



## **Excellon Resources Inc.**

### **Condensed Consolidated Financial Statements**

**For the three and nine months ended September 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)

|                                        |       | September 30<br>2025 | December 31<br>2024 |
|----------------------------------------|-------|----------------------|---------------------|
|                                        | Notes | \$                   | \$                  |
| <b>Assets</b>                          |       |                      |                     |
| <b>Current assets</b>                  |       |                      |                     |
| Cash and cash equivalents              |       | 10,063               | 1,362               |
| VAT recoverable                        | 3     | 3,109                | 240                 |
| Other assets                           |       | 199                  | 224                 |
|                                        |       | 13,371               | 1,826               |
| <b>Non-current assets</b>              |       |                      |                     |
| Mineral rights                         | 3, 4  | 24,493               | 15,230              |
| Property, plant and equipment          | 3     | 5,606                | -                   |
| Restricted cash – Carta Fianza deposit | 3     | 5,700                | -                   |
| Other assets                           | 3     | -                    | 1,332               |
| <b>Total assets</b>                    |       | 49,170               | 18,388              |
| <b>Liabilities</b>                     |       |                      |                     |
| <b>Current liabilities</b>             |       |                      |                     |
| Payables and accruals                  | 3     | 4,723                | 3,450               |
| Convertible debentures                 | 5     | 3,620                | -                   |
| Other VAT liabilities                  |       | 1,091                | 990                 |
| Promissory note                        | 6     | 1,250                | 1,250               |
|                                        |       | 10,684               | 5,690               |
| <b>Non-current liabilities</b>         |       |                      |                     |
| Production-linked loan                 | 3     | 7,325                | -                   |
| Provision for rehabilitation           | 3     | 6,576                | -                   |
| Convertible debentures                 | 5     | -                    | 3,250               |
| <b>Total liabilities</b>               |       | 24,585               | 8,940               |
| <b>Shareholders' equity</b>            |       |                      |                     |
| Share capital                          | 3, 7  | 171,491              | 153,602             |
| Contributed surplus                    |       | 41,239               | 40,529              |
| Accumulated other comprehensive loss   |       | (3,703)              | (3,466)             |
| Deficit                                |       | (182,913)            | (179,689)           |
|                                        |       | 26,114               | 10,976              |
| <b>Non-controlling interest</b>        |       | (1,529)              | (1,528)             |
| <b>Total equity</b>                    |       | 24,585               | 9,448               |
| <b>Total liabilities and equity</b>    |       | 49,170               | 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 nine months ended September 30, 2025 and 2024

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

|                                                                 |       | Three months ended<br>September 30 |              | Nine months ended<br>September 30 |                |
|-----------------------------------------------------------------|-------|------------------------------------|--------------|-----------------------------------|----------------|
|                                                                 |       | 2025                               | 2024         | 2025                              | 2024           |
|                                                                 | Notes | \$                                 | \$           | \$                                | \$             |
| Administrative expenses                                         | 8     | (743)                              | (451)        | (1,456)                           | (1,333)        |
| Share-based payment expense                                     | 7     | (62)                               | (155)        | (365)                             | (428)          |
| Amortization                                                    |       | -                                  | -            | -                                 | (40)           |
| General and administrative expenses                             |       | (805)                              | (606)        | (1,821)                           | (1,801)        |
| Exploration and holding expenses                                |       | (174)                              | (154)        | (226)                             | (241)          |
| Other income (expenses)                                         | 8     | 122                                | 280          | 84                                | (675)          |
| Finance expenses                                                | 9     | (374)                              | (295)        | (1,203)                           | (1,866)        |
| Gain on deconsolidation of Mexican subsidiaries                 |       | -                                  | -            | -                                 | 8,288          |
| Reclassification of currency translation adjustments            |       | -                                  | -            | -                                 | (7,622)        |
| <b>Loss before income taxes</b>                                 |       | <b>(1,231)</b>                     | <b>(775)</b> | <b>(3,166)</b>                    | <b>(3,917)</b> |
| Income tax expense                                              |       | -                                  | -            | -                                 | -              |
| <b>Net loss</b>                                                 |       | <b>(1,231)</b>                     | <b>(775)</b> | <b>(3,166)</b>                    | <b>(3,917)</b> |
| <b>Attributable to:</b>                                         |       |                                    |              |                                   |                |
| Shareholders of the Company                                     |       | (1,216)                            | (1,019)      | (3,224)                           | (3,953)        |
| Non-controlling interest                                        |       | (15)                               | 244          | 58                                | 36             |
| <b>Net loss</b>                                                 |       | <b>(1,231)</b>                     | <b>(775)</b> | <b>(3,166)</b>                    | <b>(3,917)</b> |
| <b>Other comprehensive income</b>                               |       |                                    |              |                                   |                |
| Items that may be reclassified subsequently to profit and loss: |       |                                    |              |                                   |                |
| Foreign currency translation differences                        |       | (103)                              | 303          | (296)                             | 845            |
| Reclassification of currency translation adjustments            |       | -                                  | -            | -                                 | 7,378          |
| <b>Other comprehensive (loss) income</b>                        |       | <b>(103)</b>                       | <b>(303)</b> | <b>(296)</b>                      | <b>8,223</b>   |
| <b>Total comprehensive loss</b>                                 |       | <b>(1,334)</b>                     | <b>(472)</b> | <b>(3,462)</b>                    | <b>4,306</b>   |
| <b>Attributable to:</b>                                         |       |                                    |              |                                   |                |
| Shareholders of the Company                                     |       | (1,344)                            | (716)        | (3,461)                           | 4,270          |
| Non-controlling interest                                        |       | 10                                 | 244          | (1)                               | 36             |
| <b>Total comprehensive loss</b>                                 |       | <b>(1,334)</b>                     | <b>(472)</b> | <b>(3,462)</b>                    | <b>4,306</b>   |
| <b>Net loss per share</b>                                       |       |                                    |              |                                   |                |
| Basic and diluted                                               |       | (\$0.01)                           | (\$0.01)     | (\$0.02)                          | (\$0.04)       |
| <b>Weighted average number of shares</b>                        |       |                                    |              |                                   |                |
| Basic and diluted                                               |       | 264,735,430                        | 112,194,822  | 198,781,027                       | 92,705,430     |

# **Excellon Resources Inc.**

## Condensed Consolidated Statements of Cash Flow

For the nine months ended September 30, 2025 and 2024

(unaudited) (in thousands of U.S. dollars)

|                                                                     |       | Nine months ended |                |
|---------------------------------------------------------------------|-------|-------------------|----------------|
|                                                                     |       | September 30      | September 30   |
|                                                                     |       | 2025              | 2024           |
|                                                                     | Notes | \$                | \$             |
| <b>Cash flow generated by (used in)</b>                             |       |                   |                |
| <b>Operating activities</b>                                         |       |                   |                |
| Net loss for the period                                             |       | (3,102)           | (3,917)        |
| Adjustments for non-cash items:                                     |       |                   |                |
| Finance expenses                                                    |       | 1,203             | 1,866          |
| Share-based payment expense                                         |       | 365               | 428            |
| 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                                     |       | -                 | 813            |
| Amortization                                                        |       | -                 | 40             |
| Other expenses and foreign exchange gains and losses                |       | (9)               | (209)          |
| Operating cash flows before changes in working capital              |       | (1,611)           | (1,645)        |
| Changes in non-cash working capital                                 |       |                   |                |
| VAT recoverable                                                     |       | (551)             | (113)          |
| Other assets                                                        |       | 1,133             | 63             |
| Payables and accruals                                               |       | (851)             | 433            |
| Other VAT liabilities                                               |       | (1)               | (144)          |
| <b>Net cash used in operating activities</b>                        |       | <b>(1,881)</b>    | <b>(1,406)</b> |
| <b>Investing activities</b>                                         |       |                   |                |
| Upfront funding and transaction costs – Mallay Acquisition          | 3     | (1,942)           | -              |
| Cash invested in Mallay mining properties and mineral rights        |       | (1,776)           | -              |
| Cash acquired on acquisition of Minera CRC                          | 3     | 22                | -              |
| Interest received                                                   |       | 55                | 7              |
| Proceeds from sale of marketable securities                         |       | 11                | -              |
| <b>Net cash (used in) generated by investing activities</b>         |       | <b>(3,630)</b>    | <b>7</b>       |
| <b>Financing activities</b>                                         |       |                   |                |
| Net proceeds from private placement                                 | 7     | 13,119            | 855            |
| Proceeds from exercise of warrants                                  |       | 883               | -              |
| <b>Net cash generated by financing activities</b>                   |       | <b>14,002</b>     | <b>855</b>     |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> |       | <b>210</b>        | <b>66</b>      |
| <b>Change in cash and cash equivalents</b>                          |       | <b>8,701</b>      | <b>(478)</b>   |
| <b>Cash and cash equivalents – beginning of period</b>              |       | <b>1,362</b>      | <b>691</b>     |
| <b>Cash and cash equivalents – end of period</b>                    |       | <b>10,063</b>     | <b>213</b>     |

## Excellon Resources Inc.

Condensed Consolidated Statements of Changes in Equity  
For the nine months ended September 30, 2025 and 2024  
(unaudited) (in thousands of U.S. dollars, except per share data)

|                                                      | Share<br>capital<br>\$ | Contributed<br>surplus<br>\$ | Accumulated<br>other<br>comprehensive<br>loss<br>\$ | Deficit<br>\$    | Attributable<br>to<br>Shareholders of<br>the Company<br>\$ | Non-controlling<br>interest<br>\$ | Total<br>(deficit)<br>equity<br>\$ |
|------------------------------------------------------|------------------------|------------------------------|-----------------------------------------------------|------------------|------------------------------------------------------------|-----------------------------------|------------------------------------|
| <b>Balance – January 1, 2024</b>                     | 143,393                | 33,700                       | (12,451)                                            | (174,469)        | (9,827)                                                    | -                                 | (9,827)                            |
| Net loss for the period                              | -                      | -                            | -                                                   | (3,953)          | (3,953)                                                    | 36                                | (3,917)                            |
| Total other comprehensive income                     | -                      | -                            | 8,223                                               | -                | 8,223                                                      | -                                 | 8,223                              |
| Total comprehensive income (loss)                    | -                      | -                            | 8,223                                               | (3,953)          | 4,270                                                      | 36                                | 4,306                              |
| Share options: Share-based compensation              | -                      | 97                           | -                                                   | -                | 97                                                         | -                                 | 97                                 |
| RSU and DSU: Share-based compensation                | -                      | 639                          | -                                                   | -                | 639                                                        | -                                 | 639                                |
| Shares issued on RSU exercise                        | 180                    | (180)                        | -                                                   | -                | -                                                          | -                                 | -                                  |
| Convertible debentures: Shares issued to restructure | 6,318                  | -                            | -                                                   | -                | 6,318                                                      | -                                 | 6,318                              |
| Convertible debentures: Value of conversion option   | -                      | 5,257                        | -                                                   | -                | 5,257                                                      | -                                 | 5,257                              |
| Convertible debentures: Non-controlling interest     | -                      | -                            | -                                                   | -                | -                                                          | (1,547)                           | (1,547)                            |
| Convertible debentures: Interest paid in shares      | 1,133                  | -                            | -                                                   | -                | 1,133                                                      | -                                 | 1,133                              |
| Private Placement: Value of shares issued            | 541                    | -                            | -                                                   | -                | 541                                                        | -                                 | 541                                |
| Private Placement: Value of warrants issued          | -                      | 314                          | -                                                   | -                | 314                                                        | -                                 | 314                                |
| Shares issued to settle payables (N6)                | 606                    | -                            | -                                                   | -                | 606                                                        | -                                 | 606                                |
| <b>Balance – September 30, 2024</b>                  | <b>151,171</b>         | <b>39,827</b>                | <b>(4,228)</b>                                      | <b>(178,422)</b> | <b>9,348</b>                                               | <b>(1,511)</b>                    | <b>7,837</b>                       |
| <b>Balance – January 1, 2025</b>                     | 153,602                | 40,529                       | (3,466)                                             | (179,689)        | 10,976                                                     | (1,528)                           | 9,448                              |
| Net (loss) income for the period                     | -                      | -                            | -                                                   | (3,224)          | (3,224)                                                    | 58                                | (3,166)                            |
| Total other comprehensive loss                       | -                      | -                            | (237)                                               | -                | (237)                                                      | (59)                              | (296)                              |
| Total comprehensive loss                             | -                      | -                            | (237)                                               | (3,224)          | (3,461)                                                    | (1)                               | (3,462)                            |
| Share options: Share-based compensation              | -                      | 180                          | -                                                   | -                | 180                                                        | -                                 | 180                                |
| RSU and DSU: Share-based compensation                | -                      | 185                          | -                                                   | -                | 185                                                        | -                                 | 185                                |
| Shares issued on RSU exercise                        | 130                    | (130)                        | -                                                   | -                | -                                                          | -                                 | -                                  |
| Convertible debentures: Interest paid in shares (N7) | 272                    | -                            | -                                                   | -                | 272                                                        | -                                 | 272                                |
| Convertible debentures: Shares issued on conversion  | 519                    | -                            | -                                                   | -                | 519                                                        | -                                 | 519                                |
| Convertible debentures: Value of option recycled     | 702                    | (702)                        | -                                                   | -                | -                                                          | -                                 | -                                  |
| Private placements: Shares & Warrants issued (N7)    | 11,689                 | 1,430                        | -                                                   | -                | 13,119                                                     | -                                 | 13,119                             |
| Warrants: Shares issued on exercise (N7)             | 1,136                  | (253)                        | -                                                   | -                | 883                                                        | -                                 | 883                                |
| Asset acquisition: Value of shares issued (N3)       | 2,858                  | -                            | -                                                   | -                | 2,858                                                      | -                                 | 2,858                              |
| Shares issued to settle payables (N7)                | 583                    | -                            | -                                                   | -                | 583                                                        | -                                 | 583                                |
| <b>Balance – September 30, 2025</b>                  | <b>171,491</b>         | <b>41,239</b>                | <b>(3,703)</b>                                      | <b>(182,913)</b> | <b>26,114</b>                                              | <b>(1,529)</b>                    | <b>24,585</b>                      |

# Excellon Resources Inc.

## Notes to the Consolidated Financial Statements

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

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

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### 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 November 18, 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 \$3,166 for the nine months ended September 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 September 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 |
|----------------------------|----------------------------------------------------------|---------------|
|                            |                                                          | \$            |
| <b>Purchase price</b>      | 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 <sup>(1)</sup>       | -             |
|                            | Transaction costs                                        | 1,059         |
|                            |                                                          | <b>6,132</b>  |
| <b>Assets acquired</b>     | Cash                                                     | 22            |
|                            | Current assets                                           | 81            |
|                            | VAT recoverable                                          | 2,310         |
|                            | Restricted cash – Carta Fianza deposit <sup>(2)</sup>    | 5,730         |
|                            | Plant, property and equipment                            | 4,002         |
|                            | Mineral rights                                           | 9,042         |
| <b>Liabilities assumed</b> | Current liabilities                                      | (1,389)       |
|                            | Production-linked loan <sup>(3)</sup>                    | (7,325)       |
|                            | Provisions for rehabilitation obligations <sup>(2)</sup> | (6,341)       |
|                            |                                                          | <b>6,132</b>  |

# Excellon Resources Inc.

## Notes to the Consolidated Financial Statements

For the three and six months ended September 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<br>Tres Cerros<br>(Peru)<br>\$ | Silver City<br>(Germany) <sup>(1)</sup><br>\$ | Kilgore<br>(Idaho) <sup>(2)</sup><br>\$ | Total<br>\$   |
|---------------------------------------------|-------------------------------------------|-----------------------------------------------|-----------------------------------------|---------------|
| <b>Year ended December 31, 2024</b>         |                                           |                                               |                                         |               |
| Opening net book value                      | -                                         | 1,609                                         | 13,750                                  | 15,359        |
| Exchange differences                        | -                                         | (129)                                         | -                                       | (129)         |
| <b>Closing net book value</b>               | <b>-</b>                                  | <b>1,480</b>                                  | <b>13,750</b>                           | <b>15,230</b> |
| <b>Period ended September 30, 2025</b>      |                                           |                                               |                                         |               |
| Opening net book value                      | -                                         | 1,480                                         | 13,750                                  | 15,230        |
| Mallay and Tres Cerros acquisition – Note 3 | 9,042                                     | -                                             | -                                       | 9,042         |
| Additions                                   | 172                                       | -                                             | -                                       | 172           |
| Exchange differences                        | -                                         | 49                                            | -                                       | 49            |
| <b>Closing net book value</b>               | <b>9,214</b>                              | <b>1,529</b>                                  | <b>13,750</b>                           | <b>24,493</b> |

- (1) The Company holds the Bräunsdorf, Frauenstein, Mohorn and Oederan exploration licences, a 340 km<sup>2</sup> 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 September 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 completed the restructuring of its debentures, reducing the outstanding principal amount from C\$17.91 million to C\$7.5 million, and amending 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 are convertible 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\$1,455 (\$1,046) and C\$2,479 (\$1,830) for the nine months ended September 30, 2025 and 2024, respectively.

|                                                                         | \$ CAD       | \$ USD       |
|-------------------------------------------------------------------------|--------------|--------------|
| <b>Year ended December 31, 2024</b>                                     |              |              |
| 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)        |
| <b>Closing balance</b>                                                  | <b>4,674</b> | <b>3,250</b> |

# Excellon Resources Inc.

## Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2025 and 2024  
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|                                                                  | \$ CAD       | \$ USD       |
|------------------------------------------------------------------|--------------|--------------|
| <b>Period ended September 30, 2025</b>                           |              |              |
| Opening balance                                                  | 4,674        | 3,250        |
| Interest expense                                                 | 1,455        | 1,046        |
| Conversion of debentures <sup>(1)</sup>                          | (719)        | (525)        |
| Value of shares issued to settle interest payable <sup>(2)</sup> | (372)        | (272)        |
| Exchange differences                                             | -            | 121          |
| <b>Closing balance</b>                                           | <b>5,038</b> | <b>3,620</b> |

- (1) During the nine months ended September 30, 2025, debentureholders elected to convert debenture principal of C\$1,002 into 10,020,000 shares of the Company in accordance with the debenture indenture. The Company derecognized the amortized cost of the Debentures converted and recorded an increase in share capital.

Subsequent to September 30, 2025, debentureholders elected to convert debenture principal of C\$500 into 5,000,000 shares of the Company. As at November 18, 2025, the remaining principal amount outstanding is C\$5,998 (\$4,743).

- (2) In Q3 2025, the Company issued 1,741,276 shares to settle interest payable for the period December 31, 2024 to June 29, 2025 of C\$372 (\$272).

### 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"). 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 \$93 on the promissory note (Note 9).

# Excellon Resources Inc.

## Notes to the Consolidated Financial Statements

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### 7. SHARE CAPITAL

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

|                                                                                  | Number of<br>shares<br>(000's) | \$             |
|----------------------------------------------------------------------------------|--------------------------------|----------------|
| <b>Year ended December 31, 2024</b>                                              |                                |                |
| 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            |
| <b>Balance at December 31, 2024</b>                                              | <b>141,641</b>                 | <b>153,602</b> |
| <b>Period ended September 30, 2025</b>                                           |                                |                |
| Opening balance                                                                  | 141,641                        | 153,602        |
| Shares issued on exercise of RSUs                                                | 956                            | 130            |
| Shares issued on debenture conversion – Note 5 <sup>(1)</sup>                    | 10,020                         | 1,221          |
| Shares issued in private placement <sup>(2)</sup>                                | 136,769                        | 11,689         |
| Shares issued on warrant exercise <sup>(3)</sup>                                 | 7,929                          | 1,136          |
| Shares issued in asset acquisition – Note 3                                      | 17,865                         | 2,858          |
| Shares issued to settle payables <sup>(4)</sup>                                  | 3,278                          | 583            |
| Shares issued to settle interest on debentures – H1 2025 – Note 5 <sup>(5)</sup> | 1,741                          | 272            |
| <b>Balance at September 30, 2025</b>                                             | <b>320,199</b>                 | <b>171,491</b> |

- (1) During the nine months ended September 30, 2025, debentureholders elected to convert debenture principal of C\$1,002 into 10,020,000 shares of the Company in accordance with the debenture indenture. The share capital of \$1,221 reflects the amortized cost of the Debentures converted (\$519) and the corresponding portion of the conversion option (\$702) which is reclassified from contributed surplus.

Subsequent to September 30, 2025, debentureholders elected to convert debenture principal of C\$500 into 5,000,000 shares of the Company.

- (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 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.

On September 9, 2025, the Company completed a brokered private placement offering of 60 million shares at C\$0.20 per share for gross proceeds of C\$12,000 (\$8,676). The Company paid agent fees of C\$684 (\$495) and transaction costs of C\$315 (\$228). The net proceeds after transaction costs were of C\$11,001 (\$7,953).

# Excellon Resources Inc.

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(3) In Q3 2025, the Company issued 7,929,000 shares on the exercise of warrants. The share capital of \$1,136 reflects the cash received (C\$1,213 or \$883), and the and the corresponding portion of the warrant reserve (C\$346 or \$253) which is reclassified from contributed surplus.

(4) 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.

In Q3 2025, the Company issued 2,427,917 shares to settle C\$593 (\$428) in payables. An amount of \$94 was recorded in other expenses reflecting the change in the share price from the date of the settlement agreement, to the date the regulatory approvals were received and the shares were issued.

(5) In Q3 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 (\$272).

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

|                                   | Options                |                                                   | Warrants <sup>(1)</sup> |                                                   |                     |                     |
|-----------------------------------|------------------------|---------------------------------------------------|-------------------------|---------------------------------------------------|---------------------|---------------------|
|                                   |                        | Weighted<br>Average<br>Exercise<br>Price<br>(CAD) |                         | Weighted<br>Average<br>Exercise<br>Price<br>(CAD) | RSUs<br>Outstanding | DSUs<br>Outstanding |
|                                   | Options<br>Outstanding |                                                   | Warrants<br>Outstanding |                                                   |                     |                     |
| 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                 | -                      | -                                                 | (7,929,000)             | 0.15                                              | (956,334)           | -                   |
| Expired                           | (577,000)              | 0.65                                              | -                       | -                                                 | (14,500)            | -                   |
| Outstanding at September 30, 2025 | 5,762,500              | 0.15                                              | 51,871,722              | 0.16                                              | 1,271,000           | 6,587,931           |
| Exercisable at September 30, 2025 | 4,170,000              | 0.14                                              | 51,871,722              | 0.16                                              | 366,000             | 6,587,931           |

(1) The outstanding Warrant terms are:

- 7,393,842 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;
- 30,366,238 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 September 30, 2025, the Company received C\$998 (\$715) from the exercise of 6.4 million Warrants.

# Excellon Resources Inc.

## Notes to the Consolidated Financial Statements

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Options outstanding and exercisable are as follows:

| Exercise Price Range<br>(CAD) | Stock Options<br>Outstanding | Weighted Avg<br>Remaining<br>Contractual Life<br>(years) | Stock Options<br>Exercisable | Weighted<br>Average<br>Exercise Price<br>(CAD) |
|-------------------------------|------------------------------|----------------------------------------------------------|------------------------------|------------------------------------------------|
| \$0.00 to \$0.49              | 5,735,000                    | 1.93                                                     | 4,142,500                    | 0.13                                           |
| \$0.50 to \$4.50              | 27,500                       | 0.35                                                     | 27,500                       | 3.99                                           |
|                               | <b>6,302,500</b>             | <b>1.92</b>                                              | <b>4,170,000</b>             | <b>0.15</b>                                    |

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<br>September 30 |            | Nine months ended<br>September 30 |            |
|------------------------------------|------------------------------------|------------|-----------------------------------|------------|
|                                    | 2025                               | 2024       | 2025                              | 2024       |
|                                    | \$                                 | \$         | \$                                | \$         |
| Stock options                      | 44                                 | 12         | 181                               | 97         |
| RSUs                               | 18                                 | 95         | 77                                | 163        |
| DSUs                               | -                                  | 48         | 107                               | 169        |
| <b>Share-based payment expense</b> | <b>62</b>                          | <b>155</b> | <b>365</b>                        | <b>428</b> |

## 8. ADMINISTRATIVE AND OTHER EXPENSES

(a) Administrative expenses consist of the following:

|                                                   | Three months ended<br>September 30 |            | Nine months ended<br>September 30 |              |
|---------------------------------------------------|------------------------------------|------------|-----------------------------------|--------------|
|                                                   | 2025                               | 2024       | 2025                              | 2024         |
|                                                   | \$                                 | \$         | \$                                | \$           |
| Office, insurance and overhead expenses           | 95                                 | 92         | 198                               | 274          |
| Salaries, consultant, director, professional fees | 614                                | 130        | 884                               | 425          |
| Corporate development and legal expenses          | 138                                | 218        | 289                               | 548          |
| Public company costs                              | 34                                 | 11         | 85                                | 86           |
| <b>Administrative expenses</b>                    | <b>743</b>                         | <b>451</b> | <b>1,456</b>                      | <b>1,333</b> |

# Excellon Resources Inc.

## Notes to the Consolidated Financial Statements

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

(b) Other (income) expenses consist of the following:

|                                          | Three months ended<br>September 30 |              | Nine months ended<br>September 30 |            |
|------------------------------------------|------------------------------------|--------------|-----------------------------------|------------|
|                                          | 2025                               | 2024         | 2025                              | 2024       |
|                                          | \$                                 | \$           | \$                                | \$         |
| Loss on Debenture Restructuring – Note 5 | -                                  | -            | -                                 | 812        |
| Unrealized foreign exchange loss (gain)  | (72)                               | 1            | (34)                              | 224        |
| Realized foreign exchange loss (gain)    | 8                                  | -            | 8                                 | -          |
| Interest and other income                | (26)                               | (1)          | (55)                              | (31)       |
| Fair value gain on marketable securities | -                                  | -            | (4)                               | 9          |
| Debt settlement loss (gain)              | 18                                 | (293)        | 18                                | (293)      |
| Other                                    | (50)                               | 13           | (17)                              | (46)       |
| <b>Other (income) expenses</b>           | <b>(122)</b>                       | <b>(280)</b> | <b>(84)</b>                       | <b>675</b> |

## 9. FINANCE EXPENSES

Finance expenses consist of the following:

|                                                    | Three months ended<br>September 30 |            | Nine months ended<br>September 30 |              |
|----------------------------------------------------|------------------------------------|------------|-----------------------------------|--------------|
|                                                    | 2025                               | 2024       | 2025                              | 2024         |
|                                                    | \$                                 | \$         | \$                                | \$           |
| Interest expense – convertible debentures (Note 5) | 276                                | 295        | 1,046                             | 1,831        |
| Interest expense – promissory note (Note 6)        | 34                                 | -          | 93                                | -            |
| Accretion expense – rehabilitation provision       | 64                                 | -          | 64                                | 35           |
| <b>Finance expenses</b>                            | <b>374</b>                         | <b>295</b> | <b>1,203</b>                      | <b>1,866</b> |

## 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 September 30, 2025, the carrying amounts of payables and accruals, VAT recoverable, other

# Excellon Resources Inc.

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

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VAT 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.

|                                    |         | Nine months ended<br>September 30 |      |
|------------------------------------|---------|-----------------------------------|------|
|                                    |         | 2025                              | 2024 |
|                                    |         | \$                                | \$   |
|                                    |         | Fair value<br>hierarchy           |      |
| <b>Financial assets</b>            |         |                                   |      |
| Fair value through profit and loss |         |                                   |      |
| Marketable securities              | Level 1 | -                                 | 14   |

There were no transfers between Levels 1 or 2 during the nine months ended September 30, 2025 and 2024.

### *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.

# **Excellon Resources Inc.**

## **Notes to the Consolidated Financial Statements**

**For the three and six months ended September 30, 2025 and 2024**

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

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### *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.