

**EARLY WARNING REPORT
(Form 62-103F1)**

**Made Pursuant To
NATIONAL INSTRUMENT 62-103
*The Early Warning System and Related Take-Over Bid and
Insider Reporting Issues***

(Update to Early Warning Report dated July 6, 2016)

Item 1. – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Securities: Units (“**Units**”), each Unit comprised of one common share (a “**Share**”) and one half of one Share purchase warrant (each whole warrant, a “**Warrant**”)

Issuer: **Excellon Resources Inc.** (the “**Corporation**”)
20 Victoria Street, Suite 900
Toronto, Ontario M5C 2N8

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. See item 2.2.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

2176423 Ontario Ltd. (“**2176423 Ontario**”)
200 Bay Street, Suite 2600
Royal Bank Plaza, South Tower
Toronto, Ontario M5J 2J1

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On November 9, 2017, 2176423 Ontario acquired (the “**Acquisition**”) ownership of 1,250,000 Units at a price of \$2.00 per Unit. Each Warrant entitles the holder thereof to acquire one additional Share at a price of \$2.80 per Share until December 31, 2018. The Units were purchased from the Corporation pursuant to a bought deal prospectus offering as disclosed in its press release dated November 9, 2017. 2176423 Ontario is beneficially owned by Eric Sprott.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

- 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.**

The 1,250,000 Units represent approximately 1.5% of the outstanding Shares on a non-diluted basis and approximately 2.2% on a partially diluted basis assuming exercise of the Warrants.

- 3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

Mr. Spratt acquired beneficial ownership of the Units. See item 2.2.

- 3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

- 3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Prior to the Acquisition, Mr. Spratt beneficially owned 15,011,182 Shares and 6,246,746 Share purchase warrants representing 19.4% of the then outstanding Shares on a non-diluted basis and approximately 25.5% on a partially diluted basis assuming exercise of such warrants.

After giving effect to the Acquisition, Spratt beneficially owns 16,261,182 Shares and 6,871,746 Share purchase warrants, representing approximately 19.2% of the outstanding Shares on a non-diluted basis and approximately 25.3% on a partially diluted basis assuming exercise of such warrants.

- 3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which**

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See item 3.4

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of**

securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

\$2.00 per Unit for total consideration of \$2,500,000.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See item 4.1.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders; and/or
- (k) an action similar to any of those enumerated above.

The Units were acquired for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities either on the open market or through private acquisitions or sell the securities either on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors. Mr. Sprott currently has no other plans or intentions that relate to, or would result in the matters listed in clauses (a) to (k), above. Depending on market conditions, general economic and industry conditions, the Corporation's business and financial condition and/or other relevant factors, and subject to the investor relationship agreement described in item 6, Mr. Sprott may develop such plans or intentions in the future.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The closing of the financing was disclosed by the Corporation in a press release issued on November 9, 2017. Pursuant to an investor relationship agreement dated March 24, 2017 (and terminating when Mr. Sprott owns or controls less than 20% of the Shares on a partially diluted basis), among other things, Mr. Sprott:

- (a) is prohibited from (i) acquiring more than 32% of the Corporation's Shares on a partially diluted basis, (ii) acting in concert with others to seek to control or influence the management, directors or corporate policies of the Corporation or to obtain representation on the board of directors, (iii) engaging in any discussions, entering into any agreement or submitting a proposal for any business combination or extraordinary transaction involving

the Corporation or any of its affiliates or their respective securities or assets, (iv) entering into any arrangements with any third party with respect to any of the foregoing, (v) unless required under applicable securities laws, making any public announcement of any intention to do any of the foregoing, and (vi) attempting to induce any party not to make or conclude any proposal with respect to the Corporation by threatening or indicating that he will or may take any of the foregoing actions;

- (b) may not vote his Shares at meetings of shareholders against management's recommendations except in respect of the following matters for which he may vote in his discretion: (i) the election of directors, (ii) any equity compensation plans, excluding management's recommendation regarding the approval of all unallocated entitlements under certain equity compensation plans, (iii) any shareholder rights plan, and (iv) any fundamental changes, acquisitions, financings and change of control transactions; and
- (c) without the prior consent of the Corporation shall not sell any Shares in a private transaction(s) if, to the his knowledge, the purchaser and its affiliates would beneficially own more than 9.9% of the issued and outstanding Shares on a partially-diluted basis.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: November 9, 2017

“Eric Sprott”

Eric Sprott, President
2176423 Ontario Ltd.