

EXCELLON SECURES PATH TO ACQUIRE THE PAST PRODUCING MALLAY SILVER MINE

Toronto, Ontario – March 11, 2025 – Excellon Resources Inc. (TSX:EXN and FRA:E4X2) (“Excellon” or the “Company”) is pleased to announce a definitive agreement (the “**Adar and Premier Agreement**”) has been executed between Adar Mining Corp. (“**Adar**”) and Premier Silver Corp. (“**Premier Silver**”), relating to the acquisition by Excellon of Minera CRC S.A.C. (“**Minera CRC**”), which holds the past-producing Mallay Silver Mine and Tres Cerros Exploration Property in Peru (the “**Acquisition**”).

Under the terms of the Agreement, Excellon is acquiring the shares of Minera CRC through an expedited, court-supervised process, ensuring a legally definitive resolution of all prior disputes. **Upon completion, Excellon will receive full ownership of Minera CRC free and clear of all encumbrances, as per the transaction terms previously announced on October 31, 2024.**

Announcement Highlights

- **The Adar and Premier Agreement:** definitively resolves any outstanding disputes, ensuring a clear legal process for the transfer of Minera CRC, without further timing risks or delays.
- **Reinforces asset transfer:** Premier Silver has committed to selling 100% of the shares of Minera CRC under an expedited, court-supervised process.
- **Timing:** Excellon expects to close the acquisition of Minera CRC in April 2025.
- **Restart planning:** Work is now underway to update the historic resource model for Mallay, incorporating higher silver and base metals prices. The updated resource model will form the basis of detailed mine scheduling and planning for restart.
- **Exploration:** Excellon to provide update on recent surface prospecting completed at Tres Cerros, a greenfields, bulk tonnage gold-silver epithermal target, 5.8 km northwest of the Mallay Mine.
- **Capital Raise:** Discussions underway with potential offtakers and equity financing partners to secure restart financing, in the form of equity and other non-dilutive sources of capital.

Shawn Howarth, President and CEO of Excellon, commented, “Today’s announcement provides certainty in our acquisition of the past-producing Mallay Mine, previously operated by Buenaventura. We are executing on an aggressive plan to return to silver production at Mallay in Q4 2025 and this agreement ensures an expedited closing with the full support of all stakeholders, allowing us to focus on unlocking value from the property.”

Mr. Howarth added: “An operational team is already in place in Peru, Mallay is fully permitted and our plan leverages the historic US\$115 million invested in mill and surface infrastructure and kilometres of underground mine development. We will immediately begin the restart process after closing and aim to return Excellon to producer status on an accelerated timeline.”

Details of the Adar and Premier Agreement

Premier has agreed to sell the shares of Minera CRC S.A.C. to Excellon through a court-supervised sale process conducted under Canadian insolvency law. The transaction will proceed through a proposal proceeding under the *Bankruptcy and Insolvency Act* (Canada), ensuring a transparent and orderly transition of ownership. As part of the settlement agreement, Premier Silver will receive CAD\$400,000 in Excellon shares, priced at the value of Excellon shares based on a 5-Day volume-weighted average price (“VWAP”), on the close of the acquisition.

Update to terms of the Acquisition Agreement Between Excellon and Adar

Excellon and Adar have amended the definitive agreement (the “**Acquisition Agreement**”) announced October 31, 2024, to provide for (i) an increase of the upfront cash payments payable to Adar to US\$1.565 million (from US\$1.25 million), with any portion of such upfront payments that is not spent by Adar prior to closing of the Acquisition continuing to remain with Minera CRC; (ii) an increase of the termination fee payable by Adar to Excellon to US\$3.1 million (from US\$2.5 million) in the event that Excellon does not acquire the shares of Minera CRC S.A.C. in the bankruptcy proceedings and Adar receives repayment of indebtedness owed to Adar by the parent company of Minera CRC; and (iii) an extension of the outside date to complete the Acquisition to April 29, 2025, which may be extended by 30 days by Excellon, and up to four additional times through Excellon making a cash payment in the amount of US\$250,000 to Adar for each such 30 day extension.

Please refer to Excellon’s news release dated October 31, 2024 for a description of other terms and conditions related to the Acquisition Agreement.

About Mallay

The Mallay Mine is a past-producing silver mine, fully permitted to restart production. Mallay was built and operated by Buenaventura from 2012 to 2018, with US\$115 million of historical investment. The mine went into care and maintenance in 2018 due to low silver prices (~US\$16.00 per ounce) and a change in strategic priorities at Buenaventura. Annual production by Buenaventura (2013 to 2017) averaged 1.3 million ounces of silver, 9,100 tonnes of zinc and 6,500 tonnes of lead¹.

The Tres Cerros Project is a highly prospective gold-silver exploration project approximately five kilometers northwest of the Mallay Mine. The project’s prime area of interest is a 2.5 kilometer by 500 meter corridor of gold-silver mineralization and coincident IP/resistivity anomalies, indicative of a bulk tonnage, high sulfidation epithermal system. Numerous historical grab samples were taken across the 2.5 kilometer fault, which are being analyzed to determine further follow-up exploration work.

Further details on the Mallay Mine and Tres Cerros Project are provided in the [news release](#) announcing the Acquisition.

About Excellon

Excellon’s vision is to realize opportunities through the acquisition of advanced development or producing

¹ Source: Buenaventura and Minera CRC historical information and public disclosure.

assets with further potential to gain from an experienced management team for the benefit of our employees, communities and shareholders. Excellon is in the process of acquiring the past-producing Mallay Silver Mine and Tres Cerros Exploration Project in Peru. The Company is also advancing a portfolio of gold, silver and base metals assets including Kilgore, an advanced gold exploration project in Idaho; and Silver City, a high-grade epithermal silver district in Saxony, Germany with 750 years of mining history and little modern exploration.

A link to the Company's updated corporate presentation highlighting corporate plans and timelines can be found [here](#).

Qualified Person

Paul Keller, Chief Operating Officer of Excellon and a qualified person within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, has reviewed and approved the scientific and technical information in this news release.

For Further Information, Please Contact:

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

*All statements, other than statements of historical fact, contained, referenced or incorporated by reference in this news release constitute "forward-looking statements" and "forward looking information" (collectively, "**forward-looking statements**") within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as: "actively", "advance", "anticipated", "assess", "believe", "cause", "commence", "completion", "conditions", "consideration", "continues", "development", "due course", "expectation", "exploration", "extend", "extension", "flexibility", "focused", "forward", "further", "future", "if", "implement", "liquidity", "looking", "maturity", "may", "negotiations", "occur", "opportunities", "options", "outcome", "outstanding", "potential", "providing", "reach", "restructuring", "risk", "subject to", "to be", "update", "vision", "waive", "when", "will", and "would", or variations of such words, and similar such words, expressions or statements that certain actions, events or results can, could, may, should, to, will, would (or not) be achieved, occur, provide, result, complete or support in the future or which, by their nature, refer to future events. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements include statements regarding the structure and terms of the Acquisition; the timing and ability of the Company to complete the Acquisition; the benefits of the Acquisition; the use of proceeds of the Offerings; the timing and ability of the Company to receive necessary approvals, including the approval of the Toronto Stock Exchange; the structure and terms of additional financing transactions; the timing and ability of the Company to complete additional financing transactions; exploration and drilling programs, including the timing, completion and results thereof; the ability of the Company to restart production at the Mallay Mine and the timing thereof; exploration prospects; potential mineralization; and the Company's objectives, goals and future plans and strategies. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct, and any forward-looking statements by the Company are not guarantees of future actions, results or performance. Forward-looking statements are based on assumptions, estimates, expectations and opinions, which are considered reasonable and represent best judgment based on available facts, as of the date such statements are made. If such assumptions, estimates, expectations and opinions prove to be incorrect, actual and future results may be materially different than expressed or implied in the forward-looking statements. Forward-looking statements are*

*inherently subject to known and unknown risks, uncertainties, contingencies and other factors which may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by the forward-looking statements. Such risks, uncertainties, contingencies and other factors include, among others, the inability of the Company to complete the Acquisition on the terms proposed or at all, the inability of the Company to receive necessary regulatory approvals, termination of the Agreement; failure of the Company to complete additional financing transactions on the terms proposed or at all; the inability to complete a feasibility study which recommends a production decision, the "Risk Factors" in the Company's annual information form dated April 1, 2024 (the "**2024 AIF**"), and the risks, uncertainties, contingencies and other factors identified in the Company's Management's Discussion and Analysis, and accompanying financial statements, for the year ended December 31, 2023, and the Company's other applicable public disclosure (collectively, "**Company Disclosure**"). The foregoing list of risks, uncertainties, contingencies and other factors is not exhaustive; readers should consult the more complete discussion of the Company's business, financial condition and prospects that is provided in the 2024 AIF and the other Company Disclosure. The forward-looking statements referenced or contained in this news release are expressly qualified by these Cautionary Statements as well as the Cautionary Statements in the other Company Disclosure. Forward-looking statements contained herein are made as of the date of this news release (or as otherwise expressly specified) and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable laws.*