



Excellon Resources Inc.

Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023
in thousands of U.S. dollars
(unaudited)

Notice to Reader

The accompanying unaudited interim financial statements have been prepared by the Company's management and the Company's independent auditors have not performed a review of these financial statements.

Excellon Resources Inc.

Condensed Consolidated Statements of Financial Position
(unaudited) (in thousands of U.S. dollars)

		September 30 2024	December 31 2023
	<i>Notes</i>	\$	\$
Assets			
Current assets			
Cash and cash equivalents		213	691
VAT recoverable		245	134
Other current assets		344	416
		802	1,241
Non-current assets			
Mineral rights	3	15,327	15,359
Other assets		-	41
Total assets		16,129	16,641
Liabilities			
Current liabilities			
Payables and accruals	5	3,834	9,987
Other VAT liabilities	5	1,023	2,991
Convertible debentures	4	-	11,942
Provisions and lease liabilities	5	-	800
		4,857	25,720
Non-current liabilities			
Convertible debentures	4	3,162	-
Provisions	5	-	748
Total liabilities		8,019	26,468
Shareholders' equity (deficit)			
Share capital	6	152,171	143,393
Contributed surplus	6	39,827	33,700
Accumulated other comprehensive loss	5	(4,228)	(12,451)
Deficit		(178,149)	(174,469)
		9,621	(9,827)
Non-controlling interests	4	(1,511)	-
Total equity (deficit)		8,110	(9,827)
Total liabilities and equity (deficit)		16,129	16,641

Basis of presentation and going concern (Note 2)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Approved by the Board

Director

Director

"Laurence Curtis"

"Craig Lindsay"

Excellon Resources Inc.

Condensed Consolidated Statements of Comprehensive (Loss) Income
For the three and nine months ended September 30, 2024 and 2023
(unaudited) (in thousands of U.S. dollars, except share and per share data)

	Notes	Three months ended		Nine months ended	
		September 30 2024	September 30 2023	September 30 2024	September 30 2023
		\$	\$	\$	\$
Administrative expense	7	(451)	(1,224)	(1,333)	(3,172)
Share-based payment (expense) reversal	6	(155)	398	(428)	205
Care and maintenance and wind down expenses		-	(187)	-	(507)
Amortization		-	(45)	(40)	(133)
General and administrative expenses		(606)	(1,058)	(1,801)	(3,607)
Gain on deconsolidation of Mexican subsidiaries	5	-	-	8,317	24,255
Reclassification of currency translation adjustments	5	-	-	(7,378)	(6,923)
Exploration and holding expenses		(154)	(311)	(241)	(1,314)
Other income (expense)	7	280	3,932	(675)	5,623
Impairment loss			(5,564)		(5,564)
Finance expense	8	(295)	(808)	(1,866)	(3,134)
(Loss) income before income taxes		(775)	(3,809)	(3,644)	9,336
Income tax recovery		-	-	-	743
Net (loss) income		(775)	(3,809)	(3,644)	10,079
Attributable to:					
Shareholders of the Company		(1,019)	(3,809)	(3,680)	10,079
Non-controlling interest		244	-	36	-
Net (loss) income		(775)	(3,809)	(3,644)	10,079
Other comprehensive (loss) income					
Items that may be reclassified subsequently to profit and loss:					
Foreign currency translation differences		303	577	845	(2,346)
Reclassification of currency translation adjustments		-	-	7,378	6,923
Total other comprehensive (loss) income		(303)	577	8,223	4,577
Total comprehensive (loss) income		(472)	(3,232)	4,579	14,656
Attributable to:					
Shareholders of the Company		(716)	(3,232)	4,543	14,656
Non-controlling interest	4	244	-	36	-
Total comprehensive (loss) income		(472)	(3,232)	4,579	14,656
Net (loss) income per share - Shareholders of the Company					
Basic and diluted		(\$0.01)	(\$0.10)	(\$0.04)	\$0.25
Weighted average number of shares					
Basic and diluted		112,194,822	42,258,500	92,705,430	39,705,724

Excellon Resources Inc.

Condensed Consolidated Statements of Cash Flow
For the nine months ended September 30, 2024 and 2023
(unaudited) (in thousands of U.S. dollars)

	Nine months ended	
	September 30 2024	September 30 2023
	\$	\$
Cash flow generated by (used in)		
Operating activities		
Net (loss) income for the period	(3,644)	10,079
Adjustments for non-cash items:		
Loss on convertible debenture restructuring	813	-
Gain on deconsolidation of Mexican subsidiaries	(8,317)	(24,255)
Reclassification of currency translation adjustments	7,378	6,923
Depletion and amortization	40	133
Income tax expense	-	(743)
Share-based payment expense	428	(205)
Finance expenses	1,866	3,134
Impairment loss	-	5,564
Other expense/(income) and foreign exchange losses (gains)	(209)	(5,623)
Convertible debentures – gain & extension fee (Note 7)	-	165
Operating cash flows before changes in working capital	(1,645)	(4,828)
Changes in working capital		
Trade receivables	-	690
VAT recoverable	(113)	129
Other assets	63	1,151
Provisions	-	(2,396)
Payables and accruals	433	3,449
Other VAT liabilities	(144)	429
Net cash used in operating activities	(1,406)	(1,376)
Investing activities		
Interest received	7	-
Sale (purchase) of mineral rights	-	200
Net cash from investing activities	7	200
Financing activities		
Net proceeds from private placement – Note 6	855	-
Lease payments	-	(131)
Interest paid	-	(7)
Net cash from (used in) financing activities	855	(138)
Effect of exchange rate changes on cash and cash equivalents	66	(7)
Change in cash and cash equivalents	(478)	(1,322)
Cash and cash equivalents – beginning of period	691	1,468
Cash and cash equivalents – end of period	213	146

Excellon Resources Inc.

Condensed Consolidated Statements of Changes in Equity (Deficit)

For the nine months ended September 30, 2024 and 2023

(unaudited) (in thousands of U.S. dollars, except per share data)

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Attributable to Shareholders of the Company \$	Non-controlling interests \$	Total (deficit) equity \$
Balance - January 1, 2023	141,051	34,760	(16,703)	(181,003)	(21,895)	-	(21,895)
Net income for the period	-	-	-	10,079	10,079	-	10,079
Total other comprehensive income	-	-	4,577	-	4,577	-	4,577
Total comprehensive income	-	-	4,577	10,079	14,656	-	14,656
Share options: Share-based compensation	-	32	-	-	32	-	32
Deferred and restricted share units:							
Shares issued on RSUs / DSUs exercise	758	(758)	-	-	-	-	-
Share-based compensation	-	(237)	-	-	(237)	-	(237)
Convertible debentures:							
Extension fees settled in shares	794	-	-	-	794	-	794
Interest paid in shares	668	-	-	-	668	-	668
Balance – September 30, 2023	143,271	33,797	(12,126)	(170,924)	(5,982)	-	(5,982)
Balance - January 1, 2024	143,393	33,700	(12,451)	(174,469)	(9,827)	-	(9,827)
Net loss for the period	-	-	-	(3,680)	(3,680)	36	(3,644)
Total other comprehensive income	-	-	8,223	-	8,223	-	8,223
Total comprehensive income (loss)	-	-	8,223	(3,680)	4,543	36	4,579
Share options: Share-based compensation	-	97	-	-	97	-	97
Deferred and restricted share units:							
Shares issued on RSUs / DSUs exercise	180	(180)	-	-	-	-	-
Share-based compensation	-	639	-	-	639	-	639
Convertible debentures – Note 4:							
Shares issued on restructuring	6,318	-	-	-	6,318	-	6,318
Value of conversion option	-	5,257	-	-	5,257	-	5,257
Non-controlling interests	-	-	-	-	-	(1,547)	(1,547)
Interest paid in shares	1,133	-	-	-	1,133	-	1,133
Private Placement – Note 6:							
Value of shares and warrants issued	541	314	-	-	855	-	855
Shares issued to settle payables – Note 6	606	-	-	-	606	-	606
Balance – September 30, 2024	152,171	39,827	(4,228)	(178,149)	9,621	(1,511)	8,110

Excellon Resources Inc.

Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023
(unaudited) (in thousands of U.S. dollars, except share and per share data)

1. GENERAL INFORMATION

Excellon Resources Inc. (the "Company" or "Excellon") is engaged in the acquisition, exploration, and advancement of mineral properties. The Company is listed on the Toronto Stock Exchange (the "TSX") under the symbol EXN, the OTC Pink Market (the "OTC") in the United States under the symbol EXNRF, and the Frankfurt Stock Exchange under the symbol E4X2. Excellon's vision is to realize opportunities for the benefit of its employees, communities and shareholders, through the acquisition of advanced development or producing assets with further potential to gain from an experienced management team. The Company is advancing a portfolio of gold, silver and base metals assets including Kilgore, an advanced gold exploration project in Idaho; and Silver City, a high-grade epithermal silver district in Saxony, Germany. The Company has also entered into an agreement to acquire the Mallay Property, which includes the past-producing Ag-Zn-Pb Mallay Mine and the Tres Cerros Exploration Property, located in Peru.

Excellon is domiciled in Canada and incorporated under the laws of the Province of Ontario. The address of its registered office is 3400 First Canadian Place, 100 King Street West, Toronto, M5X 1A4. These condensed consolidated financial statements were approved by the Board of Directors on November 14, 2024.

2. BASIS OF PRESENTATION AND GOING CONCERN

a) *Statement of compliance and going concern*

The Company prepares its condensed consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Accordingly, certain information and note disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed. These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

The Company's sole producing mine ceased operation in Q4 2022 and the Company is pursuing other financing opportunities to fund its working capital requirements, corporate expenditures and exploration activities. The Company had negative working capital of \$4,055 as of September 30, 2024.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern and therefore realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent on its ability obtain the necessary financing to fund its working capital requirements, advance its exploration projects and meet its ongoing corporate overhead costs. Although the Company has been successful in obtaining debt and equity financing in the past, there is no assurance that it will be able to do so in the future or that such arrangements will be on terms advantageous to the Company.

On March 28, 2024, the Company announced the closing of the Debenture Restructuring (Note 4) and on May 15, 2024, the Company announced the closing of a non-brokered private placement offering (Note 6). On October 31, 2024, the Company announced entering into an agreement to acquire the shares of Minera CRC S.A.C., which holds a 100% interest in the Mallay Property, including the past producing Mallay Silver Mine and the Tres Cerros Exploration Property, in Peru (the "Acquisition"). In connection with the Acquisition, the Company also announced non-brokered private placements of units and notes for aggregate gross proceeds of up to C\$3.8 million (US\$2.725 million) (Note 10).

Excellon Resources Inc.

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For the three and nine months ended September 30, 2024 and 2023
(unaudited) (in thousands of U.S. dollars, except share and per share data)

These condensed consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed consolidated financial statements do not include adjustments to the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities in other than the normal course of business at amounts different from those in the accompanying condensed consolidated financial statements. Such adjustments could be material.

b) Summary of significant accounting policies, judgments, and estimates

These condensed consolidated financial statements have been prepared using the same accounting policies, methods of computation, judgments and estimates as the annual consolidated financial statements of the Company as at and for the year ended December 31, 2023. The Company also exercised judgement in determining the assumptions and valuation techniques used in valuing the restructured convertible debentures (Note 4), and the private placement equity and warrants (Note 6).

3. MINERAL RIGHTS

	Silver City (Germany) ⁽¹⁾	Kilgore (Idaho) ⁽²⁾	Oakley (Idaho) ⁽³⁾	Total
	\$	\$	\$	\$
Year ended December 31, 2023				
Opening net book value	1,565	13,750	5,195	20,510
Impairment Loss	-	-	(4,195)	(4,195)
Proceeds on disposal	-	-	(1,000)	(1,000)
Exchange differences	44	-	-	44
Closing net book value	1,609	13,750	-	15,359
Period ended September 30, 2024				
Opening net book value	1,609	13,750	-	15,359
Exchange differences	(32)	-	-	(32)
Closing net book value	1,577	13,750	-	15,327

- (1) In Q1 2024, and as part of the convertible debenture Restructuring (Note 4), the Company issued a 25% interest in Saxony Silver Corp. to the Debentureholders in partial consideration for the cancellation of C\$10.41 million aggregate principal amount of the original convertible debentures.
- (2) In Q1 2024, and as part of the convertible debenture Restructuring (Note 4), the Company issued contingent value rights providing for payments equal to the equivalent of up to 1,500 troy ounces of gold upon the achievement of certain milestones, and a 2% NSR royalty on the unpatented claims comprising the Kilgore Project, to the Debentureholders in partial consideration for the cancellation of C\$10.41 million aggregate principal amount of the original convertible debentures.
- (3) In Q3 2023, the Company announced that it had entered into a definitive agreement with Centerra (U.S.) Inc., to sell Excellon's remaining minority interest in the Oakley Project for \$1,000 in cash. The sale was completed in Q4 2023.

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4. CONVERTIBLE DEBENTURES

On September 21, 2023, the Company announced that it had entered into a binding term sheet with holders of greater than 66^{2/3}% of the convertible debentures (“Debentureholders”), to reduce the outstanding principal amount from C\$17.91 million to C\$7.5 million, representing a 58% reduction in principal, and to amend the terms of the remaining debentures to, among other things, further extend the maturity date to August 31, 2026 (the “Debenture Restructuring”). Completion of the Debenture Restructuring was subject to approval by the requisite majorities of Debentureholders and shareholders, as well as the approval of the Toronto Stock Exchange.

On March 28, 2024, the Company announced the closing of the Debenture Restructuring. As a result, the remaining debentures’ conversion price decreased from C\$5.30 to C\$0.10, the interest rate payable in cash increased from 5.75% to 6.50% per annum, while the Company retained the option to satisfy interest in Common Shares at an effective interest rate of 10% per annum. In consideration for the cancellation of C\$10.41 million in principal amount of the convertible debentures, the Company issued 38,888,878 common shares of the Company (“Share Consideration”), contingent value rights providing for cash payments equal to the equivalent value of up to 1,500 troy ounces of gold upon the achievement of certain milestones at Kilgore (“CVR”), a 2% net smelter returns royalty on the unpatented claims comprising the Kilgore Project (“Kilgore NSR”), and a 25% interest in Saxony Silver Corp., which holds the Silver City Project (“Saxony Shares”).

The Debenture Restructuring was accounted for as an extinguishment of the original convertible debenture (C\$16,086), and the recognition of a revised convertible debenture (C\$10,725), non-controlling interest related to the Saxony Shares (C\$2,094 - debit) and the issuance of the Share Consideration (C\$8,555), which resulted in a loss on restructuring (C\$1,100). The fair value of the revised convertible debenture with conversion price of C\$0.10, the Share Consideration, and hence the loss on restructuring, was driven by an increase in the Company’s share price from the date of the term sheet (\$0.09) to the closing on March 28, 2024 (\$0.22). The Company determined that the CVR and Kilgore NSR are contingent on future transactions and hence do not meet the IFRS criteria for recognition at this time (Note 3).

The Company recorded interest expense of C\$2,479 (\$1,830) and C\$4,165 (\$3,095) for the nine months ended September 30, 2024 and 2023, respectively.

	\$ CAD	\$ USD
Year ended December 31, 2023		
Opening balance	15,280	11,282
Interest expense – pre-extension	3,603	2,672
Value of shares issued to settle interest payable – pre-extension	(888)	(668)
Extinguishment of original convertible debenture	(17,995)	(13,842)
Fair value of extended convertible debenture	13,077	10,124
Interest expense – post-Extension	2,718	2,018
Value of shares issued to settle interest payable – post-extension ⁽¹⁾	-	-
Exchange differences	-	356
Closing balance	15,795	11,942

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For the three and nine months ended September 30, 2024 and 2023
(unaudited) (in thousands of U.S. dollars, except share and per share data)

	\$ CAD	\$ USD
Period ended September 30, 2024		
Opening balance	15,795	11,942
Value of shares issued to settle interest payable – H2 2023 ⁽¹⁾	(903)	(674)
Interest expense – pre-restructuring	1,625	1,205
Value of shares issued to settle interest payable – up to restructuring	(431)	(318)
Exchange differences	-	(276)
Extinguishment of original convertible debentures	16,086	11,879
Fair value of consideration recognized on closing	(17,186)	(12,692)
Loss on restructuring	(1,100)	(813)
Fair value of revised convertible debentures	10,725	7,919
Debt component	3,607	2,662
Equity conversion option (residual)	7,118	5,257
Fair value of the new debt component	3,607	2,662
Interest expense – post-restructuring	854	626
Value of shares issued to settle interest payable – post-restructuring	(192)	(141)
Exchange differences	-	15
Closing balance	4,269	3,162

(1) As the payment date December 31, 2023 fell on a weekend, the shares (8.6 million) were issued on January 2, 2024 and hence not recorded in 2023.

5. DECONSOLIDATION OF MEXICAN SUBSIDIARIES

In Q1 2024 Minera Excellon de México, S.A. de C.V. (“MEM”), a subsidiary of the Company, voluntarily filed a petition for insolvency with the Mexican Bankruptcy Court. MEM holds the Platosa Mine which ceased operations in late 2022. In Q2 2024, the Court-appointed auditor completed its review of MEM’s petition and confirmed MEM’s insolvency. As a result of the loss of control, the assets and liabilities of MEM, and its subsidiary Excellon Servicios, S.A. de C.V., were deconsolidated from the consolidated financial statements of the Company. The gain on deconsolidation (\$8,317) reflected payables and accruals (\$5,248), Other VAT liabilities (\$1,658), rehabilitation (\$719) and post-retirement (\$692) provisions. In accordance with IFRS requirements for the deconsolidation of a foreign subsidiary, the Company also recognized a non-cash loss of \$7,378 on the reclassification of currency translation adjustment from accumulated other comprehensive income to net income before income taxes.

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Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023
(unaudited) (in thousands of U.S. dollars, except share and per share data)

6. SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares.

	Number of shares (000's)	\$
Year ended December 31, 2023		
Opening balance	38,054	141,051
Shares issued on exercise of RSUs and DSUs	641	880
Convertible debenture extension fees settled in shares	6,888	794
Shares issued to settle interest on convertible debentures	3,553	668
Balance at December 31, 2023	49,136	143,393
Period ended September 30, 2024		
Opening balance	49,136	143,393
Shares issued to settle interest on debentures – H2 2023 (Note 4)	8,591	674
Shares issued on exercise of RSUs and DSUs	1,545	180
Shares issued to settle interest on debentures ⁽²⁾ (Note 4)	4,074	459
Shares issued on Debenture Restructuring (Note 4)	38,889	6,318
Shares issued in Private Placement ⁽¹⁾	7,357	541
Shares issued to settle payables ⁽²⁾	7,621	606
Balance at September 30, 2024	117,213	152,171

(1) On April 4, 2024, the Company announced a non-brokered private placement offering of up to 7.5 million units (the "Units") at a price of C\$0.18 per Unit for aggregate gross proceeds of up to C\$1.35 million (the "Private Placement"). Each Unit comprised one common share and one common share purchase warrant of the Company (the "Warrants"). Each Warrant entitles the holder to acquire one Common Share at a price of C\$0.27 per Common Share for a period of 24 months from the closing date. On May 15, 2024, the Company announced closing of the Private Placement for aggregate gross proceeds of approximately C\$1.32 million. The Company paid finder's fees in the amount of C\$42K and issued a total of 237,210 finder's warrants. The net proceeds of C\$1.2 million (\$855) after transaction costs, were allocated proportionally between the fair values of the Common Shares (\$541) and the Warrants (\$314).

(2) In Q3 2024, the Company issued 7.6 million Common Shares as part of the settlement of \$0.9 million (C\$1.3 million) in payables, and 1.2 million Common Shares in settlement of debenture interest (Note 4).

The outstanding number and weighted average exercise prices of equity-settled Stock Options, Warrants, Deferred Share Units ("DSUs") and Restricted Share Units ("RSUs") are as follows:

	Options		Warrants		RSUs Outstanding	DSUs Outstanding
	Options Outstanding	Weighted Average Exercise Price \$C	Warrants Outstanding	Weighted Average Exercise Price \$C		
Outstanding at January 1, 2023	1,450,737	1.84	1,143,428	5.75	1,186,000	706,160
Granted/issued	30,000	0.38	-	-	60,000	-
Exercised/settled	-	0.00	-	-	(336,333)	(305,287)
Expired	(544,430)	2.74	(1,143,428)	5.75	(20,000)	-
Forfeited	(155,000)	0.56	-	-	(485,000)	-
Outstanding at December 31, 2023	781,307	1.41	-	-	404,667	400,873
Exercisable at December 31, 2023	646,307	1.58	-	-	-	63,362

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For the three and nine months ended September 30, 2024 and 2023
(unaudited) (in thousands of U.S. dollars, except share and per share data)

	Options		Warrants		RSUs Outstanding	DSUs Outstanding
	Options Outstanding	Weighted Average Exercise Price (CAD)	Warrants Outstanding	Weighted Average Exercise Price (CAD)		
Outstanding at January 1, 2024	781,307	1.41	-	-	404,667	400,873
Granted/issued ⁽¹⁾	2,550,000	0.10	7,593,842	0.27	2,912,169	4,554,000
Exercised/settled	-	-	-	-	(1,545,202)	-
Expired	(173,807)	3.45	-	-	(4,800)	129,265
Outstanding at September 30, 2024	3,157,500	0.24	7,593,842	0.27	1,766,834	4,825,608
Exercisable at September 30, 2024	1,882,500	0.33	7,593,842	0.27	980,000	-

(1) In Q1 2024, the Company issued 1.3 million RSU and 2.3 million DSU in settlement of amounts owing to management and directors of the Company.

Options outstanding and exercisable are as follows:

Exercise Price Range (CAD)	Stock Options Outstanding	Weighted Avg Remaining Contractual Life (years)	Stock Options Exercisable	Weighted Average Exercise Price (CAD)
\$0.00 to \$0.49	2,550,000	2.27	1,275,000	0.10
\$0.50 to \$0.99	567,000	0.78	567,000	0.58
\$1.50 to \$4.55	40,500	1.09	40,500	4.16
	3,157,500	1.99	1,882,500	0.33

Share-based payment expense is recognized over the vesting period of the grant with the corresponding equity impact recorded in contributed surplus. Share-based payment expense comprises the following:

	Three months ended		Nine months ended	
	September 30 2024	September 30 2023	September 30 2024	September 30 2023
	\$	\$	\$	\$
Stock options	12	(20)	97	32
RSUs	95	(378)	163	(237)
DSUs	48	-	169	-
	155	(398)	428	(205)

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Notes to the Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023
(unaudited) (in thousands of U.S. dollars, except share and per share data)

7. EXPENSES BY NATURE

(a) Administrative expense consists of the following:

	Three months ended		Nine months ended	
	September 30 2024	September 30 2023	September 30 2024	September 30 2023
	\$	\$	\$	\$
Salaries, benefits, directors and professional fees	130	218	425	1,115
Office, insurance and overhead expenses	92	238	274	1,010
Corporate development and legal expenses	218	729	548	952
Public company costs	11	39	86	95
Administrative expense	451	1,224	1,333	3,172

(b) Other (income) expense consists of the following:

	Three months ended		Nine months ended	
	September 30 2024	September 30 2023	September 30 2024	September 30 2023
	\$	\$	\$	\$
Loss on Debenture Restructuring (Note 4)	-	-	812	-
Fair value loss (gain) on securities/warrants	-	1	9	4
Gain on Convertible Debenture (Note 4)	-	(3,718)	-	(3,718)
Unrealized foreign exchange loss (gain)	1	(215)	224	(1,909)
Realized foreign exchange gain	-	-	-	1
Interest and other (income) expenses	(1)	-	(31)	(1)
Gain on debt settlement	(293)	-	(293)	-
Other	13	-	(46)	-
Other loss (income)	(280)	(3,932)	675	(5,623)

8. FINANCE EXPENSE

Finance expense consists of the following:

	Three months ended		Nine months ended	
	September 30 2024	September 30 2023	September 30 2024	September 30 2023
	\$	\$	\$	\$
Interest expense - convertible debentures ⁽¹⁾	295	806	1,831	3,095
Accretion on provisions	-	-	35	31
Interest expense - other	-	2	-	8
Finance expense	295	808	1,866	3,134

1. The Company has the option to pay interest on the convertible debentures in Common Shares (Note 4).

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9. FINANCIAL INSTRUMENTS

Fair values of non-derivative financial instruments

All financial assets and financial liabilities, other than derivatives, are initially recognized at the fair value of consideration paid or received, net of transaction costs, as appropriate, and are subsequently carried at fair value or amortized cost. At September 30, 2024, the carrying amounts of trade and other payables and other current assets are considered to be reasonable approximations of their respective fair values due to the short-term nature of these instruments.

Fair value hierarchy

The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

	Fair value hierarchy	September 30 2024 \$	September 30 2023 \$
Financial assets			
Fair value through profit and loss			
Marketable securities	Level 1	14	-
Warrants	Level 2	-	2
		14	2

There were no transfers between levels 1, 2 or 3 during the nine months ended September 30, 2024.

Valuation techniques and inputs used to determine fair values include:

- Marketable securities – the use of quoted market prices; and
- Warrants – based on a Black-Scholes model which uses quoted observable inputs.

10. SUBSEQUENT EVENTS

On October 31, 2024, the Company announced that it had entered into a share purchase agreement (the “Agreement”) with Adar Mining Corp. (“Adar”) to acquire the issued and outstanding shares (the “Minera Shares”) in the capital of Minera CRC S.A.C., which holds a 100% interest in the Mallay Property, including the past producing Mallay Silver Mine and the Tres Cerros Exploration Property, in Peru (the “Acquisition”). Pursuant to the Agreement, Adar intends to bid for the Minera Shares pursuant to receivership proceedings under the Bankruptcy and Insolvency Act (Canada). Adar has agreed to sell, subject to the satisfaction of certain conditions, the Minera Shares to Excellon in exchange for US\$1.25 million in upfront cash payments and such number of common shares of Excellon (“Common Shares”) that is equal to 12.9% of the issued and outstanding Common Shares on a basic, non-diluted basis, as further described in the Agreement.

In connection with the Acquisition, the Company also announced entering into agreements with respect to a non-brokered private placement offering (the “Unit Offering”) of up to 19,500,000 units of the Company

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("Units") at a price of \$0.105 per Unit for aggregate gross proceeds of up to \$2,047,500 (approximately US\$1,475,000), and a non-brokered private placement offering (the "Note Offering" and together with the Unit Offering,) of US\$1,250,000 aggregate principal amount of unsecured non-convertible promissory notes of the Company ("Notes"). The aggregate offering size is approximately \$3.8 million (US\$2.725 million).