Metallurgy Classification system. These standards are different from the standards generally permitted in reports filed with the SEC. Under NI 43-101, Lexam VG Gold reports indicated and inferred resources, measurements which are generally not permitted in filings made with the SEC. According to Canadian NI 43-101 criteria, the estimation of indicated resources involve greater uncertainty as to their economic feasibility than the estimation of proven and probable reserves. Under SEC Industry Guide 7 criteria, measured, indicated and inferred resources are considered Mineralized Material. The SEC considers that in addition to greater uncertainty as to the economic feasibility of Mineralized Material compared to Proven and Probable reserves, there is also greater uncertainty as to the existence of Mineralized Material. U.S. investors are cautioned not to assume that Measured or Indicated resources will be converted into economically mineable reserves. The estimation of Inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources.

Caution Concerning Forward-Looking Statements

This press release contains certain forward-looking statements and information. The forward-looking statements and information express, as at the date of this press release, Lexam VG Gold's plans, estimates, forecasts, projections, expectations or beliefs as to future events and results. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and

future events could differ materially from those anticipated in such statements. Risks and uncertainties that could cause results or future events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with fluctuations in the market price of precious metals, mining industry risks, risks related to: litigation, property title, (including any agreements underlying the Company's properties), the state of the capital markets, whether shareholder and regulatory approvals for any proposed transaction are forthcoming, environmental risks and hazards, uncertainty as to calculation of mineral resources and reserves and other risks. Readers should not place undue reliance on forward-looking statements or information. Lexam VG Gold undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. See Lexam VG Gold's Annual Information Form for the period ended December 31, 2012 and available on SEDAR (www.sedar.com) for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. All forward-looking statements and information made in this news release are qualified by this cautionary statement.

To learn more about Lexam VG Gold (TSX: LEX), visit our website: www.lexamvggold.com.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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