

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Excellon Resources Inc. ("Excellon" or the "Company")
10 King Street East, Suite 200
Toronto, ON M5C 1C3

2. Date of Material Change

September 21, 2023

3. News Release

A news release with respect to the material change referred to in this material change report was disseminated by Excellon on September 21, 2023 through Newsfile Corp. and was subsequently filed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

4. Summary of Material Change

On September 21, 2023, the Company entered into a binding term sheet with holders ("**Debentureholders**") representing greater than 66^{2/3}% of the aggregate principal amount of the outstanding 5.75% secured convertible debentures of the Company (the "**Debentures**") to repurchase and cancel C\$10,410,000 aggregate principal amount of the Debentures (the "**Debenture Repurchase**") and to amend the terms of the remaining Debentures to, among other things, further extend the maturity date to August 31, 2026, reduce the conversion price and increase the interest rate (the "**Debenture Amendment**" and together with the Debenture Repurchase, the "**Debenture Restructuring**").

5. Full Description of Material Change

On September 21, 2023, the Company entered into a binding term sheet with Debentureholders representing greater than 66^{2/3}% of the aggregate principal amount of the outstanding Debentures to repurchase and cancel C\$10,410,000 aggregate principal amount of the Debentures and to amend the terms of the remaining Debentures to, among other things, further extend the maturity date to August 31, 2026, reduce the conversion price and increase the interest rate.

Debenture Repurchase

Pursuant to the Debenture Repurchase, the Company will repurchase and cancel C\$10,410,000 aggregate principal amount of the Debentures in exchange for the following consideration payable *pro rata* to the Debentureholders:

- C\$3.5 million in common shares in the capital of the Company ("**Common Shares**") at a price of C\$0.09 per Common Share payable on the closing date of the Debenture Restructuring (the "**Restructuring Closing Date**");
- contingent value rights providing for three equal cash payments equivalent to 500 troy ounces of gold for each payment, on achieving the following milestones:

- Milestone 1: Updated resource estimate at the Company's Kilgore Project (the "**Kilgore Project**");
- Milestone 2: Revised preliminary economic assessment, feasibility study or economic estimate at the Kilgore Project; and
- Milestone 3: Achieving commercial production at the Kilgore Project.

Each cash payment will be based on ounces multiplied by the average gold price for the five trading days prior to the achievement of the applicable milestone.

- 2% NSR royalty on the Kilgore Project; and
- 25% interest in the common shares of Saxony Silver Corp., which holds the Company's Silver City Project.

Debenture Amendment

The key terms of the Debenture Amendment are as follows:

- extension of the maturity date from July 31, 2024 to August 31, 2026;
- reduction of the conversion price to C\$0.10 per Common Share (the "**New Conversion Price**"); provided that, in the event the Company completes an offering of Common Shares, subscription receipts or other securities convertible, exercisable or exchangeable for Common Shares (an "**Equity Offering**") prior to the Restructuring Closing Date, the New Conversion Price shall be adjusted to a 20% discount to the Equity Offering price; provided further that the New Conversion Price shall not be less than C\$0.06 and not more than C\$0.16;
- interest payable at an annual rate of 6.5% in cash or 10% in Common Shares, at the Company's option; and
- no further warrants, restructuring fees or further dilution is contemplated in relation to the Debenture Amendment.

Completion of the Debenture Restructuring is subject to, among other things, approval by the requisite majorities of Debentureholders and holders of Common Shares, as well as the approval of the Toronto Stock Exchange. The Debenture Restructuring is expected to close in the fourth quarter of 2023.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information, please contact:

Shawn Howarth, President & CEO
Excellon Resources Inc.

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Email: showarth@excellonresources.com

9. Date of Report

October 2, 2023

Cautionary Statement Regarding Forward-Looking Statements

*All statements, other than statements of historical fact, contained, referenced or incorporated by reference in this material change report 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 terms of and completion of the Debenture Restructuring; the timing and ability of the Company to complete the Debenture Restructuring; and the timing and ability of the Company to receive necessary regulatory and third party approvals for the Debenture Restructuring (including the approval of the Toronto Stock Exchange, the holders of the Debentures and the holders of the Common Shares and the form or means thereof). 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 Debenture Restructuring, the inability of the Company to satisfy the conditions precedent to the Debenture Restructuring, including the receipt of necessary regulatory and third party approvals, the termination of the binding term sheet, 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 material change report, 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 material change report 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 material change report (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.