

## EXCELLON ANNOUNCES UP TO C\$10 MILLION NON-BROKERED PRIVATE PLACEMENT OF SUBSCRIPTION RECEIPTS

*Not for distribution to United States news wire services or for dissemination in the United States*

Toronto, Ontario – April 13, 2023 – Excellon Resources Inc. (TSX:EXN, OTCQB:EXNRF and FRA:E4X2) (“Excellon” or the “Company”) is pleased to announce a non-brokered private placement of up to 28,571,428 subscription receipts of the Company (the “**Subscription Receipts**”) at a price of C\$0.35 per Subscription Receipt (the “**Offering Price**”) for aggregate gross proceeds to the Company of up to approximately C\$10,000,000 (the “**Offering**”).

Following completion of the Company’s previously announced acquisition (the “**Acquisition**”)<sup>1</sup> of the issued and outstanding shares of Minera La Negra, S.A. de C.V., the owner of the permitted, past-producing La Negra mine (“**La Negra**”) located in Querétaro State, Mexico, the net proceeds of the Offering are expected to be used to advance development of La Negra, fund exploration at La Negra and for general corporate purposes.

### Acquisition Summary<sup>1</sup>:

- Excellon entered into a definitive agreement with Dalu S.à.r.l., an entity controlled by Orion Resource Partners, (the “**Seller**”) to acquire La Negra for up to US\$50 million<sup>2</sup>.
- Upfront consideration totaling US\$20 million in common shares in the capital of the Company (“**Common Shares**”) at a price of C\$0.48 per Common Share.
- Up to US\$30 million in deferred consideration payments after declaration of commercial production at La Negra, at the Company’s option payable in cash or Common Shares.
- The Company and the Seller have agreed to extend the timeline to complete the Acquisition to no later than June 15, 2023.<sup>3</sup>

### La Negra Project<sup>1</sup>:

- Fully permitted, past producing mine with established infrastructure and historical payable production averaging +3.0 million silver-equivalent (“**AgEq**”) ounces (“**oz**”) annually.
- Indicated Mineral Resources of approximately 15.1 million oz AgEq at 191 g/t AgEq and Inferred Mineral Resources of approximately 41.8 million AgEq oz at 202 g/t AgEq.
- Completed Preliminary Economic Assessment (“**PEA**”) demonstrates a post-tax NPV<sub>5%</sub> of US\$132.4 million.
- Estimated restart capital of US\$20.9 million based on the PEA.

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<sup>1</sup> For further details on the Acquisition and La Negra (including the PEA and mineral resources) refer to Excellon’s news release dated January 9, 2023 and the technical report entitled “Technical Report – Preliminary Economic Assessment Study, La Negra Mine, Minera La Negra S.A. de C.V., Caderyta de Montes (Maconi), Querétaro, Mexico” dated June 29, 2022 with an effective date of March 31, 2022 (the “**La Negra Technical Report**”) available under Excellon’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company’s website ([www.excellonresources.com](http://www.excellonresources.com)), as well as the Cautionary Statements at the end of this news release.

<sup>2</sup> As previously disclosed in Excellon’s news release dated January 9, 2023, 60% of the purchase consideration will be paid to the Seller for all of its shares of the holding company of La Negra and 40% will be paid to Grupo Desarrollador Migo, S.A.P.I. de C.V. for the termination of existing joint venture arrangements regarding La Negra.

<sup>3</sup> As previously disclosed in the “Corporate Update” section of Excellon’s news release dated April 3, 2023 announcing the Company’s financial and operating results for the fiscal year ended December 31, 2022, the Company was in discussions with the Seller regarding an extension of the timeline to complete the Acquisition to no later than the end of June 2023 (as opposed to the April 2023 target dates announced on January 9, 2023). Copies of such prior news releases are available under Excellon’s profile on SEDAR and on Excellon’s website.

- Target annual payable production of +3.0 million oz AgEq annually at an estimated cash cost of US\$12.95 per AgEq oz.
- Polymetallic production mix: 43% Ag, 26% Zn, 23% Cu, 7% Pb by NSR contribution.
- Near-term restart of La Negra: 12-18 month development plan de-risking mine restart.

The Subscription Receipts will be created and issued pursuant to the terms of a subscription receipt agreement (the “**Subscription Receipt Agreement**”) between a third party escrow agent, as subscription receipt agent (the “**Subscription Receipt Agent**”), and the Company. Each Subscription Receipt will entitle the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, one unit of the Company comprised of one Common Share and one Common Share purchase warrant of the Company (a “**Warrant**”), subject to adjustment in certain events, upon the satisfaction or waiver of the Escrow Release Conditions (as defined in the Subscription Receipt Agreement), including the satisfaction of all conditions precedent to the completion of the Acquisition, at or before 5:00 p.m. (Toronto time) on the Escrow Release Deadline (as defined in the Subscription Receipt Agreement). Each Warrant will entitle the holder thereof to acquire one Common Share at a price of C\$0.55 per Common Share for a period of 24 months from the closing date of the Offering, subject to adjustment in certain events.

In connection with the Offering, provided the Escrow Release Conditions are satisfied, certain arm’s-length parties may receive a cash finder’s fee payment and/or warrants to purchase Common Shares in consideration of Subscription Receipts that are sold to subscribers introduced by such parties.

Upon closing of the Offering, the aggregate gross proceeds of the Offering will be deposited in escrow with the Subscription Receipt Agent pending satisfaction or waiver of the Escrow Release Conditions, in accordance with the provisions of the Subscription Receipt Agreement. Unless the requisite approval is obtained pursuant to and in accordance with the terms of the Subscription Receipt Agreement, if the Escrow Release Conditions are not satisfied at or before the Escrow Release Deadline, each of the then issued and outstanding Subscription Receipts will be cancelled and the Subscription Receipt Agent will return to each holder of Subscription Receipts an amount equal to the aggregate Offering Price of the Subscription Receipts held by such holder plus an amount equal to the holder’s *pro rata* share of any interest or other income earned on the escrowed funds (less applicable withholding tax, if any). To the extent that the escrowed funds are insufficient to refund such amounts to each holder of the Subscription Receipts, the Company shall be liable for and will contribute such amounts as are necessary to satisfy the shortfall.

The Offering is expected to close on or about May 4, 2023 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange.

The Subscription Receipts will be offered: (a) by way of private placement in each of the provinces of Canada pursuant to applicable exemptions from the prospectus requirements under applicable Canadian securities laws; (b) in the United States or to, or for the account or benefit of, U.S. persons, by way of private placement pursuant to the exemptions from the registration requirements provided for under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”); and (c) in jurisdictions outside of Canada and the United States on a private placement or equivalent basis. The securities to be issued pursuant to the Offering will be subject to a four-month hold period in Canada pursuant to applicable Canadian securities laws.

The securities offered have not been, nor will they be, registered under the U.S. Securities Act, or any state securities law, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an exemption from such registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy in the United States nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

## About Excellon

Excellon's vision is to realize opportunities through the acquisition of advanced development or producing assets with further potential to gain from an experienced operational management team for the benefit of our employees, communities and shareholders. The Company is advancing a portfolio of silver, base metals and precious metals assets including Kilgore, an advanced gold exploration project in Idaho; and Silver City, a high-grade epithermal silver district in Saxony, Germany with 750 years of mining history and no modern exploration. The Company has also entered into an agreement to acquire La Negra, a past-producing Ag-Zn-Cu-Pb mine with exploration potential, located in Mexico.

Additional details on Excellon's properties are available at [www.excellonresources.com](http://www.excellonresources.com).

## For Further Information, Please Contact:

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### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

*All statements, other than statements of historical fact, contained, referenced or incorporated by reference in this news release constitute "forward-looking statements" and "forward looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as: "advance", "deferred", "de-risking", "development", "expected", "exploration", "following", "further", "later", "near-term", "opportunities", "option", "payable", "plan", "potential", "preliminary", "restart", "subject to", "target", "upon", and "vision", or variations of such words, and similar such words, expressions or statements that certain actions, events or results can, could, may, should, will (or not) be achieved, occur, provide, result or support in the future or which, by their nature, refer to future events. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements include statements regarding the structure and terms of the Offering; the use of proceeds of the Offering the timing and ability of the Company to close the Offering; any finder's fee payments, in cash or warrants to purchase Common Shares; the timing and ability of the Company to receive necessary approvals; the timing and ability of the Company to close the Acquisition (including timing thereof); the restart of mining operations and/or commercial production at La Negra (including strategy, plans, critical work streams, development activities and resulting further analysis, timing, costs, capital requirements, permitting, achieving commercial production, mine plan, production); exploration at La Negra; the La Negra PEA including any financial and/or economic metrics and other results or conclusions or recommendations thereof (including restart recommendation and the following which are all estimates only: AgEq oz, cash costs and capital costs, production, NPV, and NSR contribution); and Excellon's vision. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct, and any forward-looking statements by the Company are not guarantees of future actions, results or performance. Forward-looking statements are based on assumptions, estimates, expectations and opinions, which are considered reasonable and represent best judgment based on available facts,*

as of the date such statements are made. If such assumptions, estimates, expectations and opinions prove to be incorrect, actual and future results may be materially different than expressed or implied in the forward-looking statements. Forward-looking statements are inherently subject to known and unknown risks, uncertainties, contingencies and other factors which may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by the forward-looking statements. Such risks, uncertainties, contingencies and other factors include, among others, the "Risk Factors" in the Company's annual information form dated March 31, 2023 (the "**2023 AIF**"), and the risks, uncertainties, contingencies and other factors identified in this news release, the Company's Management's Discussion and Analysis, and accompanying financial statements, for the year ended December 31, 2022 (collectively, the "**FYE 2022 Financial Disclosure**"), the La Negra Technical Report, the Excellon news releases referenced in this news release, and the Company's other applicable public disclosure (collectively, "**Company Disclosure**"). The foregoing list of risks, uncertainties, contingencies and other factors is not exhaustive; readers should consult the more complete discussion of the Company's business, financial condition and prospects that is provided in the 2023 AIF and the other aforementioned Company Disclosure. The forward-looking statements referenced or contained in this news release are expressly qualified by these Cautionary Statements as well as the Cautionary Statements in the FYE 2022 Financial Disclosure, the 2023 AIF and the other referenced Company Disclosure. Forward-looking statements contained herein are made as of the date of this news release (or as otherwise expressly specified) and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable laws.

### **Mineral Resources**

Until mineral deposits are actually mined and processed, mineral resources must be considered as estimates only. Mineral resource estimates that are not classified as mineral reserves do not have demonstrated economic viability. The estimation of mineral resources is inherently uncertain, involves subjective judgement about many relevant factors and may be materially affected by, among other things, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant risks, uncertainties, contingencies and other factors described in the foregoing Cautionary Statements on Forward-Looking Statements. The quantity and grade of reported "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain if further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. The accuracy of any mineral resource estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. The quantity and grade of "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain if further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. Mineral resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in mineral prices; (ii) results of drilling and development; (iii) results of geological and structural modeling including stope design; (iv) metallurgical testing and other testing; (v) proposed mining operations including dilution; and (vi) the possible failure to receive and/or maintain required permits, licenses and other approvals. It cannot be assumed that all or any part of a "inferred", "indicated" or "measured" mineral resource estimate will ever be upgraded to a higher category including a mineral reserve.

Mineral resource estimates disclosed by the Company were estimated and reported in accordance with National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") using Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Definition Standards for Mineral Resources and Mineral Reserves (the "**CIM Standards**"), which govern the public disclosure of scientific and technical information concerning mineral projects by Canadian issuers such as Excellon, and applying the CIM's Mineral Resources and Mineral Reserves Best Practices guidelines (as applicable). For additional discussion of the Company's mineral resource estimates at La Negra, as well as an overall more detailed discussion of such project, the reader should refer to the 2023 AIF and the La Negra Technical Report.

### **U.S. Readers**

*The terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” as disclosed by the Company are Canadian mining terms defined in the CIM Standards (collectively, the “CIM Definitions”) in accordance with NI 43-101. NI 43-101 establishes standards for all public disclosure that a Canadian issuer makes of scientific and technical information concerning mineral projects. These Canadian standards differ from the requirements of the SEC applicable to United States domestic and certain foreign reporting companies under Subpart 1300 of Regulation S-K (“S-K 1300”). Accordingly, information describing mineral resource estimates for the Company’s projects and La Negra, may not be comparable to similar information publicly reported in accordance with the applicable requirements of the SEC, and so there can be no assurance that any mineral resource estimate for the Company’s projects or La Negra would be the same had the estimates been prepared per the SEC’s reporting and disclosure requirements under applicable United States federal securities laws, and the rules and regulations thereunder, including but not limited to S-K 1300. Further, there is no assurance that any mineral resource or mineral reserve estimate that the Company may report under NI 43-101 would be the same had the Company prepared such estimates under S-K 1300.*

### **Preliminary Economic Assessments (or PEAs)**

*A PEA, including the La Negra PEA, is only a conceptual study of the potential viability of the subject project’s mineral resource estimates, and the economic and technical viability of the project and its estimated mineral resources has not been demonstrated. A PEA is preliminary in nature and provides only an initial, high-level review of the subject project’s potential and design options; there is no certainty that a PEA will be realized. The conceptual LOM plan and economic model in a PEA include numerous assumptions and mineral resource estimates including inferred mineral resource estimates. Inferred mineral resource estimates are considered to be too speculative geologically to have any economic considerations applied to such estimates. Under NI 43-101, estimates of inferred mineral resources may not form the basis of feasibility studies, pre-feasibility studies or other economic studies, except in prescribed cases, such as in a preliminary economic assessment under certain circumstances. There is no guarantee that inferred mineral resource estimates will be converted to indicated or measured mineral resources, or that indicated or measured mineral resources can be converted to mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability, and as such there is no guarantee the economics described in any PEA, including the La Negra PEA, will be achieved. Mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant risks, uncertainties and other factors, as more particularly described in the foregoing other Cautionary Statements of this news release.*

### **Qualified Persons**

*Mr. Paul Keller, P. Eng., Chief Operating Officer of the Company and a Qualified Person as defined in NI 43-101 (a “QP”), reviewed, verified and approved the scientific and technical information relating to operations and production results contained in this news release. Mr. Jorge Ortega, M.Sc., P.Geo., Vice President Exploration of the Company and a QP, reviewed, verified and approved the scientific and technical information relating to geological interpretation and results contained in this news release.*