

**FIRST SUPPLEMENTAL INDENTURE**

Dated as of September 29, 2023

Among

**EXCELLON RESOURCES INC., as the Issuer**

and

**TSX TRUST COMPANY, as the Trustee**

and

**TSX TRUST COMPANY, as the Collateral Agent**

**5.75% SECURED CONVERTIBLE DEBENTURES**

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**THIS FIRST SUPPLEMENTAL INDENTURE** to the Indenture referenced below (this "**Supplemental Indenture**") is dated as of September 29, 2023,

**BY AND AMONG:**

**EXCELLON RESOURCES INC.**, a corporation incorporated under the laws of the Province of Ontario (the "**Corporation**")

- and -

**TSX TRUST COMPANY**, a trust company existing under the laws of Canada, in its capacity as trustee (the "**Trustee**")

- and -

**TSX TRUST COMPANY**, a trust company existing under the laws of Canada, in its capacity as collateral agent (the "**Collateral Agent**")

**WHEREAS**, the Corporation executed and delivered to the Trustee and the Collateral Agent an amended and restated indenture originally dated as of July 30, 2020 and amended and restated as of September 19, 2022 (the "**Indenture**"), providing for the creation and issuance of up to \$18,000,000 aggregate principal amount of 5.75% secured convertible debentures (the "**Debentures**"), of which \$17,910,000 aggregate principal amount of Debentures were issued.

**AND WHEREAS**, the Corporation wishes to make certain amendments to the terms of the Indenture, including extending the maturity date of the Debentures from July 30, 2023 to July 31, 2024 on the terms set forth herein.

**AND WHEREAS**, the Debentures were scheduled to mature on the Maturity Date (i.e. July 30, 2023); however, the Corporation did not pay the amounts due upon maturity of the Debentures in accordance with Section 2.10 of the Indenture, resulting in an Event of Default under Sections 8.1(a) and 8.1(b) of the Indenture (the "**Specified Default**").

**AND WHEREAS**, Section 15.2(1)(b) of the Indenture permits the Corporation, the Trustee and the Collateral Agent to amend or supplement the Indenture for the purpose of changing the Maturity Date of the Debentures with approval of the holders of the Debentures by Extraordinary Resolution.

**AND WHEREAS**, Section 15.3(a) of the Indenture provides the holders of the Debentures with the power to authorize the Trustee to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium or interest, the payment of which is extended, is at the time due or overdue, by way of Extraordinary Resolution.

**AND WHEREAS**, Section 15.3(f) of the Indenture provides the holders of the Debentures with the power to waive, and direct the Trustee to waive, any default under the Indenture, by way of Extraordinary Resolution.

**AND WHEREAS**, Section 16.1(1)(e) of the Indenture permits the Corporation and the Trustee to execute, acknowledge and deliver indentures supplemental to the Indenture to give effect to any Extraordinary Resolution passed as provided in Article 12 of the Indenture.

**AND WHEREAS**, Section 12.8 of the Indenture provides that all actions which may be taken and all powers which may be exercised by the holders of the Debentures at a meeting of the holders of the Debentures held pursuant to Article 12 of the Indenture may also be taken and exercised by the holders of not less than 66<sup>2/3</sup>% in aggregate principal amount of outstanding Debentures by an instrument in writing signed in one or more counterparts by such holders or their duly appointed proxies or agents with respect to resolutions which are Extraordinary Resolutions and the expression "Extraordinary Resolution" when used in the Indenture includes an instrument so signed.

**AND WHEREAS**, on or about September 27, 2023, an Extraordinary Resolution was passed by the holders of not less than 66<sup>2/3</sup>% in aggregate principal amount of outstanding Debentures by an instrument in writing in accordance with Section 12.8 of the Indenture, which Extraordinary Resolution waived, and directed the Trustee to waive, the Specified Default, and further approved the extension of the maturity date of the Debentures from July 30, 2023 to July 31, 2024 and authorized the Trustee to grant such extension, all on the terms set forth in this Supplemental Indenture.

**AND WHEREAS**, pursuant to the Indenture, each of the Trustee and the Collateral Agent is authorized to execute and deliver this Supplemental Indenture.

**AND WHEREAS**, all necessary consents, acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this Supplemental Indenture by the Corporation, to make this Supplemental Indenture effective and binding upon the Corporation.

**AND WHEREAS**, the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee or the Collateral Agent.

**NOW THEREFORE**, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties mutually covenant and agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

Capitalized terms used herein (including in the recitals) without definition shall have the meanings assigned to them in the Indenture.

### **1.2 General Rule**

Subject to the terms and conditions herein contained, the Indenture is hereby amended to the extent necessary to give effect to the provisions of this Supplemental Indenture and to incorporate the provisions of this Supplemental Indenture into the Indenture.

## **ARTICLE 2 AMENDMENTS TO THE INDENTURE**

### **2.1 Amendment to Section 1.1**

The definition of "Maturity Date" set forth in Section 1.1 of the Indenture is hereby amended by deleting the reference to "July 30, 2023" and replacing it with "July 31, 2024".

## **2.2 Amendment to Section 2.3(3)**

Section 2.3(3) of the Indenture is hereby amended by deleting the reference to "July 30, 2023" and replacing it with "July 31, 2024".

## **2.3 Consequential Amendments**

Any references in the Indenture and the Debentures to "5.75% Secured Convertible Debentures due July 30, 2023" shall be replaced with "5.75% Secured Convertible Debentures due July 31, 2024".

## **2.4 Satisfaction of Extension Fee**

The following is added as a new section of the Indenture immediately following Section 2.11:

### **"2.12 Satisfaction of Extension Fee**

On September 29, 2023, the Corporation shall pay an extension fee to the holders of the Debentures in an amount equal to 6% of the aggregate principal amount of the Debentures outstanding as of such date directly to such holders or through the facilities of CDS, which fee shall be paid in Common Shares resulting in the *pro rata* issuance to such holders of an aggregate of approximately 6,888,458 Common Shares at a price of \$0.156 per Common Share."

## **2.5 Confirmation of Conversion Price**

As at the date of this Supplemental Indenture, as a result of the adjustment to the Conversion Price pursuant to Section 6.3 of the Indenture made in connection with the consolidation of the outstanding Common Shares completed on September 4, 2020, for greater certainty, it is confirmed that the Conversion Price for each Common Share to be issued upon the conversion of the Debentures shall be equal to \$5.30, such that 188.679 Common Shares would be issued for each \$1,000 principal amount of Debentures so converted.

## **ARTICLE 3 WAIVER**

### **3.1 Waiver**

The Trustee, on behalf of and at the direction of the holders of the Debentures, hereby waives the Specified Default.

## **ARTICLE 4 CONDITIONS PRECEDENT**

### **4.1 Conditions Precedent**

This Supplemental Indenture shall be effective upon receipt by the Trustee of each of the following:

- (a) a duly executed and delivered copy of this Supplemental Indenture;
- (b) receipt by the Trustee of such other assurances, certificates, resolutions, documents, consents or opinions as the Trustee reasonably requires; and
- (c) evidence of TSX approval (and, if required by the TSX, approval of the shareholders of the Corporation) of the amendments contemplated in Section 2.1 and Section 2.2 and the

issuance of Common Shares in satisfaction of the extension fee described in Section 2.4 hereof, if such approval is required under the rules of the TSX.

## **ARTICLE 5 CONFIRMATION**

### **5.1 Confirmation by the Corporation**

The Corporation hereby ratifies and confirms its obligations as the issuer under the Debentures and the Indenture, and confirms and agrees that the Debentures and the Indenture: (a) continue in full force and effect and have not been terminated, discharged or released; and (b) are legal, valid and binding obligations of the Corporation enforceable against it under the laws governing the applicable document in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights.

## **ARTICLE 6 MISCELLANEOUS PROVISIONS**

### **6.1 Agreement Supplemental to the Indenture**

This Supplemental Indenture is supplemental to the Indenture and shall hereafter be read together and shall have effect, so far as practicable, with respect to the Debentures as if all the provisions of the Indenture and this Supplemental Indenture were combined in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretation provisions contained in Section 1.3 of the Indenture. The Indenture is and shall remain in full force and effect with regards to all matters governing the Debentures, except as modified or supplemented by this Supplemental Indenture. Notwithstanding the foregoing, in the event any term or provision contained herein shall conflict with or be inconsistent with any term or provision of the Indenture, the terms and provisions of this Supplemental Indenture shall govern, but for greater certainty this paramountcy clause shall not be operative with respect to any other Supplemental Indenture executed after the date hereof and all such Supplemental Indentures shall be interpreted in a manner consistent with each other.

### **6.2 Future Reference to the Indenture**

On and after the date of this Supplemental Indenture, each reference in the Indenture to "this Indenture", "hereunder", "hereof", "herein" or words of like import referring to the Indenture, and each reference in any related document to the Indenture, "thereunder", "thereof", "therein" or words of like import referring to the Indenture shall mean and be a reference to the Indenture as amended hereby. The Indenture, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

### **6.3 Headings**

The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

### **6.4 Governing Law**

THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

**6.5 Waiver of Jury Trial**

EACH OF THE CORPORATION, THE TRUSTEE AND THE COLLATERAL AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

**6.6 Counterparts**

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy (whether by original, facsimile or other electronic method of transmission) shall be considered an original, but all of them together represent the same agreement.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the parties hereto have caused this Supplemental Indenture to be executed on their behalf, effective as of the date first written above.

**EXCELLON RESOURCES INC.,** as Issuer

By: (signed) "Shawn Howarth"  
Name: Shawn Howarth  
Title: President and Chief Executive Officer

By: (signed) "Daniel Hall"  
Name: Daniel Hall  
Title: Chief Financial Officer

**TSX TRUST COMPANY,** as Trustee

By: (signed) "Donald Crawford"  
Name: Donald Crawford  
Title: Senior Manager, Corporate Trust

By: (signed) "Sumit Khanna"  
Name: Sumit Khanna  
Title: Corporate Trust Officer

**TSX TRUST COMPANY,** as Collateral Agent

By: (signed) "Donald Crawford"  
Name: Donald Crawford  
Title: Senior Manager, Corporate Trust

By: (signed) "Sumit Khanna"  
Name: Sumit Khanna  
Title: Corporate Trust Officer