

EXCELLON

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	1

CONTENTS

1. PURPOSE AND SCOPE	2
2. BRIBERY, FRAUD AND CORRUPTION DEFINITION	2
3. POLICY	2
4. DEALINGS WITH GOVERNMENT OFFICIALS: NO BRIBES, KICKBACKS OR IMPROPER PAYMENTS....	3
5. DEALINGS WITH VENDORS, AGENTS, CONSULTANTS AND THIRD-PARTY REPRESENTATIVES ACTING ON BEHALF OF EXCELLON	6
6. ACCURATE BOOKS AND RECORDS AND EFFECTIVE INTERNAL CONTROLS	7
7. CONSEQUENCES OF NON-COMPLIANCE	7
8. REPORTING VIOLATIONS AND ASKING QUESTIONS.....	8
9. PERIODIC ANTI-CORRUPTION CERTIFICATION.....	8
APPENDIX "A"	10

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	2

1. PURPOSE AND SCOPE

- 1.1 Excellon Resources Inc. (the “**Company**,”) is committed to interacting with government officials, business partners, third parties and community stakeholders with integrity and in compliance with applicable anti-bribery and anti-corruption laws.
- 1.2 This Anti-Bribery and Anti-Corruption Policy (this “**Policy**”) formalizes this commitment, and all Company board of directors, officers, employees, consultants, contractors, vendors, suppliers, agents and advisors (“**Excellon Personnel**”) must adhere to the Policy in all of their activities related to their work with the Company. This Policy supplements the Code of Business Conduct and Ethics policy.
- 1.3 As a Canadian listed public company with international operations, Excellon is subject to a variety of local and international anti-bribery and anti-corruption laws. These include but are not limited to the Canadian Corruption of Foreign Public Officials Act (“**CFPOA**”) and Criminal Code, Mexican and any other laws in the jurisdiction the Company may operate in that may be applicable. Violations of these laws can result in criminal and/or civil penalties for the Company and Excellon Personnel involved as well as damage to Excellon’s reputation.
- 1.4 For the purposes of this Policy, a “consultant”, “contractor”, “vendor”, “supplier”, “agents” or “advisors” is defined as a third-party entity or individual who provides, and receives payment for, services or goods related to any aspect of the Company’s operations, and includes subcontractors.

2. BRIBERY, FRAUD AND CORRUPTION DEFINITION

- 2.1 Corruption is the misuse of power by government officials or other parties for illegitimate private gain. Bribery is the offer, promise, or provision, directly or indirectly, of a loan, reward, advantage or benefit of any kind to a person in a position of power to influence that person’s views or conduct or to obtain or retain an improper advantage. Bribery and corruption can take many forms, including the provision or acceptance of:
 - Cash payments;
 - Jobs or “consulting” relationships for the official or his/her family;
 - Commissions or kickbacks;
 - Political contributions;
 - Charitable contributions;
 - Social benefits;
 - Extortion;
 - Excessive gifts, entertainment or hospitality;
 - Payment of non-business related or lavish travel expenses; or
 - Provision of personal favours to the official or his/her family.

3. POLICY

- 3.1 Corruption and bribery are never acceptable business practices. Excellon Personnel are strictly prohibited from offering, paying, promising or authorizing any bribe to any government

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	3

official directly or indirectly, or through a third party or family member.

3.2 Fraud is any intentional act committed to secure an unfair or unlawful gain including, but not limited to, fraud, corruption, misappropriation, theft and other similar irregularities that reflect actual or potential:

- Misrepresentation in Excellon’s publicly released financial statements or other public disclosures;
- Misappropriation or theft of Excellon’s assets such as money, metal concentrate, equipment or supplies;
- Unlawfully obtained revenue and assets, or unlawful avoidance of costs and expenses;
- Commercial bribery or bribery of a government official or other violation of anti-corruption laws; or
- Improper payment schemes such as employees or directors of Excellon seeking or accepting from, paying or offering to, suppliers or business partners, kickbacks or gifts intended to or which may appear to influence business judgement.

4. DEALINGS WITH GOVERNMENT OFFICIALS: NO BRIBES, KICKBACKS OR IMPROPER PAYMENTS

4.1. All Excellon Personnel are prohibited from offering, promising, providing or authorizing the transfer of anything of value to any government official (whether directly or indirectly through third parties) to get or keep business or otherwise to secure any improper advantage for Excellon or any other entity or person. The belief that “that’s the way business is done” in some part of the world will not protect Excellon Personnel or the Company from severe legal penalties that can apply to such conduct, nor will it protect you from disciplinary measures resulting from violations of this Policy.

4.2. Excellon Personnel must be alert to bribery-related issues across the full range of ways in which our business interacts with government officials. This includes, but is not limited to: (i) seeking any permit, license, approval or concession needed to acquire mineral rights or operate our business; (ii) handling tax, customs and similar matters; (iii) dealings with the military, the police and, in many cases, indigenous or aboriginal leaders; and (iv) dealings with prosecutors or the judiciary in connection with any court proceedings.

Government Official: Understanding the Scope

4.3. For purposes of this Policy, “government officials” should be considered to include:

- Officials or employees of government departments or agencies at any level (such as legislators, environmental regulators, permitting and licensing personnel, tax authorities, police officials, members of the military, judges, etc.), whether federal, provincial, territorial, regional, municipal or otherwise, including Canadian, U.S., and other foreign officials or employees;
- Officials or employees of tribal, indigenous, aboriginal or First Nations governments or groups;

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	4

- Employees of state-owned/controlled enterprises (*e.g.*, state-owned contractors, vendors or suppliers);
 - Low-ranking employees of a government or a state-owned entity;
 - Officials of political parties and Candidates for public office;
 - Employees of public international organizations like the World Bank, the International Monetary Fund, the World Health Organization, the United Nations, and the World Trade Organization; and
 - Other people who act in an official capacity on behalf of any of the above.
- 4.4. In addition, offering, promising, or providing anything of value to a family member or household member of a government official can constitute a bribe of the official.
- 4.5. Recognizing who is a government official can sometimes be challenging. Many wholly or partially state-owned or state-affiliated enterprises appear to be private rather than public in nature. It is your responsibility to know enough about the people we are doing business or dealing with to determine whether they are government officials under this Policy. When in doubt, consult with CEO or CFO.

Anything of Value: Even Small Payments and Non-Cash Items Are Covered

4.6. You should assume that “anything of value” will be interpreted broadly by enforcement authorities, and it is interpreted broadly under this Policy. It includes gifts, loans, rewards or an advantage or benefit of any kind, among other things. Even small payments or non-monetary gifts or favors can be considered a bribe. Depending on the value and the context, each of the following can be considered a bribe:

- a gift
- meal or entertainment
- a contribution to an official’s favorite charity
- use of an apartment, car or equipment;
- an internship or job, or preferential treatment in our hiring processes; and
- a promise of future employment or business.

Facilitation Payments

4.7. This Policy prohibits the use of Facilitation Payments. A “**Facilitation Payment**” is an occasional payment of minimal value made solely to expedite or secure the performance of a routine government action such as the issuance of a permit, licence or other document to qualify a person to do business or the processing of official documents, such as visas and work permits. Facilitation Payments are small bribes and are illegal in countries where Excellon operates. Accordingly, the use of Facilitation Payments is strictly prohibited.

Gifts, Meals and Entertainment, and Sponsored Travel for Government Officials

4.8. Gift-giving, meals and entertainment and sponsored travel can pose special challenges in dealing with government officials. Excellon cannot give anything of value to a government

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	5

official to get or keep business or to otherwise gain an improper advantage. The Company may approve in providing reasonable gifts, meals entertainment and sponsored travel to government officials where there is a legitimate business purpose, where the expenditure is reasonable and where the thing of value is not being provided in exchange for any action or inaction by the official.

- 4.9. Any gift to a government official must be accurately accounted for and described in Excellon's records. The description should identify the nature of the gift, its value, the date it was given and the identity of the recipient. The pre-approval of the Company Ethics Officer or the Chair of the Audit Committee must be obtained for any meal, entertainment or other business hospitality for a government official that is in excess of \$100 per person. Any questions about whether a proposed gift or business entertainment is appropriate should be consulted with the CEO or CFO.

Dealings with Private Parties: No Bribes, Kickbacks, or Other Inappropriate Payments

- 4.10. Although significant portions of this Policy are focused on improper payments to government officials, it is important to understand that commercial or private sector bribery is also illegal in many jurisdictions, including Canada. Commercial bribery means providing a financial or other advantage to anyone (including a current or future business partner) to induce, obligate, reward or cause that person to behave improperly. It can include things like providing lavish entertainment or trips to individuals working for a business partner in order to win business. Engaging in commercial bribery, including giving or receiving kickbacks, is prohibited under this Policy.

Political Contributions

- 4.11. Contributions to political parties and to candidates for public office are prohibited or tightly restricted in many countries, and, where not prohibited outright, can raise corruption concerns. Accordingly, Excellon Personnel cannot make a political or campaign contribution in the name of or on behalf of Excellon, or where the contribution will be associated with Excellon, without advance approval from the CEO or CFO.

Donations Involving Government Officials

- 4.12. Any donations made by or on behalf of Excellon must be based on legitimate philanthropic objectives. While it can be appropriate to make a donation to a community organization or a particular cause with the hope of generating generalized goodwill in the community or among a particular constituency, making a donation to a government official's favored charity in exchange for favorable action by that official can constitute a bribe.
- 4.13. Excellon Personnel must obtain advance written approval from the CEO or CFO prior to making any donation for or on behalf of Excellon to the following:
- a charitable or community development organization in which a government official or a family or household member of a government official has a prominent role (for example, as a board member or trustee);
 - where the donation is at the request of a government official or a family or household member of a government official; or

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	6

- where the organization is known or believed to be closely associated with a government official or a family or household member of a government official.

5. DEALINGS WITH VENDORS, AGENTS, CONSULTANTS AND THIRD-PARTY REPRESENTATIVES ACTING ON BEHALF OF EXCELLON

5.1 All of our consultants, contractors, vendors, suppliers, agents, advisors and anyone else who provides goods or services to Excellon or performs work for or acts on behalf of Excellon (together, “**External Contractors**”), must be willing to conduct business on the basis of the principles set forth in this Policy.

5.2 External Contractors must undergo appropriate review and, as applicable, pre-approval as determined by Management before being engaged.

No Acceptance of Bribes or other Substantial Gifts by Excellon Personnel

5.3 Excellon expects Employees to place its interest in any business transaction ahead of any personal interest or gain. Employees are expected to avoid situations where personal interests could conflict with the interests of Excellon.

5.4 Excellon Personnel are not permitted to accept substantial gifts from government or non-government parties which could influence their ability to exercise objective and independent business judgment. Unsolicited and non-recurring hospitality and gifts of nominal value may be accepted provided the hospitality or gift is customary and business related. Nominal hospitality means entertainment, meals or social activities that are within normal business practices and nominal gifts means gifts having a value of \$100 or less and within normal business practices. Employees and Contractors in the context of providing services to Excellon may not accept cash or gifts having monetary value (for example, gift certificates, services, loans).

Hiring

5.5 Excellon hires all of its employees, interns and consultants based on merit and the needs of the business. Although our practice is to consider all qualified applicants for employment, we must evaluate candidates who have ties to government officials (“**Connected Candidates**”) with greater care before an offer of employment is made in order to assess potential conflicts of interest and to ensure compliance with applicable laws.

5.6 Excellon Personnel may not offer employment or internship opportunities at Excellon in exchange for, as a reward for or as an inducement to obtain a business opportunity, to influence decision by a government official, or to otherwise obtain an improper advantage for Excellon. Connected Candidates must undergo appropriate review and, as applicable, pre-approval as determined by Company Ethics Officer or the Chair of the Audit Committee before being hired.

Addressing “Red Flags”

5.7 It is important not only to avoid bribery and corruption, but also to avoid ignoring signs of bribery and corruption. Ignoring “red flags” can create significant legal and business risks for Excellon and depending on the nature and seriousness of what was ignored, can lead to legal liability for Excellon and its personnel and may result in disciplinary measures being imposed by the Company.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	7

5.8 Transactions and other business arrangements must not proceed if there are any “red flags” unless written approval from the CEO or CFO has been obtained.

5.9 For a non-exhaustive list of examples of “red flags,” please refer to Appendix A.

6. ACCURATE BOOKS AND RECORDS AND EFFECTIVE INTERNAL CONTROLS

6.1 Those who assist in the preparation of Excellon’s business and financial records or who issue regulatory or financial reports have a responsibility to ensure that they fairly present all information in a truthful, accurate, complete and fair manner, are issued in a timely manner and conform to applicable legal and regulatory requirements and the system of internal controls of the Company. Books and records must correctly record both the amount and a written description of the transaction. Personnel must ensure that there is a reasonable relationship between the substance of a transaction and how it is described in the books and records of the Company.

6.2 All payments made to or received by any Excellon Personnel, and the transactions to which they relate, must be fairly, accurately and properly recorded and reported on a timely basis. Appropriate records must be kept of all transactions and there are to be no off-book transactions, or outside system of recording a transaction, or cash funds, bank accounts, investments or other assets which are either not recorded or inadequately recorded on the books and records of the Company. No payment is to be approved without complete and accurate supporting documentation and authorization. The Company does not permit any expenditure covered by this Policy to be handled “off the books,” mischaracterized or improperly disguised in a general account like “miscellaneous expenses.”

6.3 The Company maintains all records in accordance with applicable laws and regulations regarding the retention of business records. The unauthorized destruction of, or tampering with, any records, whether written or in electronic form, is prohibited where the Company is required by law or regulation to maintain such records or where the Company has reason to know of a threatened or pending government investigation or litigation where such records may be relevant. If there is any doubt on whether any records may be disposed of, the Chief Financial Officer should be consulted.

6.4 Management is responsible to maintain and monitor a system of internal controls sufficient to ensure: that the books and records accurately and fairly reflect, in reasonable detail, the Company’s transactions and dispositions of assets; that the Company’s resources and assets are used only in accordance with directives and authorizations by the Board of Directors and management; and that checks and balances are employed so as to prevent the by-passing or overriding of these controls. Management is also responsible to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintaining high ethical standard throughout the Company.

7 CONSEQUENCES OF NON-COMPLIANCE

7.1 Failure to comply with this policy may result in severe consequences, including internal disciplinary action or termination of any employment, consulting or similar arrangement without notice.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	8

7.2 Any Excellon Personnel who violates the terms of this Policy may be subject to disciplinary action. Any Excellon Personnel who has direct knowledge of potential violations of this Policy but fails to report such potential violations to Company management may be subject to disciplinary action. Any Excellon Personnel who misleads or hinders investigators inquiring into potential violations of this Policy may be subject to disciplinary action. In all cases, disciplinary action may include termination of employment. Any third party who violates the terms of this Policy, who knows of and fails to report to Company management potential violations of this Policy, or who misleads investigators making inquiries into potential violations of this Policy, may have their contracts re-evaluated or terminated.

7.3 The violation of this policy may violate certain Canadian and Mexican laws and if it appears that one of Excellon Personnel may have violated such laws, then the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment. The violation of this Policy may constitute a criminal offence under certain statutes, including but not limited to the Criminal Code (Canada), the Corruption of Foreign Public Officials Act (Canada), the Ley Federal Anticorrupción en Contrataciones Públicas (Mexico), Federal and/or local Criminal Codes (Mexico) and may expose Excellon Personnel to fines and/or imprisonment.

8 REPORTING VIOLATIONS AND ASKING QUESTIONS

8.1 If you know of or suspect a violation of this Policy, you must report it without delay, either directly to the Company Ethics Officer or the Chair of the Audit Committee using one of the following options:

Website: www.integritycounts.ca/org/Excellon

Email: excellon@integritycounts.ca

Telephone: 1-866-921-674 (Canada/North America)
01-800-099-0642 (Mexico)

Questions concerning the application of this Policy should be directed to CEO or CFO.

Amendments

8.2 The Audit Committee will review this Policy on a periodic basis, evaluate its effectiveness and update or amend this Policy as necessary.

9 PERIODIC ANTI-CORRUPTION CERTIFICATION

9.1 Excellon Personnel are required to certify periodically that they have read, understand and are complying with this Policy (and, as applicable, other Excellon policies and procedures) and are not aware generally of any violations of this Policy or any applicable anti-bribery or anti-corruption laws that have not been reported to CEO or CFO. Certain External Contractors may be required to certify periodically that they are conducting business on the basis of the principles set forth in this Policy and are not aware generally of any violations of this Policy or any applicable anti-bribery or anti-corruption laws.

EXCELLON

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	9

Adopted and approved by the Board on October 25, 2017.

Updated and Approved by the Board of Directors on September 12, 2018

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY	Document Ref	Page #
	EXN-CP-05-02	10

Appendix "A"

Examples of "Red Flags"

- The other party has a reputation for bribery and/or corruption.
- The other party has refused to promise that it will comply with anti-bribery laws and/or anti-corruption laws.
- The other party has refused to warrant that it has not paid bribes or engaged in corruption.
- The other party seeks a commission that is excessive, is paid in cash or is otherwise irregular.
- The other party seeks payment to an account in the name of another party or at a location unrelated to the transaction (for example, an offshore account).
- The other party is owned in whole or in part, directly or indirectly, by a government official or his or her family member or household member or otherwise has close ties to a government official.
- A government official suggests hiring a particular adviser to help obtain a government contract or address an issue that is within the jurisdiction of that official.
- The other party has requested that we prepare false invoices or any other type of false documentation.
- The other party is a family member or household member of a government official who is in a position to grant a business advantage, or is involved in a business in which such official owns an interest.
- The other party insists that his or her identity not be disclosed to a government agency or enterprise.
- The other party refuses to identify its owners, partners, or principals.
- We are informed that a donation to a specific charity is needed to generate or facilitate government action.
- The justification for hiring a new agent or other intermediary is that he/she can obtain preferential treatment from a government official.
- The hiring of an agent or other intermediary is suggested to perform tasks that require no special knowledge or skills, or could easily be performed by our employees.
- There is substantial or extravagant "wining and dining" of government officials.
- There is sponsored travel for government officials and/or family members or household members where there is no clear and legitimate business purpose.
- Family members or household members of government officials are on the payroll of the other party.
- The other party has requested reimbursement or payment of expenses that cannot be explained or that lack supporting documentation.
- The other party has "off the books" receipts or expenses.
- The other party has poor internal controls or record-keeping practices that are relevant to the contemplated transaction.
- A government official pressures Excellon to hire a particular candidate.