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## 1. BACKGROUND, OBJECTIVES AND SCOPE

- 1.1 Canadian and United States securities laws prohibit “insider trading” and impose restrictions on trading in securities while in possession of undisclosed material information. The rules and procedures outlined in this Insider Trading Policy (this “**Policy**”) have been implemented in order to prevent:
- i. improper trading in the common shares and other securities of Excellon Resources Inc. (collectively with its subsidiaries, “Excellon” or the “**Company**”) and in the securities of issuers with which Excellon does business, or may do business; and
  - ii. the improper communication of non-public (“**undisclosed**”) material information regarding Excellon and of issuers with which Excellon does business, or may do business.
- 1.2 In addition to promoting compliance with applicable securities laws, this Policy is aimed at preventing directors, officers and employees (“**Covered Individuals**”) from engaging in securities trading that, although not illegal, exposes them and/or the Company to potential reputational risk. Contractors or consultants engaged by Excellon may also be Covered Individuals from time-to-time in the event that they come into possession of undisclosed material information and trading black out periods may be extended to cover such persons in those circumstances. It is essential that Covered Individuals act, and are perceived to act, in accordance with applicable laws and the highest standards of ethical and business conduct. This Policy is not intended to replace your individual responsibility to understand and comply with the legal prohibitions against insider trading.
- 1.3 This Policy applies to all transactions in the Company’s securities, including common shares, options and any other securities that the Company may issue such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company’s securities, whether or not issued by the Company (“Excellon Securities”). This Policy also applies to all securities in issuers with which Excellon does business, or may do business.
- 1.4 If a trade in securities becomes the subject of scrutiny, it will be viewed after the fact with the benefit of hindsight. Before engaging in any trade, you should carefully consider how the trade may be construed with the benefit of hindsight.
- 1.5 If you have questions about this Policy or the best course of action in a particular situation, you should seek guidance from the CEO, CFO or Vice-President, Investor Relations.

## 2. PROHIBITIONS ON TRADING

- 2.1 A Covered Individual and his or her Related Persons (as defined below) must not trade, directly or through other persons or entities or engage in any transaction involving a purchase or sale of Excellon Securities when the Covered Individual is in possession of non-public **material information** regarding the affairs of Excellon until such information has been generally disclosed. **Related Person** means an individual’s spouse, minor children and anyone else living in his or her household, and any legal entities that he or she controls.
- 2.2 A Covered Individual and his or her Related Persons are also prohibited in trading in securities of any person with which Excellon does business, or may do business. This includes securities of any counter-parties in negotiations of material potential transactions involving the Company.

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2.3 Excellon encourages share ownership in the Company by its directors and officers through its equity-based incentive compensation programs. Such programs are designed to align the interests of directors and officers with the short-term and long-term interests of shareholders in Excellon's financial and operating performance. In order to further this objective, directors and officers are prohibited from entering into financial instruments and/or derivatives that are designed to hedge or offset any decrease in the market value of Excellon Securities that are held directly or indirectly by them or granted as compensation to them. Such prohibited financial instruments with respect to Excellon Securities include, but are not limited to, variable forward contracts, equity swaps, collars, put or call options, and similar financial instruments.

2.4 Covered Individuals are invited to act with caution when trading in shares of Excellon and are strongly encouraged to refrain from any short term trading. Certain types of trading (especially "quick flips") with respect to Excellon Securities could expose the individual to potential enquiries by securities regulatory authorities and to public criticism. It would not be well perceived if an insider was reported in the media as having made a short term transaction whether such reporting was critical, as would likely be the case, or neutral.

### 3. PROHIBITIONS ON DISCLOSURE ("Tipping")

3.1 Covered Individuals are prohibited by law from informing (also known as tipping) other persons (including Related Persons, analysts, individual investors, members of the investment community and news media) of undisclosed material information about Excellon.

3.2 The prohibition on tipping also applies in respect of material undisclosed information regarding any issuer with which Excellon does business, or may do business. This includes securities of any counter-parties in negotiations of material potential transactions involving the Company.

3.3 The disclosure of undisclosed material information is only permitted if it is in the ***necessary course of business***.

3.4 The phrase ***necessary course of business*** is not defined under applicable securities laws and a determination of whether disclosure is being made in the necessary course of business must be made in the context of the specific circumstances. Securities regulators have provided some guidance on the meaning of ***necessary course of business*** indicating that it would generally covered communications with: (i) vendors, suppliers or strategic partners; (ii) other employees, officers and directors of the Company; (iii) lenders, legal counsel, underwriters, auditors, and financial and other professional advisors of the Company; (iv) parties to negotiations with the Company; (v) credit rating agencies; (vi) labor unions; or (vii) government agencies and regulators.

3.5 To avoid even the appearance of impropriety, Covered Individuals should refrain at all times from providing advice or making recommendations regarding the purchase or sale of Excellon Securities. Anybody disclosing material undisclosed information may be subject to insider trading penalties whether or not the tipper derives any profit or other benefit from making the unlawful disclosure including from another's trading activities.

### 4. MATERIAL INFORMATION

4.1 ***Material information*** includes both material facts and material changes.

A material fact is a fact that would reasonably be expected to have a significant effect on the market price or value of a person's shares or other securities.

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A material change means:

- i. a change in the business, operations or capital of a person that would reasonably be expected to have a significant effect on the market price or value of the person's shares or other securities, or
- ii. a decision to implement a change referred to in (i) made by the board of directors of the person, or by senior management who believe that the confirmation of the decision by the directors is probable.

4.2 Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision regarding the purchase or sale of securities, or if it would significantly alter the information available to investors. Often, the material fact or material change would be internal to the affairs of the person, but an external event could also cause a material change in the person's affairs. Examples of possible material facts or material changes include, but are not limited to:

- significant asset acquisitions or dispositions;
- new developments or expansion projects;
- new technology;
- plant upsets;
- labour disputes;
- outages;
- earnings information;
- changes in the outside auditor;
- regulatory actions;
- significant litigation;
- entering into or terminating major sales or other material agreements; and
- significant changes in senior management or the board of directors.

4.3 As noted above, a decision by the board of directors or, where directors' confirmation is probable relating to a decision of senior management, may also constitute a material change. Material decisions could include for example, approval of a financing plan, public share offering or private share placement; authorization of a take-over bid or business acquisition or disposition; approval of a corporate reorganization, merger or other corporate transaction; significant policy changes; a declaration or omission of or a change in dividends. Both positive and negative information may be considered material.

4.4 Material information is considered **generally disclosed** after it has been accurately published and broadly disseminated in a manner calculated effectively to reach the marketplace and a reasonable amount of time has elapsed to permit analysis of the information by the investing public. Covered Individuals must not attempt to "beat the market" by trading simultaneously with, or shortly after, the official release of material information. Covered Individuals should not engage in trading of Excellon Securities, until one full trading day following the release to the public of undisclosed Material Information.

4.5 For additional information on the meaning of material information and restrictions on disclosure, please refer to the Company's Disclosure and Confidentiality Policy.

# EXCELLON

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## **5. PROCEDURES FOR TRADING IN EXCELLON SECURITIES**

- 5.1 To assist in preventing even the appearance of an improper insider trade, all proposed transactions in Excellon Securities by Covered Individuals and any of their Related Persons require pre-clearance.
- 5.2 If you or a Related Person propose to execute a trade in Excellon Securities, you must submit a request to the Restricted Trading Administrator (the CEO or CFO). A trade request should specify the type of Excellon Securities to be traded and type of transaction (i.e., purchase, sale or exercise of stock options). No trade may be carried out without the preapproval of the Restricted Trading Administrator who will endeavor to grant or deny approval to trade within 24 hours of the request being submitted and may request additional information from you before doing so. Any approval granted for a proposed trade will be valid for a period of seven (7) calendar days, unless revoked prior to that time. No trade may be carried out after the expiry of seven (7) calendar days following the receipt of approval unless such approval is renewed. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.
- 5.3 Upon request of the Company, Covered Individuals will be required to provide an annual confirmation that they and any Related Persons have not conducted any transactions in Excellon Securities that were not pre-cleared.
- 5.4 If you or a Related Person fail to pre-clear a trade when required, barring extenuating circumstances, you or they may be asked to cancel or reverse the trade and/or trading privileges may be suspended for a specified amount of time. If required to reverse or cancel a trade, you or the Related Person, as applicable, will be responsible for any trading losses while any trading gains will be required to be forfeited.
- 5.5 Covered Individuals are reminded that, notwithstanding any approval of a trade by a Restricted Trading Administrator, the ultimate responsibility for complying with this Policy and applicable laws and regulations rests with the individual.

## **6. BLACKOUT PERIODS**

- 6.1 Trading blackout periods will apply to directors, officers and senior management as well as other persons with knowledge of undisclosed material (including financial) information during periods when financial statements are being prepared but results have not yet been publicly disclosed. The Vice President of Investor Relations is responsible for circulating a blackout notice to all applicable parties. The trading blackout period shall be prescribed and commence 10 days prior to the scheduled disclosure of quarterly or year-end results, as applicable, and end one complete trading day subsequent to the issuance of a news release disclosing such results.
- 6.2 Additional blackout periods may be prescribed from time to time by the Disclosure Committee as a result of special circumstances relating to Excellon pursuant to which directors, officers and senior management as well as other persons with knowledge of undisclosed material (including financial) information regarding Excellon would be precluded from trading in Excellon Securities. All parties with knowledge of such special circumstances should be covered by the blackout and this may include external advisors such as legal counsel, auditors, investment bankers and counter-parties in negotiations of material potential transactions. In such circumstances, a blackout will be determined by the CEO as deemed necessary.

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6.3 If, during any period that falls outside of a blackout period as described above, any person becomes aware of any non-public material information of any kind concerning Excellon such information should be immediately communicated with the Restricted Trading Administrator.

## **7. REPORTING REQUIREMENTS**

7.1 In Ontario, Alberta and British Columbia, directors, officers and any persons beneficially owning or controlling more than 10% of the voting rights of a public corporation are required to file insider trading reports on SEDI (System for Electronic Disclosure by Insiders) within five (5) days of a change in their ownership position in any Securities (this includes the grant of options or other convertible securities to such persons or the exercise by them of such options or convertible securities). If a person falls into one of these categories, that person should consult the Restricted Trading Administrator if the person has any questions with respect to any individual proposed trades in Excellon Securities or with respect to their statutory obligations regarding insider trading report filings in general.

7.2 Following the completion of such trading or dealings, such person shall report such transaction to the Restricted Trading Administrator as soon as practicable and in any event no later than the same day that the trade is made. The reporting of such trading or dealing shall include such information as is required to be included in the insider trading reported filed on [www.sedi.com](http://www.sedi.com).

7.3 Additionally, a person who is a reporting insider of the Company must, within ten (10) days of becoming a reporting insider, file an insider report on [www.sedi.com](http://www.sedi.com) in the required form effective the date on which the person became an insider disclosing any direct or indirect beneficial ownership or control or direction over securities of the Company (provided however that it is not necessary for a reporting individual who has become an insider to file a "nil" insider report).

## **8. CONSEQUENCES OF NON-COMPLIANCE**

8.1 Violations of this Policy or applicable legal and regulatory requirements may result in disciplinary action up to and including dismissal without notice or payment in lieu of notice depending upon the severity of the violation. The criminal and civil consequences of prohibited insider trading or tipping can be severe and may include sanctions, substantial jail terms and penalties of several times the amount of profits gained or losses avoided. For example, in Canada, penalties for violations of insider trading laws include up to five years imprisonment and fines of up to the greater of \$5,000,000 and three times any profit made or loss avoided.

**Adopted by the Board of Directors on October 25, 2006**

**Updated and Approved by the Board of Directors on September 12, 2018**