

## EXCELLON PROVIDES CORPORATE UPDATE AND OUTLOOK FOR 2024

Toronto, Ontario – January 10, 2024 – Excellon Resources Inc. (TSX:EXN, OTCQB:EXNRF, FRA:E4X2) (“Excellon” or the “Company”) is pleased to provide the following “Year in Review” and corporate update, with the intention of providing clarity on key value drivers for 2024.

### 2023 Year in Review

#### Summary

- Eliminated the US\$22 million litigation liability overhang, through the deconsolidation of San Pedro Resources<sup>1</sup>.
- Shareholders approved the restructuring of the Company’s 5.75% secured convertible debentures (the “**Convertible Debentures**”)<sup>2</sup>, which restructuring, when completed, is anticipated to reduce indebtedness by 58% or \$10.4 million and provide a clearer runway for equity recovery.
- At Kilgore, a positive U.S. District Court ruling<sup>3</sup> upheld Excellon’s Plan of Operations, supporting Excellon’s continued exploration activities in Idaho.
- At Silver City, Excellon recently completed an extension of its Mohorn, Oederan and Frauenstein licenses and drilling operating permits to March 15, 2027.

Shawn Howarth, President and CEO, commented, “While 2023 was challenging on several fronts, Excellon remained resilient. Our transition from silver production in Mexico allows us to now focus on high quality exploration at Kilgore and Silver City. The deconsolidation of wholly owned San Pedro Resources, together with the restructuring of the Convertible Debentures, when completed, is anticipated to remove approximately \$40 million in liabilities from Excellon’s balance sheet. The proposed restructuring of the Convertible Debentures, which received overwhelming support from shareholders at the Company’s Annual and Special Meeting of Shareholders, is expected to close in January.”

Mr. Howarth added, “Excellon’s renewed strategy is to advance precious metals resource growth in high quality jurisdictions with lower execution risk. We are approaching Kilgore with a revamped exploration plan and, pending sufficient funding, expect to be drilling again later this year. We are excited about the potential with Kilgore, specifically our understanding of high grade mineralized controls in areas of the deposit previously underexplored, or not explored at all. Our revised exploration model suggests there is ample opportunity to expand our existing resources to depth as well as discover new zones below cover along strike for up to five kilometres. We now need to confirm this global potential with the drill bit.”

“At Silver City, we are pleased to announce a recent extension of our core licenses allowing Excellon to continue its exploration activities for the next three years on these claims. We believe Silver City has the potential to be a first mover on a new exploration district in Saxony, Germany, and Excellon is well-positioned to capitalize. Our immediate priority is defining a path to realize on Silver City’s potential most efficiently, which may include a transaction or spin-out of the asset.”

---

<sup>1</sup> See news release of the Company dated April 3, 2023

<sup>2</sup> See news release of the Company dated September 21, 2023 and news release of the Company dated November 24, 2023

<sup>3</sup> See news release of the Company dated August 14, 2023

## 12-Month Outlook and Next Steps

### Summary

- Renewed strategy focusing on growing mineralization at Kilgore, through targeted drilling at high priority areas below the existing mineralized envelope and key areas that have not been the subject of high density drilling.
- Evaluate alternatives to enhance value for shareholders in Silver City, through either a spin-out or other corporate transaction.
- Complete the strategic review of prior Mexico operations to allow Excellon to focus energies on key assets.
- Pursue acquisition opportunities where Excellon can unlock further value for shareholders.

The following activities are subject to completing the necessary funding to execute key initiatives over the next 12 months.

### Grow: Kilgore Project, Idaho

Excellon believes there is mineralization growth potential that has not been fully tested at Kilgore. Since acquiring the asset in 2020, Excellon completed an extensive relogging of drillholes designed to significantly improve our understanding of the geologic model and exploration thesis.

Originally interpreted as grading ~0.5 g/t Au over large intervals, Kilgore was viewed as more characteristic of other typical widely disseminated, epithermal-style deposits. Through geologic remodeling, Excellon plans to target controls on higher grade mineralization found throughout the deposit, specifically those controls in the deeper permeable Aspen sediments that appear to host higher grade feeder and stockwork structures.

Higher grade feeder structures have also been identified throughout the Kilgore stratigraphy. The following table previously disclosed by Excellon (see press release of the Company dated March 10, 2022), illustrates selected intervals encountered with previous drilling.

**Table 1: Kilgore High Grade Interval Summary<sup>(1)</sup>**

Hole ID	Interval <sup>(2)</sup>		Interval <sup>(3)</sup>	Au	Method
	From (m)	To (m)	metres	g/t	
<b>17OKC-373</b>	125.88	128.93	<b>3.05</b>	<b>17.32</b>	Core
and	136.55	138.07	<b>1.52</b>	<b>30.50</b>	
<b>16OKC-354</b>	105.16	109.73	<b>4.57</b>	<b>12.18</b>	Core
and	245.36	251.46	<b>6.20</b>	<b>10.79</b>	
<b>16OKC-353</b>	225.55	239.27	<b>13.72</b>	<b>9.53</b>	Core
<b>16OKR-330</b>	65.53	68.58	<b>3.05</b>	<b>24.19</b>	RC
<b>16OKR-318</b>	146.30	149.35	<b>3.05</b>	<b>19.00</b>	RC
<b>16OKR-315</b>	108.20	132.59	<b>24.39</b>	<b>27.23</b>	RC
<b>15OKR-309</b>	126.49	128.02	<b>1.53</b>	<b>12.55</b>	RC
and	143.26	156.97	<b>13.71</b>	<b>14.26</b>	
<b>15OKR-308</b>	228.60	231.65	<b>3.05</b>	<b>23.23</b>	Core
<b>10OKC-228</b>	69.19	76.81	<b>7.62</b>	<b>11.19</b>	Core
<b>10OKC-220</b>	45.42	54.56	<b>9.14</b>	<b>8.65</b>	Core

<b>100KC-215</b>	118.57	121.62	<b>3.05</b>	<b>12.73</b>	Core
<b>100KC-210</b>	113.69	116.74	<b>3.05</b>	<b>20.89</b>	Core
<b>100KC-208</b>	130.76	133.81	<b>3.05</b>	<b>8.51</b>	Core
<b>KG04-2</b>	124.97	128.02	<b>3.05</b>	<b>14.46</b>	Core
<b>95EKC-100</b>	53.64	57.91	<b>4.27</b>	<b>19.75</b>	Core
<b>95EKR-92</b>	42.67	57.91	<b>15.24</b>	<b>37.66</b>	RC
<b>95EKM-5</b>	81.38	82.92	<b>1.53</b>	<b>12.75</b>	RC
And	90.53	95.10	<b>4.57</b>	<b>29.31</b>	
<b>94EKR-86</b>	77.72	80.77	<b>3.05</b>	<b>46.68</b>	RC
<b>94EKR-81</b>	44.20	47.24	<b>3.04</b>	<b>8.71</b>	RC

1. Refer to the technical report, including Section 11, titled "Independent Technical Report and Preliminary Economic Assessment – Kilgore Project – Clark County, Idaho, USA" with an effective date of July 30, 2019, which is available on the Company's website.

2. From-to intervals are measured from the drill collar.

3. All intervals are reported as drilled length.

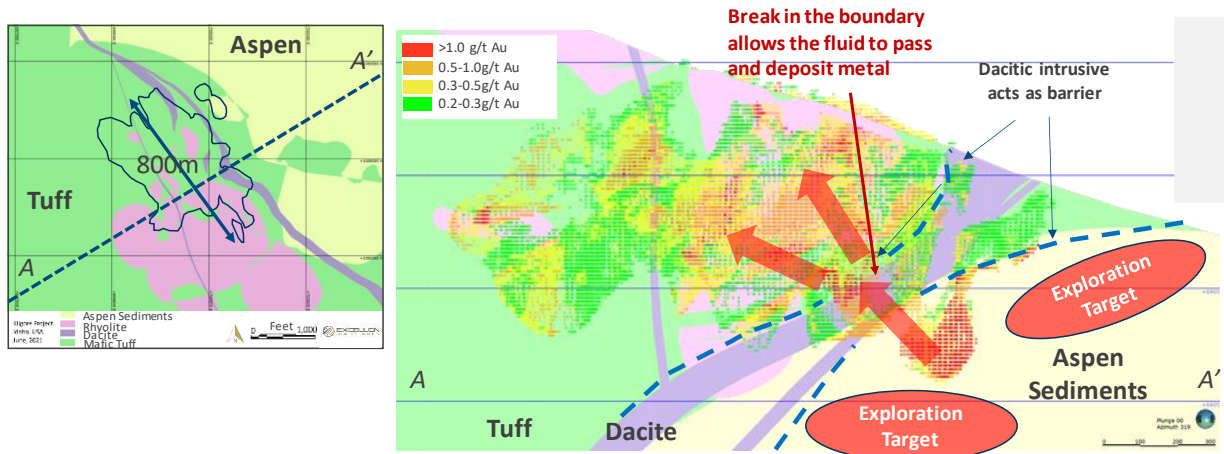
*A Renewed Exploration Thesis for Kilgore: Near-Deposit or Resource Mineralization Growth*

With most of the historic drilling focused on felsic tuffs, the opportunity for Excellon is to expand on a redeveloped geologic model, focusing on the Aspen sedimentary package. Our interpretation is that the Dacite intrusive acted as a barrier to the transfer of mineralized fluids from the sedimentary package to the tuffs.

Figure 1 illustrates how the dacitic barrier capped mineralized fluid from further precipitation, and therefore, understanding structural controls in the Aspen sediments leads to a better understanding of high-grade emplacement.

When re-inspecting core, mineralization in the Aspen sediments is associated with quartz stockwork, often hosting visible gold. The nuggety effect of coarse gold within the stockwork, and the historic practise of hydraulic core splitting are likely attributing factors to irregular grade distribution within the Aspen sediments. The current exploration model suggests there are likely multiple sub-vertical higher grade structures as yet unplumbed within the Aspen Formation (Figure 1 below).

Figure 1: Kilgore Resource Contour and Structural Controls



***The Plan: Drilling to Test Thesis***

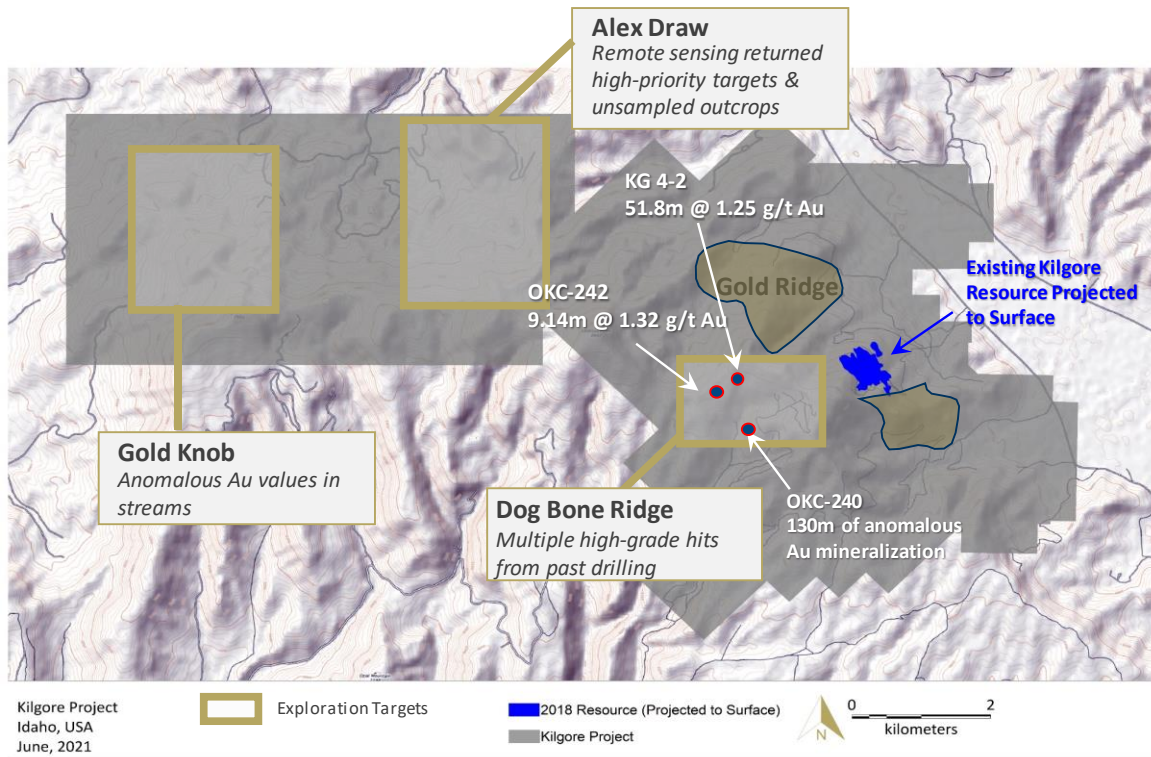
Subject to securing necessary funding, the Company is targeting a Phase I drill program of 5,000 to 7,500 metres. The drilling would target expansion of the mineralized boundary, specifically the sediments and underexplored areas below the existing deposit. While historic drilling focused on widely disseminated zones, the Company’s priority will be narrower but higher grade zones of mineralization.

If Phase I drilling is successful, Excellon expects to scale the drill program accordingly in a larger, Phase II program.

***Property Wide Exploration Potential: Numerous Targets for Follow-up***

In addition to drilling, the Company plans to build on its surface exploration plan, including both near existing mineralization and high-priority, property-wide targets (see Figure 2 below). These targets were generated through previous prospecting and remote sensing campaigns and largely remain underexplored across a vast 4,917 hectare land package. The purpose of the surface prospecting is to generate the next generation of drill-ready targets to prove out the Company’s thesis of potential multiple low-sulphidation epithermal deposits along the caldera similar to the current Kilgore deposit.

**Figure 2: Multiple High Priority Exploration Targets at the Kilgore Property**



**Launch: Realize Optionality at Silver City Project, Germany**

Excellon believes this is an opportune time to be exploring in Europe. What initially attracted the Company to Silver City was a project that was situated in the Erzgebirge (Ore Mountains) region of Germany, the origin of the silver rush in Europe, considered a highly metallogenic state endowed by numerous silver and base metals deposits, but a region that lacked significant modern exploration.

Excellon’s vision for the Silver City Project is exploring for a multi-million ounce silver deposit, targeting 2.5 metre mineralized widths at grades that could support underground economics. To-date, drilling has returned mineralization across an average vein thickness of about 0.2 to 1.0 metres, but the Company believes the potential for greater widths still exists.

To further advance target identification, the project would benefit from a detailed structural geology study identifying potential for wider structural zones, intersections and other controls for mineralization.

Excellon will continue to assess the market for a potential spin-out of Silver City. If structured correctly, a spin-out could be an efficient way to raise capital for exploration, while providing shareholders direct participation in an emerging, “Europe-focused” exploration vehicle with leverage to silver price, currently not encapsulated in Excellon. Management will continue to update as necessary.

**Divest: Exit Mexico Operations**

Excellon is undergoing a strategic review of its Mexico operations, prioritizing a transaction or divestiture involving Minera Excellon de Mexico, S.A. de C.V., which wholly owns the past-producing Platosa Mine.

The Company will provide further updates as and when available.

### **Timeline and Next Steps**

Predicated on having sufficient capital for execution, the Company anticipates the following timeline for 2024:

- Fundraise / recapitalization of Excellon (Q1 2024)
- Kilgore drill results for 2022 drilling (end Q1 2024)
- Value strategy for Silver City (Q2 2024)
- Completion of Mexico operations strategic review process (end Q2 2024)
- Kilgore drilling underway (Q3 2024)
- Preliminary drill results for Kilgore 2024 drilling (Q4 2024)

### **Updated Corporate Presentation**

Please see the Company's website at [www.excellonresources.com](http://www.excellonresources.com) for an updated corporate presentation outlining key priorities and value catalysts for the next twelve months.

### **Qualified Person**

Mr. Paul Keller, P. Eng., a Qualified Person, as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, has reviewed, verified and approved the scientific and technical information contained in this news release.

### **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 management team for the benefit of our employees, communities and shareholders. The Company is 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.

Additional details on Excellon's properties are available at [www.excellonresources.com](http://www.excellonresources.com).

### **For Further Information, Please Contact:**

Excellon Resources Inc.  
Shawn Howarth, President & Chief Executive Officer  
[info@excellonresources.com](mailto:info@excellonresources.com)

### **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 timing and ability of the Company to complete the restructuring of the Convertible Debentures and the anticipated effects thereof; the timing and ability of the Company to complete a financing transaction to fund future operations; exploration and drilling programs, including the timing, completion and results thereof; potential mineralization; and the Company’s objectives, goals and future plans and strategies, including potential acquisitions, divestitures, spin-outs and other corporate transaction. 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 restructuring of the Convertible Debentures, the inability of the Company to satisfy the conditions precedent to the restructuring of the Convertible Debentures, including the receipt of necessary regulatory and third party approvals, the termination of the binding term sheet, the availability and cost of financing needed in the future, 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 the Company’s Management’s Discussion and Analysis, and accompanying financial statements, for the year ended December 31, 2022 and quarters 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.