



Excellon Resources Inc.

Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024
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)

	<i>Notes</i>	June 30 2025	December 31 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,653	1,362
VAT recoverable	3	2,660	240
Other assets		185	224
		6,498	1,826
Non-current assets			
Mineral rights	3, 4	24,348	15,230
Property, plant and equipment	3	4,002	-
Restricted cash – Carta Fianza deposit	3	5,730	-
Other assets	3	-	1,332
Total assets		40,578	18,388
Liabilities			
Current liabilities			
Payables and accruals	3	4,722	3,450
Other VAT liabilities		1,062	990
Promissory note	6	1,250	1,250
		7,034	5,690
Non-current liabilities			
Production-linked loan	3	7,325	-
Provision for rehabilitation	3	6,281	-
Convertible debentures	5	4,115	3,250
Total liabilities		24,755	8,940
Shareholders' equity			
Share capital	3, 7	160,590	153,602
Contributed surplus		42,044	40,529
Accumulated other comprehensive loss		(3,575)	(3,466)
Deficit		(181,697)	(179,689)
		17,362	10,976
Non-controlling interest		(1,539)	(1,528)
Total equity		15,823	9,448
Total liabilities and equity		40,578	18,388

Basis of presentation and going concern (Note 2)

Approved by the Board

Director

"Laurence Curtis"

Director

"Craig Lindsay"

Excellon Resources Inc.

Condensed Consolidated Statements of Comprehensive Loss

For the three and six months ended June 30, 2025 and 2024

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

	Notes	Three months ended		Six months ended	
		June 30 2025 \$	June 30 2024 \$	June 30 2025 \$	June 30 2024 \$
Administrative expenses	8	(358)	(628)	(713)	(882)
Share-based payment expense	7	(78)	(92)	(303)	(273)
Amortization		-	(1)	-	(40)
General and administrative expenses		(436)	(721)	(1,016)	(1,195)
Exploration and holding expenses		(35)	(44)	(52)	(87)
Other expenses	8	(25)	(235)	(38)	(955)
Finance expenses	9	(480)	(336)	(829)	(1,571)
Gain on deconsolidation of Mexican subsidiaries		-	8,288	-	8,288
Reclassification of currency translation adjustments		-	(7,622)	-	(7,622)
Loss before income taxes		(976)	(670)	(1,935)	(3,142)
Income tax expense		-	-	-	-
Net loss		(976)	(670)	(1,935)	(3,142)
Attributable to:					
Shareholders of the Company		(1,043)	(462)	(2,008)	(2,934)
Non-controlling interest		67	(208)	73	(208)
Net loss		(976)	(670)	(1,935)	(3,142)
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss:					
Foreign currency translation differences		(179)	971	(193)	1,148
Reclassification of currency translation adjustments		-	7,378	-	7,378
Other comprehensive (loss) income		(179)	8,349	(193)	8,526
Total comprehensive loss		(1,155)	7,679	(2,128)	5,384
Attributable to:					
Shareholders of the Company		(1,146)	7,887	(2,117)	5,592
Non-controlling interest		(9)	(208)	(11)	(208)
Total comprehensive loss		(1,155)	7,679	(2,128)	5,384
Net loss per share					
Basic and diluted		(\$0.00)	(\$0.00)	(\$0.01)	(\$0.04)
Weighted average number of shares					
Basic and diluted		186,790,402	106,096,846	165,257,238	82,853,648

Excellon Resources Inc.

Condensed Consolidated Statements of Cash Flow
For the Six months ended June 30, 2025 and 2024
(unaudited) (in thousands of U.S. dollars)

		Six months ended	
		June 30	June 30
		2025	2024
	Notes	\$	\$
Cash flow generated by (used in)			
Operating activities			
Net loss for the period		(1,935)	(3,142)
Adjustments for non-cash items:			
Finance expenses		828	1,571
Share-based payment expense		303	273
Loss on convertible debenture conversion		32	-
Fair value gain on marketable securities		(4)	-
Gain on deconsolidation of Mexican subsidiaries		-	(8,288)
Reclassification of currency translation adjustments		-	7,622
Loss on Debenture Restructuring		-	812
Amortization		-	40
Other expenses and foreign exchange gains and losses		38	255
Operating cash flows before changes in working capital		(738)	(857)
Changes in non-cash working capital			
VAT recoverable		(96)	(143)
Other assets		1,265	(4)
Payables and accruals		(1,506)	63
Other VAT liabilities		-	1
Net cash used in operating activities		(1,075)	(940)
Investing activities			
Upfront funding and transaction costs – Mallay Acquisition	3	(1,942)	-
Cash acquired on acquisition of Minera CRC	3	22	-
Interest received		29	7
Proceeds from sale of marketable securities		11	-
Net cash (used in) generated by investing activities		(1,880)	7
Financing activities			
Net proceeds from private placement	7	5,166	855
Net cash generated by financing activities		5,166	855
Effect of exchange rate changes on cash and cash equivalents		80	(19)
Change in cash and cash equivalents		2,291	(97)
Cash and cash equivalents – beginning of period		1,362	691
Cash and cash equivalents – end of period		3,653	594

Excellon Resources Inc.

Condensed Consolidated Statements of Changes in Equity

For the Six months ended June 30, 2025 and 2024

(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 interest \$	Total (deficit) equity \$
Balance – January 1, 2024	143,393	33,700	(12,451)	(174,469)	(9,827)	-	(9,827)
Net loss for the period	-	-	-	(2,934)	(2,934)	(208)	(3,142)
Total other comprehensive income	-	-	8,526	-	8,526	-	8,526
Total comprehensive income (loss)	-	-	8,526	(2,934)	5,592	(208)	5,384
Share options: Share-based compensation	-	85	-	-	85	-	85
Deferred and restricted share units:							
Shares issued on RSU/DSUs exercise	180	(180)	-	-	-	-	-
Share-based compensation	-	496	-	-	496	-	496
Convertible debentures:							
Shares issued on restructuring	6,318	-	-	-	6,318	-	6,318
Value of conversion option	-	5,257	-	-	5,257	-	5,257
Non-controlling interest	-	-	-	-	-	(1,547)	(1,547)
Interest paid in shares	992	-	-	-	992	-	992
Private Placement:							
Value of shares issued	541	-	-	-	541	-	541
Value of warrants issued	-	314	-	-	314	-	314
Balance – June 30, 2024	151,424	39,672	(3,925)	(177,403)	9,768	(1,755)	8,013
Balance – January 1, 2025	153,602	40,529	(3,466)	(179,689)	10,976	(1,528)	9,448
Net (loss) income for the period	-	-	-	(2,008)	(2,008)	73	(1,935)
Total other comprehensive loss	-	-	(109)	-	(109)	(84)	(193)
Total comprehensive loss	-	-	(109)	(2,008)	(2,117)	(11)	(2,138)
Share options: Share-based compensation	-	136	-	-	136	-	136
Deferred and restricted share units:							
Shares issued on RSU exercise	130	(130)	-	-	-	-	-
Share-based compensation	-	167	-	-	167	-	167
Convertible debentures (Note 5):							
Shares issued on conversion (Note 7)	120	-	-	-	120	-	120
Value of option reversed on conversion (Note 7)	88	(88)	-	-	-	-	-
Private placement: Shares & Warrants issued (Note 7)	3,736	1,430	-	-	5,166	-	5,166
Value of shares issued in asset acquisition (Note 3)	2,858	-	-	-	2,858	-	2,858
Shares issued to settle payables (Note 7)	56	-	-	-	56	-	56
Balance – June 30, 2025	160,590	42,044	(3,575)	(181,697)	17,362	(1,539)	15,823

Excellon Resources Inc.

Notes to the Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(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 Venture Stock Exchange (the "TSXV") under the symbol EXN, the OTC Market (the "OTC") in the United States under the symbol EXNRF, and the Frankfurt Stock Exchange under the symbol E4X2. The Company is focused on the potential restart of the Mallay Silver Mine in Peru. The Company also holds a portfolio of exploration-stage projects, including the Tres Cerros Gold/Silver Exploration Property in Peru; Kilgore, an advanced gold exploration project in Idaho; and Silver City, a high-grade epithermal silver district in Saxony, Germany, providing additional growth upside.

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 consolidated financial statements were approved by the Board of Directors on August 22, 2025.

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, 2024.

The Company is subject to the risks of an exploration and development stage mining company. These risks include the challenges of securing adequate capital. The Company has no source of operating cash flows, incurred a net loss of \$1,935 for the six months ended June 30, 2025 and had current liabilities in excess of current assets of \$536 as of June 30, 2025. The Company's ability to continue as a going concern is dependent upon its ability to raise additional capital to continue advancing its mining properties.

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 to obtain the necessary financing to fund its working capital requirements, advance its 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.

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.

Excellon Resources Inc.

Notes to the Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

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

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, 2024.

3. ACQUISITION OF MINERA CRC

On June 23, 2025, the Company completed the acquisition of Minera CRC S.A.C. ("Minera CRC"), a Peruvian company that holds a 100% interest in the Mallay Silver Mine ("Mallay") and the nearby Tres Cerros Gold/Silver Exploration Property ("Tres Cerros") located in Central Peru.

Excellon acquired Minera CRC in exchange for the issuance of 17,864,773 common shares, cash consideration of \$2,215 in upfront and bridge payments, and certain contingent considerations and rights as described below.

On closing, Minera CRC did not meet the definition of a business under IFRS 3 *Business Combinations*. Accordingly, the transaction has been accounted for as an asset acquisition. In an asset acquisition, the total consideration paid is allocated to the identifiable assets acquired and liabilities assumed on a relative fair value basis.

The purchase price has been determined and allocated as follows:

		June 23, 2025
		\$
Purchase price	Common shares of Excellon issued at C\$0.22	2,858
	Upfront cash payments to Adar and Minera CRC	2,215
	Contingent consideration and rights ⁽¹⁾	-
	Transaction costs	1,059
		6,132
Assets acquired	Cash	22
	Current assets	81
	VAT recoverable	2,310
	Restricted cash – Carta Fianza deposit ⁽²⁾	5,730
	Plant, property and equipment	4,002
	Mineral rights	9,042
Liabilities assumed	Current liabilities	(1,389)
	Production-linked loan ⁽³⁾	(7,325)
	Provisions for rehabilitation obligations ⁽²⁾	(6,341)
		6,132

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Notes to the Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

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

- (1) Contingent consideration and rights include a back in right agreement providing for the sale of up to 49% of Tres Cerros at an exercise price equal to 1.5x historical expenditures incurred; royalty agreements providing for a 1.0% NSR royalty (the “Royalty”) and an existing 2% NSR royalty purchase option; and a stream agreement providing for a 5%-8% zinc and lead metals stream until 12 million pounds of each have been delivered. Excellon has the right to purchase one-half of the Royalty for US\$1.5 million within 18 months of commencement of commercial production. Excellon has also committed to incur \$7.5 million in Qualifying Expenditures on Tres Cerros over three years, consisting of US\$ 1 million in year 1, US\$2.5 million in year 2, and US\$4 million in year 3.

In accordance with the Company’s accounting policy for asset acquisitions, contingent consideration that is dependent on the Company’s future activity is excluded from the initial measurement of consideration paid. No liability is recognized at acquisition for such contingent amounts.

- (2) Minera CRC holds a \$5,730 Carta Fianza deposit as required by the Peruvian Ministry of Energy and Mines in connection with Mallay Mine Closure Plan. The related provision for rehabilitation has been estimated based on independent 3rd party cost reports, assuming an annual discount rate of 3.95%, an inflation rate of 2.75% and expected timing of cashflows between 2025 and 2034. The current portion of this provision (\$60) has been included in payables and accruals.
- (3) The production-linked loan will be offset against the royalty and streaming payments generated by Mallay.

4. MINERAL RIGHTS

	Mallay and Tres Cerros (Peru) \$	Silver City (Germany) ⁽¹⁾ \$	Kilgore (Idaho) ⁽²⁾ \$	Total \$
Year ended December 31, 2024				
Opening net book value	-	1,609	13,750	15,359
Exchange differences	-	(129)	-	(129)
Closing net book value	-	1,480	13,750	15,230
Period ended June 30, 2025				
Opening net book value	-	1,480	13,750	15,230
Mallay and Tres Cerros acquisition – Note 3	9,042	-	-	9,042
Exchange differences	-	76	-	76
Closing net book value	9,042	1,556	13,750	24,348

- (1) The Company holds the Bräunsdorf, Frauenstein, Mohorn and Oederan exploration licences, a 340 km² silver district in Saxony, Germany (the “Silver City Project”).

On acquisition of the Bräunsdorf license, a gross metals royalty of 3% for precious metals and 2.5% for other metals was issued to the vendor, both of which may be reduced by 1% upon a payment of C\$1,500. Additional one-time payments of C\$300 and C\$700 are to be made by the Company following any future announcement of a maiden mineral resource estimate on the property and upon the achievement of commercial production, respectively.

In 2024 as part of the Debenture Restructuring (Note 5), the Company issued a 25% interest in Saxony Silver Corp. to the Debentureholders (“Saxony Shares”) in partial consideration for the cancellation of C\$10.41 million aggregate principal amount of the original convertible debentures. The Company continues to consolidate Saxony Silver Corp. and record a non-controlling interest related to the 25% held by the Debentureholders.

Excellon Resources Inc.

Notes to the Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

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

(2) The Kilgore Project consists of approximately 5,489 hectares of mineral concessions located in Clark County, situated in eastern Idaho, USA. In 2024 as part of the Debenture Restructuring (Note 5), 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 at Kilgore (“Kilgore CVR”), and a 2% NSR royalty on the unpatented claims comprising the Kilgore Project (“Kilgore NSR”), to the Debentureholders in partial consideration for the cancellation of C\$10.41 million aggregate principal amount of the original convertible debentures.

5. CONVERTIBLE DEBENTURES

In March 2024, the Company closed the previously announced restructuring with the 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”). The debentures are accounted for at amortized cost and can be converted into Common Shares of the Company at a conversion price of C\$0.10 per share, they bear interest at 6.50% per annum if paid in cash, while the Company has the option to satisfy interest in shares at an effective interest rate of 10% per annum.

The Debenture Restructuring was accounted for as an extinguishment of the original convertible debenture (\$11,880 or C\$16,086), and the recognition of a revised convertible debenture (\$7,921 or C\$10,725), non-controlling interest related to the Saxony Shares (\$1,547 or C\$2,094 – debit) and the issuance of the Share Consideration (\$6,318 or C\$8,555), which resulted in a loss on restructuring (\$812 or C\$1,100). The fair value of the revised convertible debenture, 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 Kilgore CVR and Kilgore NSR are contingent on future transactions and hence do not meet the IFRS criteria for recognition at this time (Note 4).

The Company recorded interest expense of C\$1,079 (\$769) and C\$2,077 (\$1,535) for the six months ended June 30, 2025 and 2024, respectively.

	\$ CAD	\$ USD
Year ended December 31, 2024		
Opening balance	15,795	11,942
Value of shares issued to settle interest payable – H2 2023	(903)	(673)
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 convertible debentures on restructuring	16,086	11,880
Fair value of consideration recognized on closing	(17,186)	(12,692)
Loss on restructuring	(1,100)	(812)
Fair value of the new debt component	3,607	2,664
Interest expense – post-restructuring	1,637	1,181
Value of shares issued to settle interest payable – post-restructuring	(570)	(405)
Exchange differences	-	(190)
Closing balance	4,674	3,250

Excellon Resources Inc.

Notes to the Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

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

	\$ CAD	\$ USD
Period ended June 30, 2025		
Opening balance	4,674	3,250
Interest expense	1,079	769
Conversion of debentures ⁽¹⁾	(126)	(88)
Value of shares issued to settle interest payable ⁽²⁾	-	-
Exchange differences	-	184
Closing balance	5,627	4,115

(1) In Q1 2025, Debentureholders elected to convert debenture principal of C\$126 (\$88) into 1,260,000 shares of the Company in accordance with the debenture indenture.

Subsequent to June 30, 2025, Debentureholders elected to convert debenture principal of C\$876 (\$639) into 8,760,000 shares of the Company in accordance with the debenture indenture. The remaining principal amount outstanding is C\$6,498 (\$4,743).

(2) Subsequent to June 30, 2025, the Company issued 1,741,276 shares to settle interest payable for the period December 31, 2024 to June 29, 2025 of C\$366 (\$267).

6. PROMISSORY NOTE

In connection with the agreement to acquire the Mallay Property, the Company issued a \$1,250 non-convertible promissory note of the Company. The promissory note is due May 1, 2026, bears interest at 10% per annum payable on maturity and, at the election of the holder, may be applied as a prepayment against a portion of the purchase price payable by the holder to exercise its Back In Right pursuant to an agreement (the "Back In Right Agreement") to be entered into in connection with the Mallay Acquisition (the "Tres Cerros Prepayment Election"). If the Mallay Acquisition is not completed prior to the outside date, the promissory note and any accrued interest are repayable within 30 days of the outside date, hence the current classification of the promissory note. The Company may elect, at any time, to prepay in cash any or all of the principal amount plus any accrued interest.

The promissory note was recorded at fair value of \$1,250 as it was repayable within 30 days if the Mallay Acquisition was not completed prior to the outside date. In 2025, the Company recorded interest expense of \$59 on the promissory note (Note 9).

Excellon Resources Inc.

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For the three and six months ended June 30, 2025 and 2024

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

7. 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, 2024		
Opening balance	49,136	143,393
Shares issued to settle interest on debentures – H2 2023	8,591	673
Shares issued on exercise of RSUs	2,500	261
Shares issued to settle interest on debentures – 2024 (Note 5)	8,047	723
Shares issued on Debenture Restructuring (Note 5)	38,889	6,318
Shares issued in private placements	26,857	1,661
Shares issued to settle payables	7,621	573
Balance at December 31, 2024	141,641	153,602
Period ended June 30, 2025		
Opening balance	141,641	153,602
Shares issued on exercise of RSUs	956	130
Shares issued on debenture conversion – Note 5 ⁽¹⁾	1,260	208
Shares issued in private placement ⁽²⁾	76,769	3,736
Shares issued in asset acquisition – Note 3	17,865	2,858
Shares issued to settle payables ⁽³⁾	850	56
Shares issued to settle interest on debentures – H1 2025 – Note 5 ⁽⁴⁾	-	-
Balance at June 30, 2025	239,341	160,590

- (1) In Q1 2025, Debentureholders elected to convert debenture principal of C\$126 into 1,260,000 shares of the Company in accordance with the debenture indenture (Note 5). The shares were recorded at their market value on the date of issuance (\$120), plus the related value of the conversion option reversed from contributed surplus (\$88). A loss of \$32 was recorded in other expenses reflecting the difference between the conversion price and the market value on issuance (Note 8).
- (2) On May 14, 2025, the Company completed a brokered private placement offering of 76.2 million units at C\$0.105 per unit for gross proceeds of C\$8,000 (\$5,772), with each unit consisting of one share and one-half of one warrant exercisable at C\$0.15 for 36 months. The Company paid agent fees of C\$456 (\$329), broker warrants valued at C\$334 (\$240), issued 0.6 million finders' shares valued at C\$64 (\$46), and paid transaction costs of C\$379 (\$273). The net proceeds of C\$6,831 (\$4,928) after transaction costs, were allocated proportionally between the fair values of the Common Shares (C\$5,179 or \$3,736) and the Warrants (C\$1,652 or \$1,190). The fair value of the Warrants and Broker Warrants were calculated based on a Black-Scholes model, which uses quoted observable inputs including the stock price (\$0.11), exercise price (\$0.15 for the Warrants, \$0.105 for the Broker Warrants), expected volatility (114%), risk-free interest rate (2.5%), expected dividend yield (0%), and the expected term of 3 years.
- (3) In Q1 2025, the Company issued 850,000 shares as part settlement of a 2024 bridge loan of \$100 from a director in connection with the Mallay Acquisition. \$38 was repaid in cash in Q4 2024 and \$62 was settled through the issuance of shares in Q1 2025. Equity issuance costs of \$6 were capitalized.
- (4) Subsequent to June 30, 2025, the Company issued 1,741,276 shares to settle debenture interest payable for the period December 31, 2024 to June 29, 2025 of C\$366 (\$267).

Excellon Resources Inc.

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For the three and six months ended June 30, 2025 and 2024

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

The outstanding number and weighted average exercise prices of equity-settled Stock Options, Warrants, DSUs and RSUs are as follows:

	Options		Warrants ⁽¹⁾		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	2,550,000	0.10	17,343,842	0.20	3,412,169	5,140,011
Exercised/settled	-	-	-	-	(2,500,202)	-
Expired	(176,807)	3.47	-	-	(4,800)	-
Outstanding at December 31, 2024	3,154,500	0.23	17,343,842	0.20	1,311,834	5,540,884
Exercisable at December 31, 2024	1,879,500	0.33	17,343,842	0.20	637,000	5,540,884
Outstanding at January 1, 2025	3,154,500	0.23	17,343,842	0.20	1,311,834	5,540,884
Granted/issued	3,185,000	0.15	42,456,880	0.15	930,000	1,047,047
Exercised/settled	-	-	-	-	(956,334)	-
Expired	(37,000)	1.77	-	-	(14,500)	-
Outstanding at June 30, 2025	6,302,500	0.14	59,800,722	0.16	1,271,000	6,587,931
Exercisable at June 30, 2025	4,157,500	0.13	17,343,842	0.20	414,000	6,587,931

(1) The Warrant terms are:

- 7,593,842 warrants with an exercise price of C\$0.27 and an expiry of April 12 or May 9, 2026;
- 9,750,000 warrants with an exercise price of C\$0.15 and an expiry of December 3, 2026;
- 38,095,238 warrants with an exercise price of C\$0.15 and an expiry of May 14, 2028; and
- 4,361,642 warrants with an exercise price of C\$0.105 and an expiry of May 14, 2028.

Subsequent to June 30, 2025, the Company received C\$1,031 (\$747) from the exercise of 6.4 million Warrants.

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	5,735,000	1.68	4,142,500	0.13
\$0.50 to \$0.99	540,000	0.13	540,000	0.58
\$1.00 to \$4.50	27,500	0.21	15,000	4.14
	6,302,500	1.67	4,697,500	0.14

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:

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	Three months ended		Six months ended	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024
	\$	\$	\$	\$
Stock options	59	27	137	85
RSUs	18	26	59	67
DSUs	1	39	107	121
Share-based payment expense	78	92	303	273

8. ADMINISTRATIVE AND OTHER EXPENSES

(a) Administrative expenses consist of the following:

	Three months ended		Six months ended	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024
	\$	\$	\$	\$
Office, insurance and overhead expenses	70	105	103	182
Salaries, consultant, director, professional fees	257	194	408	295
Corporate development and legal expenses	-	288	151	330
Public company costs	31	41	51	75
Finance expenses	358	628	713	882

(b) Other expenses consist of the following:

	Three months ended		Six months ended	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024
	\$	\$	\$	\$
Loss on Debenture Restructuring – Note 5	-	-	-	812
Unrealized foreign exchange loss (gain)	29	267	38	223
Interest and other income	(15)	(25)	(29)	(30)
Fair value gain on marketable securities	-	12	(4)	9
Loss on debenture conversion – Note 7	-	-	32	-
Other	(11)	(19)	1	(59)
Other expenses	25	235	38	955

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9. FINANCE EXPENSES

Finance expenses consist of the following:

	Three months ended		Six months ended	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024
	\$	\$	\$	\$
Interest expense – convertible debentures (Note 5)	452	318	770	1,536
Interest expense – promissory note (Note 6)	28	-	59	-
Other and accretion on provisions	-	18	-	35
Finance expenses	480	336	829	1,571

10. LEGAL PROCEEDINGS

The Company is involved in legal proceedings and business disputes from time to time arising from the normal course of business. Management, after consultation with legal counsel, believes that the outcome of these proceedings will not have a material impact on the Company's condensed consolidated financial position, results of operations or liquidity. With respect to the claim filed by Javier Martinez Lomas (as disclosed in the Company's news release on April 21, 2025), management considers the claim to be without merit and intends to vigorously defend the action and seek its dismissal. Management believes the probability of outflow in connection with this matter is remote.

11. 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 June 30, 2025, the carrying amounts of payables and accruals, VAT recoverable and liabilities, the promissory note, the restricted cash 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 either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

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		Six months ended	
		June 30	June 30
	Fair value	2025	2024
	hierarchy	\$	\$
Financial assets			
Fair value through profit and loss			
Marketable securities	Level 1	-	42

There were no transfers between Levels 1 or 2 during the three months ended June 30, 2025 and 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.

Risk management policies and hedging activities

The Company is sensitive to changes in foreign exchange rates. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company addresses its exposures through the use of options, futures, forwards and derivative contracts where appropriate.

Credit risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes the credit risk on cash and cash equivalents is low since the Company's cash and cash equivalents are held at large international financial institutions with strong credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to determine the funds required to meet its operating and growth objectives. To the extent that the Company may foresee insufficient liquidity to meet these obligations, management will consider securing additional funds through equity or debt transactions.

Currency risk

The PEN, MXN, USD, EUR and CAD are the functional currencies of subsidiaries of the Company, while the parent company has a CAD functional currency. As a result, currency exposures arise from transactions and balances in currencies other than the functional currencies.

Translational exposure in respect of non-functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of an operation are periodically revalued to the functional currency equivalents as at that date, and the associated unrealized gain or loss is recorded in the consolidated statements of comprehensive income to reflect this risk.

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12. SUBSEQUENT EVENTS

On August 20, 2025, the Corporation announced the closing of its concentrate offtake and financing agreement with subsidiaries of Glencore plc (“Glencore”). The agreement provides Excellon with a pre-export finance loan facility of up to US\$7.5 million and establishes Glencore as the offtake partner for concentrates from the Mally Mine.