

Excellon Announces Agreement to Extend Maturity of Convertible Debentures to July 31, 2024

Toronto, Ontario--(Newsfile Corp. - July 24, 2023) - **Excellon Resources Inc. (TSX: EXN) (OTCQB: EXNRF) (FSE: E4X2) ("Excellon" or the "Company")** is pleased to announce that it has entered into a binding agreement with holders of greater than 66^{2/3}% of its outstanding 5.75% secured convertible debentures in the aggregate principal amount of C\$17,910,000 (the "**Convertible Debentures**") to extend the maturity date of the Convertible Debentures by 367 days from July 30, 2023 to July 31, 2024 (the "**Extension**"). The Extension will be implemented pursuant to the terms and conditions of a supplemental indenture to be entered into between the Company and TSX Trust Company, as trustee and collateral agent.

In consideration for the Extension, the Company has agreed to an extension fee equal to 6% of the aggregate principal amount of the Convertible Debentures payable pro rata to the holders of the Convertible Debentures in common shares in the capital of the Company ("**Common Shares**") priced at C\$0.156 per Common Share.

Shawn Howarth, President and CEO, commented: "We are pleased to have reached an agreement, providing critical financial flexibility and one step towards a broader restructuring. It also reconfirms the commitment by all parties to reach a solution for the future financial health of Excellon."

Completion of the Extension is anticipated to occur on or about July 28, 2023, or such other date as the parties may determine, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and securityholder approvals, including the approval of the Toronto Stock Exchange ("**TSX**") and the approval of the holders of the Convertible Debentures, which is anticipated to be obtained by way of an instrument in writing executed by holders of the Convertible Debentures holding Convertible Debentures representing not less than 66^{2/3}% of the aggregate principal amount of the Convertible Debentures. Should the Extension not be completed by July 30, 2023, the holders of the Convertible Debentures party to the agreement with the Company have agreed that they will approve, or cause to be approved, the waiver and forbearance of the Company's obligations arising from, or in connection with, the maturity of the Convertible Debentures on July 30, 2023. The Company will update the market upon completion of the Extension.

The parties have also agreed to immediately commence further negotiations toward a broader restructuring of the Convertible Debentures, including a further extension of the maturity date. The Company will provide further updates when available.

In addition, the same group of holders of Convertible Debentures are in discussions with the Company to provide bridge financing.

As previously disclosed, in parallel the Company continues to actively assess various other interim financing and other liquidity options including corporate development and strategic opportunities, which may include divestitures, mergers or spin-offs of the Company's assets.

As such matters advance, the Company will provide appropriate updates in due course.

About Excellon

Excellon's vision is to realize opportunities through the acquisition of advanced development or producing assets with further potential to gain from an experienced operational management team for the benefit of our employees, communities and shareholders. The Company is advancing a portfolio of

silver, base metals and precious 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 no modern exploration.

Additional details on Excellon's properties are available at www.excellonresources.com.

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", "forbearance", "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 Extension and further restructuring of the Convertible Debentures (including the terms of and completion the Extension and any further restructuring and any supplemental indenture agreement in respect thereof, and the number and pricing of Common Shares to be issued pursuant thereto in respect of related fees or otherwise); the timing and ability of the Company to complete the Extension; the timing and ability of the Company to receive necessary regulatory and securityholder approvals (including the approval of the TSX and the holders of the Convertible Debentures and the form or means thereof); any forbearance and/or waiver, or other related actions, which may be required to be taken by the Convertible Debenture holders and/or the indenture trustee and collateral agent and any approvals required therefor; the bridge financing, other liquidity initiatives and future financial health; interim financing options and any other corporate development and strategic opportunities (including divestitures, mergers or spin-offs of the Company's assets) and purpose or outcome thereof (including any complement to go-forward strategy or other liquidity); Excellon's vision and advancement of its portfolio; and any updates to the market regarding any of the foregoing. 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 (including, there can be no assurance that the Company's vision or any of the described pending or ongoing negotiations or discussions with Convertible Debenture holders or assessments of other interim financing and other liquidity options, including corporate development and strategic opportunities, result in any contemplated financing, restructuring or other liquidity outcome or the benefits resulting therefrom). 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 including that the Extension, any further restructuring of the Convertible Debentures and/or any other interim financing and other liquidity options may not be completed and, if completed, may not have the intended or desired benefits, failing which the Company will have to examine all other available options. Such risks, uncertainties, contingencies and other factors include, among others, the "Risk Factors" in the Company's annual information form dated March 31, 2023 (the "**2023 AIF**"), and the risks, uncertainties, contingencies and other factors identified in this news release, the Company's Management's Discussion and Analysis, and accompanying financial statements, for the year ended December 31, 2022 and quarters already ended in 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 2023 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.*



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