



## **EXCELLON RESOURCES INC.**

10 King Street East, Suite 200, Toronto, Ontario Canada M5C 1C3

### **Notice of Annual and Special Meeting of Shareholders & Management Information Circular**

November 23, 2023

2:00 p.m. (Toronto time)

Excellon Resources Inc.  
10 King Street East, Suite 200  
Toronto, Ontario

## TABLE OF CONTENTS

<b>NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS .....</b>	<b>iii</b>
<b>MANAGEMENT INFORMATION CIRCULAR .....</b>	<b>1</b>
SOLICITATION OF PROXIES .....	1
GENERAL PROXY INFORMATION .....	1
Solicitation of Proxies .....	1
Voting Virtually at the Meeting .....	1
Non-Registered Shareholders .....	2
Participating in the Meeting .....	3
APPOINTMENT OF PROXYHOLDER .....	4
REVOCAION OF PROXIES .....	4
VOTING OF PROXIES .....	5
INFORMATION FOR NON-REGISTERED SHAREHOLDERS .....	5
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON .....	6
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES .....	6
PARTICULARS OF MATTERS TO BE ACTED UPON .....	8
1. RECEIPT OF FINANCIAL STATEMENTS .....	8
2. ELECTION OF DIRECTORS .....	8
Majority Voting Policy .....	10
Corporate Cease Trade Orders .....	11
Bankruptcies .....	11
Penalties and Sanctions .....	11
3. APPOINTMENT OF AUDITOR .....	11
4. APPROVAL OF DEBENTURE INTEREST SHARES .....	12
Background .....	12
Potential Dilution .....	12
Reasons for Shareholder Approval Requirement .....	13
Debenture Interest Shares Resolution .....	14
Debenture Interest Shares Resolution Approval Requirements .....	14
5. APPROVAL OF THE PROPOSED DEBENTURE RESTRUCTURING .....	15
Background to the Debenture Restructuring .....	15
<i>The Debenture Repurchase</i> .....	15
<i>The Debenture Amendment</i> .....	16
<i>Board Nomination Right</i> .....	17
Description of the Debentures Following the Debenture Restructuring .....	17
Potential Dilution .....	18
Creation of New Insiders .....	20
Reasons for Shareholder Approval Requirement .....	20
Debenture Restructuring Resolution .....	24
Debenture Restructuring Resolution Approval Requirements .....	25
OTHER BUSINESS .....	26
STATEMENT OF EXECUTIVE COMPENSATION .....	26
Named Executive Officers .....	26
Compensation Policy Objectives .....	26
Compensation Governance .....	27
Elements of 2022 Compensation Program .....	28

Summary Compensation Table.....	31
Incentive Plan Awards .....	32
Employment Agreements .....	34
Termination and Change of Control Benefits .....	34
Performance Graph .....	35
Directors and Officers Liability Insurance.....	36
DIRECTOR COMPENSATION .....	36
Director Compensation Table.....	36
Incentive Plan Awards .....	38
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS .....	39
Equity Compensation Plan Information.....	39
Burn Rate .....	40
Share Incentive Plan .....	40
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....	46
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.....	46
STATEMENT OF CORPORATE GOVERNANCE PRACTICES .....	46
Board of Directors.....	47
Meetings of Independent Directors .....	47
Board and Committee Meetings .....	47
Board Mandate .....	48
Position Descriptions .....	48
Orientation and Continuing Education .....	48
Ethical Business Conduct .....	48
Committees of the Board .....	50
Other Board Committees.....	52
ADDITIONAL INFORMATION .....	52
APPROVAL .....	53
SCHEDULE "A" .....	A-1

# EXCELLON RESOURCES INC.

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares ("**Common Shares**") of Excellon Resources Inc. ("**Excellon**" or the "**Corporation**") will be held virtually at <https://virtual-meetings.tsxtrust.com/1556> on November 23, 2023 at 2:00 p.m. (Toronto time). This year, the Corporation will hold the Meeting in a virtual-only format, which will be conducted via live audiocast.

Registered Shareholders and duly appointed proxyholders can attend the Meeting online at <https://virtual-meetings.tsxtrust.com/1556> where they can participate, vote or submit questions during the Meeting's live webcast.

The Meeting is being held for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2022 (with comparative statements relating to the preceding fiscal period), together with the report of the auditor thereon, and the interim unaudited condensed consolidated financial statements of the Corporation for the three and six months ended June 30, 2023 and 2022;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint Ernst & Young LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders of the Corporation (the "**Debenture Interest Shares Resolution**"), the full text of which is set out in the accompanying management information circular of the Corporation dated October 24, 2023 (the "**Circular**"), to authorize and approve the issuance of an aggregate of up to 194,516,355<sup>1</sup> Common Shares that may be issued in connection with the payment of interest on the Corporation's outstanding 5.75% secured convertible debentures due July 31, 2024 in the aggregate principal amount of C\$17,910,000 (the "**Debentures**") for the period from and including June 30, 2023 until the earlier of the date of completion of the Debenture Restructuring (as defined below) and July 31, 2024, all as more particularly described in the accompanying Circular;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders of the Corporation (the "**Debenture Restructuring Resolution**"), the full text of which is set out in the accompanying Circular, to authorize and approve (A) the issuance of an aggregate of 38,888,888 Common Shares to be issued as partial consideration for the repurchase and cancellation (the "**Debenture Repurchase**") of C\$10,410,000 aggregate principal amount of the Debentures; (B) the issuance of an aggregate of up to 332,534,247 Common Shares in connection with the proposed amendments to the remaining Debentures following the Debenture Repurchase (together with the Debenture Repurchase, the "**Debenture Restructuring**"), including up to 125,000,000 Common Shares that may be issued upon the future conversion of C\$7,500,000 aggregate principal amount of the Debentures and up to 207,534,247 Common Shares that may be issued in connection with the payment of interest on the remaining Debentures in Common Shares; and (C) the

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<sup>1</sup> **Note:** All share issuances included in the Debenture Interest Shares Resolution and the Debenture Restructuring Resolution that may be issued in connection with the payment of interest on the Debentures assume an issue price of C\$0.01, which is a discounted price intended to provide flexibility to Excellon to permit the issuance of Common Shares without additional Shareholder approval in the case of a decrease in the Common Share price.

reduction of the conversion price of the Debentures, all as more particularly described in the accompanying Circular; and

6. to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice of meeting (this "**Notice**") is the Circular, a form of proxy and a request form to receive annual and interim financial statements and management's discussion and analysis of the Corporation. The accompanying Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

The record date for the determination of Shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is September 25, 2023 (the "**Record Date**"). Shareholders of the Corporation whose names have been entered in the register of Shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

Shareholders are entitled to vote at the Meeting either via the virtual meeting platform or by proxy in accordance with the procedures described in the Circular accompanying this Notice. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Circular accompanying this Notice.

DATED at Toronto, Ontario, this 24<sup>th</sup> day of October, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed)* "Laurence Curtis"

Laurence Curtis  
Chair

# EXCELLON RESOURCES INC.

## MANAGEMENT INFORMATION CIRCULAR

(Containing information as at October 24, 2023 unless indicated otherwise)

### SOLICITATION OF PROXIES

**This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Excellon Resources Inc. ("Excellon" or the "Corporation") for use at the annual and special meeting, and any adjournment(s) or postponement(s) thereof, of holders ("Shareholders") of common shares ("Common Shares") of the Corporation (the "Meeting") to be held at 2:00 p.m. (Toronto time) on Thursday, November 23, 2023 virtually at <https://virtual-meetings.tsxtrust.com/1556> (meeting ID 1556, password: **excellon2023** (case sensitive)) and for the purposes set forth in the accompanying notice of Meeting (the "Notice").**

This year, the Corporation will hold the Meeting in a virtual-only format, which will be conducted via live audiocast.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

Solicitation of proxies for the Meeting will be primarily by mail, the cost of which will be borne by the Corporation. Proxies may also be solicited personally by employees of the Corporation at nominal cost to the Corporation. In some instances, the Corporation has distributed copies of the Notice, the Circular and the accompanying form of proxy (the "Proxy", and collectively with the Notice and Circular, the "Documents") to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "Intermediaries", and each an "Intermediary") for onward distribution to Shareholders whose Common Shares are held by or in the custody of those Intermediaries ("Non-Registered Shareholders"). The Intermediaries are required to forward the Documents to Non-Registered Shareholders.

Solicitation of proxies from Non-Registered Shareholders will be carried out by the Intermediaries, or by the Corporation if the names and addresses of Non-Registered Shareholders are provided by the Intermediaries. Management of the Corporation does not intend to pay for intermediaries to forward the Documents to OBOs (as defined herein) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), and therefore an OBO will not receive the Documents unless the OBO's intermediary assumes the cost of delivery.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

The contents and the sending of this Circular have been approved by the directors of the Corporation. **All dollar amounts referenced are expressed in Canadian dollars.** All references to the Corporation shall include its subsidiaries as the context may require.

#### Voting Virtually at the Meeting

A registered Shareholder or a Non-Registered Shareholder who has appointed themselves or a third party proxyholder to represent him, her or it at the Meeting, will appear on a list of Shareholders prepared by TSX Trust Company. Each registered Shareholder or proxyholder will be required to enter the control number or username provided by TSX Trust Company at <https://virtual-meetings.tsxtrust.com/1556> (meeting ID 1556, password: **excellon2023** (case sensitive)) prior to the start of the Meeting to be eligible to vote at the Meeting. In order to vote

at the virtual meeting, Non-Registered Shareholders who appoint themselves as a proxyholder **MUST** register with TSX Trust Company at [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) after submitting their voting instruction form in order to receive a username/control number (please see the information under "*Appointment of Proxyholders*" below for details). If you have any questions or require further information with regard to voting your Common Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at [tsxtis@tmx.com](mailto:tsxtis@tmx.com).

Registered Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://virtual-meetings.tsxtrust.com/1556>.

Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking "**I have a control number/meeting access number**" and entering a username/control number and password before the start of the Meeting.

- Registered Shareholders – The control number located on the Proxy or in the email notification received by such Shareholder is the username/control number and the password is **excellon2023** (case sensitive).
- Duly appointed proxyholders – To register a proxyholder, a Shareholder **MUST** visit <https://tsxtrust.com/resource/en/75> to obtain and complete the "Request a Control Number" form which they must provide to [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) by no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the Meeting and provide TSX Trust Company with the contact information of his, her or its proxyholder, so that TSX Trust Company may provide the proxyholder with a username/control number via email. The password to the Meeting is **excellon2023** (case sensitive).

Voting at the Meeting will only be available for registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders who have not appointed themselves as proxyholder may attend the Meeting by clicking "**I am a guest**" and completing the online registration form.

Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting **must submit their Proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted his, her or its Proxy or voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, a Shareholder **MUST** visit <https://tsxtrust.com/resource/en/75> to obtain and complete the "Request a Control Number" form which they must provide to [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) by no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the Meeting and provide TSX Trust Company with the contact information of his, her or its proxyholder, so that TSX Trust Company may provide the proxyholder with a username/control number via email.

**It is important to be connected to the internet at all times during the Meeting in order to vote when balloting commences. It is recommended that attendees use their latest internet browser and do not use Internet Explorer.**

**In order to participate online, Shareholders must have a valid control number and proxyholders must have received an email from TSX Trust Company containing a control number.**

### **Non-Registered Shareholders**

Non-Registered Shareholders who have received the Documents from their Intermediary should, other than as set out herein, follow the directions of their Intermediary with respect to the procedure to be followed for voting at the Meeting. Generally, Non-Registered Shareholders will either:

- (a) be provided with a form of proxy executed by the Intermediary but otherwise uncompleted. The Non-Registered Shareholder may complete the proxy and return it directly to such Intermediary; or

- (b) be provided with a request for voting instructions. The Intermediary is required to send the Corporation an executed form of proxy completed in accordance with any voting instructions received by the Intermediary.

If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained from your Intermediary in accordance with applicable securities regulatory requirements. By choosing to send the Documents to you directly, the Corporation (and not your Intermediary) has assumed responsibility for (i) delivering the Documents to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. Please see the section "*Information for Non-Registered Shareholders*" below for further details.

### **Participating in the Meeting**

The Meeting will be hosted online by way of a live audiocast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 2:00 p.m. (Toronto time) on Thursday, November 23, 2023.

- Registered Shareholders that have a control number, along with duly appointed proxyholders who were assigned a control number by TSX Trust Company (see details under "*Appointment of Proxyholder*"), will be able to vote and submit questions during the Meeting. To do so, please go to <https://virtual-meetings.tsxtrust.com/1556> (meeting ID 1556) prior to the start of the Meeting to login. Click on "**I have a control number/meeting access number**" and enter your control number or username along with the password **excellon2023** (case sensitive). Non-Registered Shareholders who have not appointed themselves to vote at the Meeting may login as a guest by clicking on "**I am a guest**" and completing the online registration form. Guests will not be able to vote or ask questions at the Meeting.
- United States Non-Registered Shareholders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your Intermediary and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with these Meeting materials, or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you must submit a copy of your legal proxy to TSX Trust Company. In order to register, complete the Request for Control Number form at <https://tsxtrust.com/resource/en/75> and email it to [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) in advance of the Meeting.
- Requests for registration must be labeled as "Legal Proxy" and be received no later than 2:00 p.m. (Toronto time) on November 21, 2023. Provided you have first registered with TSX Trust Company, you will receive a confirmation of your registration by email after your registration materials have been received. You may attend the Meeting and vote your Common Shares at <https://virtual-meetings.tsxtrust.com/1556> (meeting ID 1556, password: **excellon2023** (case sensitive)) during the Meeting. Any appointees must reach out to TSX Trust in advance of the Meeting (latest 48 hours before the Meeting). They must complete the Request for Control Number form at <https://tsxtrust.com/resource/en/75> and email it to [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) in advance of the Meeting no later than 48 hours prior to the Meeting.
- Non-Registered Shareholders who do not have a control number or username will only be able to attend as a guest which allows such persons to listen to the Meeting, however, Non-Registered Shareholders will not be able to vote or submit questions.
- If you are using a control number to login to the Meeting and intend to vote again on matters subject to previously submitted proxies, you will be revoking any and all such previously submitted proxies. If you DO NOT wish to revoke all previously submitted proxies, please do not vote when you log in using your control number.



- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.
- Voting: Once the polls are opened, registered Shareholders and/or duly appointed proxyholders who have signed in with their control number may vote by clicking on the "Voting" button on the left side of their screen. To vote, simply select your voting direction from the options shown on the screen and click submit. A confirmation message will appear to show your votes have been received.
- Questions: Registered Shareholders and/or duly appointed proxyholders who have logged in with their control number will also be able to ask questions. To ask a question simply click on the "Ask a Question" button located on the left side of your screen, type in your question and click submit.

#### APPOINTMENT OF PROXYHOLDER

The persons named in the enclosed Proxy are directors and/or officers of the Corporation. **SHAREHOLDERS HAVE THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM, HER OR IT AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE PROXY INSTRUMENT** either by striking out the names of the persons designated in the Proxy and by inserting the name of the person or company to be appointed in the space provided in the Proxy or by completing another proper form of proxy.

Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting **must submit their Proxy or voting instruction form (if applicable) prior to registering their proxyholder. Registering a proxyholder is an additional step once the Proxy or voting instruction form have been submitted. Failure to register the proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, Shareholders MUST visit <https://tsxtrust.com/resource/en/75> to obtain and complete the "Request a Control Number" form which they must provide to [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) no later than 2:00 p.m. (Toronto time) on November 21, 2023, so that TSX Trust Company may provide the proxyholder with a username via email.

Registered Shareholders can submit a Proxy to TSX Trust Company either by mail or courier to 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, Attn: Proxy Department, by fax at 416-595-9593 or via the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com). The Proxy must be deposited with TSX Trust Company by no later than 2:00 p.m. (Toronto time) on November 21, 2023 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the beginning of any adjournment(s) or postponement(s) to the Meeting. If a Shareholder who has submitted a Proxy attends the Meeting and has accepted the terms and conditions when entering the Meeting, any votes cast by such Shareholder on a ballot will be counted and the submitted Proxy will be disregarded.

**Without a control number, proxyholders will not be able to vote at the Meeting and will only be able to attend the Meeting as a "Guest".**

#### REVOCATION OF PROXIES

A registered Shareholder who has given a proxy pursuant to this solicitation may revoke it:

- (a) by depositing an instrument in writing that is signed by the Shareholder or by an attorney who is authorized by a document that is signed in writing or by electronic signature, or by transmitting, by telephonic or electronic means, a revocation that is signed by electronic signature, which instrument or revocation must be received at the registered office of the Corporation at 10 King Street East, Suite 200, Toronto, Ontario, M5C 1C3 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or by the chair of the Meeting on the day of the Meeting or an adjournment or postponement thereof;

- (b) by attending the Meeting virtually and voting the Common Shares; or
- (c) in any other manner permitted by law.

Non-Registered Shareholders who wish to change their vote must contact their Intermediary to discuss their options well in advance of the Meeting.

#### VOTING OF PROXIES

The Common Shares represented by a properly executed proxy in favour of persons designated as proxyholders in the enclosed form of proxy will:

- (a) be voted for, against or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specifications made on such proxy.

SUCH SHARES WILL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED, OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED, AS DIRECTED BY THE SHAREHOLDER.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice, and with respect to any other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated by management as proxyholders in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Circular, the management of the Corporation knows of no such amendment, variation or other matter that may be presented to the Meeting.

#### INFORMATION FOR NON-REGISTERED SHAREHOLDERS

**Only registered Shareholders or proxyholders are permitted to vote at the Meeting. Most Shareholders of the Corporation are Non-Registered Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of an Intermediary. Shareholders who do not hold their Common Shares in their own name should note that only registered Shareholders are entitled to vote at the Meeting.** If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for, against or withheld resolutions) at the direction of the Non-Registered Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers' clients. **Therefore, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Non-Registered Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder

(i.e. the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge well in advance of the Meeting) in order to have the Common Shares voted.**

Non-Registered Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

The Corporation's OBOs can expect to be contacted by Broadridge or their broker or their broker's agents as set out above.

Although Non-Registered Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Circular and the accompanying Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Circular, no person who has been a director or executive officer of the Corporation at any time since January 1, 2022, being the beginning of the Corporation's last completed financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Corporation is authorized to issue an unlimited number of Common Shares without par value. As at September 25, 2023, the Corporation had 42,183,625 Common Shares issued and outstanding. Only Shareholders of record at the close of business (Toronto time) on September 25, 2023 (the "**Record Date**") who either virtually attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting. Each Common Share entitles the holder of record thereof to one vote at the Meeting.

Other than as set out below, to the knowledge of the directors and executive officers of the Corporation, as at the Record Date, there are no persons or companies who beneficially own, or exercise control or direction over, directly

or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares:

Name and Municipality of Residence	Number of Common Shares	Percentage of Common Shares
Eric Sprott Toronto	4,293,143 <sup>(1)</sup>	10.2% <sup>(2)</sup>

- (1) As stated on a Schedule 13G filed by Mr. Sprott on February 11, 2022.
- (2) Based on 42,183,625 Common Shares issued and outstanding as of the Record Date which, for greater certainty, does not include the Common Shares issued in connection with the Debenture Extension (as defined below).

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. RECEIPT OF FINANCIAL STATEMENTS

At the Meeting, the Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the year ended December 31, 2022, together with the report of the auditor thereon, and the interim unaudited condensed consolidated financial statements of the Corporation for the three and six months ended June 30, 2023 and 2022.

### 2. ELECTION OF DIRECTORS

There are four directors to be elected to the board of directors of the Corporation (the "**Board**") at the Meeting. The term of office of each of the present directors expires immediately prior to the election of directors at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees and management proxyholders will vote FOR the election of these nominees, unless otherwise instructed on the Proxy.** Management does not contemplate that any of these nominees will be unable to serve as a director and all proposed directors have confirmed their willingness to continue to serve as directors. Each director elected will hold office until the next annual meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the *Business Corporations Act* (Ontario) ("**OBCA**").

The following table and notes thereto sets out information as at the Record Date on each person proposed to be nominated by management for election as a director.

<b>Shawn Howarth</b>	<b>Background</b>			
Residency: Toronto, Ontario Canada	Mr. Howarth was appointed President and Chief Executive Officer of the Corporation in July 2022. He was previously Vice President, Corporate Development of Harte Gold Corp., where he was instrumental in development of the Sugar Zone mine and the ultimate restructuring and sale of the company. Previously, Mr. Howarth worked in investment banking and mining advisory on the global mining and metals teams with Standard Chartered Bank and Gryphon Partners Canada. He holds a Master of Business Administration from the Ivey School of Business and a Bachelor of Applied Science from Queen's University.			
Director since: August 12, 2022	<b>Board and Committee Meeting Attendance</b>		<b>Other Public Company Directorships</b>	
	Board	2/2	100%	None
<b>Non-Independent</b>	<b>Securities Held</b>			
	Common Shares	60,851		
	Options	450,000		
	RSUs	266,667		
	<b>Option Based Awards</b>			
	Number of Common Shares underlying unexercised options	Exercise Price	Expiration Date	Value of unexercised in-the-money Options <sup>(2)</sup>
	125,000	\$0.56	Jul. 12, 2025	NIL
	300,000	\$0.58	Jul. 12, 2025	
	<b>2022 AGM Voting Results</b>		<b>Total Compensation in 2022<sup>(3)</sup></b>	
	Votes in favour:	N/A		N/A

**Dr. Laurence (Laurie) Curtis**

Residency:

Oakville, Ontario  
Canada

Director since:

December 15, 2016

Chair of the Board as of  
August 12, 2022**Independent**

Background			
Dr. Curtis is a Professional Geologist and former Research Mining Analyst for Clarus Securities from 2011-2013 and VP Senior Analyst Global Resources for Dundee Capital Markets from 2013-2015. He was Founder, Director and CEO of Intrepid Minerals Corp. and Intrepid Mines from 1995-2008. Formerly a Director of Eastmain Resources Inc., Wheaton River Minerals Ltd., High River Gold Mines Ltd. and Breakwater Resources.			
Board and Committee Meeting Attendance			Other Public Company Directorships
Board	8/8	100%	None
Nominating and Corp. Gov.	2/2	100%	
Corp. Responsibility & Technical	4/4	100%	
Special Opportunities	5/5	100%	
Securities Held			
DSUs		168,965	
Options		38,000	
Option Based Awards			
Number of Common Shares underlying unexercised options	Exercise Price	Expiration Date	Value of unexercised in-the-money Options <sup>(2)</sup>
8,000	\$4.75	Mar. 24, 2024	
10,000	\$4.14	Mar. 19, 2024	NIL
20,000	\$0.58	Aug. 15, 2025	
2022 AGM Voting Results		Total Compensation in 2022 <sup>(1)</sup>	
Votes in favour: 95.39%		\$93,755	

**Craig Lindsay**

Residency:

Vancouver,  
British Columbia  
Canada

Director since:

April 23, 2020

**Independent**

Background			
Mr. Lindsay was the former President & CEO of Otis Gold Corp. until its sale to Excellon in 2020, the former President & CEO of Magnum Uranium Corp. until its sale to Energy Fuels Inc. in 2009 and prior thereto was a Vice President in the Corporate Finance and Investment Banking Group at PricewaterhouseCoopers LLP. He is currently a Director of Silver North Resources Ltd., Electric Royalties Ltd., Revolve Renewable Power Corp. and VR Resources Ltd. Mr. Lindsay has a Bachelor of Commerce (Finance) from UBC (1989), an MBA (Finance and International Business) from Dalhousie University (1993) and is a Chartered Financial Analyst.			
Board and Committee Meeting Attendance			Other Public Company Directorships
Board	8/8	100%	Silver North Resources Ltd.
Compensation	1/1	100%	Electric Royalties Ltd.
Corp. Responsibility & Technical	2/2	100%	Revolve Renewable Power Corp.
Special Opportunities	3/3	100%	VR Resources Ltd.
Securities Held			
Common Shares		421,691	
DSUs		77,643	
Options		68,461	
Option Based Awards			
Number of Common Shares underlying unexercised options	Exercise Price	Expiration Date	Value of unexercised in-the-money Options <sup>(2)</sup>
38,461	\$2.20	Apr. 22, 2024	
10,000	\$4.14	Mar. 19, 2024	NIL
20,000	\$0.58	Aug. 15, 2025	
2022 AGM Voting Results		Total Compensation in 2022 <sup>(1)</sup>	
Votes in favour: 95.87%		\$76,255	

<b>Brendan Cahill</b>  Residency: Toronto, Ontario Canada  Director since: April 30, 2013  <b>Non-Independent</b>	<b>Background</b>			
	Mr. Cahill was President and Chief Executive Officer of the Corporation from 2012 to 2022. Previously, he was Vice President Corporate Development and Corporate Secretary of the Pelangio group of companies (until July 2012). He is currently a Director of Group Eleven Resources Corp. and former director of KORE Mining Ltd. and Cryptostar Corp. He is a member of the Transplant Cabinet at the University Health Network and a member of the Law Society of Ontario.			
	<b>Board and Committee Meeting Attendance</b>		<b>Other Public Company Directorships</b>	
	Board	8/8	100%	Group Eleven Resources Ltd.
	<b>Securities Held</b>			
	Common Shares			175,382
	Options			55,000
	DSUs			25,000
	<b>Option Based Awards</b>			
	Number of Common Shares underlying unexercised options	Exercise Price	Expiration Date	Value of unexercised in-the-money Options <sup>(2)</sup>
20,000	\$4.75	Mar. 24, 2024		
15,000	\$4.14	Mar. 19, 2024	NIL	
20,000	\$0.58	Aug. 22, 2025		
<b>2022 AGM Voting Results</b>		<b>Total Compensation in 2022<sup>(1)(3)</sup></b>		
Votes in favour: 94.48%		\$46,739		

- (1) Total Compensation above is calculated by summing cash fees paid, fees accrued, the value of DSUs as of the date of grant and a Black-Scholes valuation of Options as of the date of grant.
- (2) Based on the closing price of \$0.44 per Common Share on the TSX on December 31, 2022.
- (3) Compensation in his capacity as a director only.

## Majority Voting Policy

On March 25, 2014 (as amended and restated on May 10, 2016), the Board adopted a majority voting policy (the "**Majority Voting Policy**"). A copy of the Majority Voting Policy is available on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

The Majority Voting Policy requires that any nominee for director who receives a greater number of votes "withheld" than "for" his or her election, in an uncontested election, shall immediately tender his or her resignation to the Chair of the Board for consideration by the Nominating and Corporate Governance Committee (the "**NCGC**"). The NCGC shall consider the resignation in accordance with the Majority Voting Policy and shall recommend to the Board whether or not it should be accepted. The Board shall act on the recommendations of the NCGC within 90 days following the Shareholders' meeting and disclose its decision by way of press release. No director who, in accordance with the Majority Voting Policy, is required to tender his or her resignation, shall participate in the NCGC's deliberations or recommendation; however, such director shall remain active and engaged in all other Board and committee activities, deliberations and decisions during the NCGC process. If a majority of the members of the NCGC received a majority of votes "withheld" in the same election, or the number of NCGC members who received a majority of votes "withheld" in the same election is greater than quorum of the NCGC, the independent directors then serving on the Board who received a greater number of votes "for" their election than votes "withheld" will appoint an *ad hoc* Board committee from amongst themselves to consider the resignations. If a resignation is accepted, the Board may, in accordance with the provisions of the OBCA: (i) leave the vacancy in the Board unfilled until the next annual meeting of Shareholders; (ii) reduce the size of the Board; (iii) fill the vacancy created by the resignation by appointing a new director whom the Board considers to merit the confidence of Shareholders; or (iv) call a special meeting of Shareholders to consider new board nominee(s) to fill the vacant position(s).

Each of the current directors has agreed to abide by the provisions of the Majority Voting Policy and any subsequent candidate nominated by management will, as a condition of such nomination, be required to abide by the Majority Voting Policy. In the event that any director who received a majority of votes "withheld" does not tender his or her resignation in accordance with the Majority Voting Policy, he or she will not be re-nominated by the Board.

### **Corporate Cease Trade Orders**

To the best of the Corporation's knowledge, none of the nominees is, as at the date of this Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Corporation, that: (i) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, in any case that was in effect for more than 30 consecutive days (an "order") that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### **Bankruptcies**

To the best of the Corporation's knowledge, except as noted below, none of the nominees is, as at the date of this Circular, or has been, within 10 years before the date hereof: (i) a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the nominee.

Shawn Howarth, President and Chief Executive Officer and a director of the Corporation, from September 2019 to May 2022 was Vice President, Corporate Development of Harte Gold Corp., which was subject to proceedings under the *Companies' Creditors Arrangements Act* (Canada) from December 16, 2021 to May 5, 2022. Mr. Brendan Cahill, a director of the Corporation, was also the sole director of the Corporation's indirect, wholly-owned Mexican subsidiary San Pedro Resources S.A. de C.V. ("**San Pedro**") that, on November 30, 2022, filed a petition for bankruptcy with the Mexican Bankruptcy Court which, on December 15, 2022, accepted such petition for adjudication and, on March 28, 2023, declared San Pedro bankrupt.

### **Penalties and Sanctions**

To the best of the Corporation's knowledge, none of the nominees has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **3. APPOINTMENT OF AUDITOR**

Ernst & Young LLP, Chartered Professional Accountants, were first appointed auditor of the Corporation on April 28, 2022. Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote **FOR** the appointment of Ernst & Young LLP, Chartered Professional Accountants, as the auditor of the Corporation to hold office until the next annual meeting of Shareholders or until its successor is appointed, and to authorize the Board to fix their remuneration.



#### 4. APPROVAL OF DEBENTURE INTEREST SHARES

##### Background

On July 30, 2020, Excellon issued 5.75% secured convertible debentures due July 30, 2023 in the aggregate principal amount of C\$17,910,000 (the "**Debentures**") pursuant to an indenture dated July 30, 2020 between Excellon and TSX Trust Company, as trustee and collateral agent, which indenture was amended and restated as of September 19, 2022 (the "**Indenture**"). On July 24, 2023, Excellon entered into a binding agreement with holders of greater than 66<sup>2/3</sup>% of the aggregate principal amount of the Debentures to extend the maturity date of the Debentures from July 30, 2023 to July 31, 2024 in consideration for an extension fee equal to 6% of the aggregate principal amount of the Debentures payable *pro rata* to the holders of the Debentures in Common Shares priced at C\$0.156 per Common Share (the "**Debenture Extension**"). The Debenture Extension was completed on September 29, 2023 and was implemented pursuant to the terms and conditions of a supplemental indenture dated September 29, 2023 (the "**Supplemental Indenture**") between Excellon and TSX Trust Company, as trustee and collateral agent. The Debentures currently expire on July 31, 2024 and are convertible into Common Shares prior to maturity at a conversion price of C\$5.30 per Common Share. The Debentures currently bear interest at an annual rate of 5.75%, payable in cash semi-annually. Interest on the Debentures may alternatively be paid in Common Shares at Excellon's option based on the 10-day volume-weighted average price of the Common Shares prior to the payment date at an effective annual rate of 10%. The Debentures are secured against Excellon's Kilgore Project in Idaho. For information regarding the proposed Debenture Restructuring (as defined herein), please see the information under the heading "*Particulars of Matters to be Acted Upon – 5. Approval of the Proposed Debenture Restructuring*".

##### Potential Dilution

The following table illustrates the potential dilution that may occur in connection with the interest payments on the Debentures for the period from and including June 30, 2023 until July 31, 2024, pursuant to the Debenture Extension, and assumes that the Debenture Restructuring will not be completed prior to July 31, 2024. The below table is provided for illustrative purposes only.

##### *Interest Payments – Dilution Scenarios*

Event <sup>(1)</sup>	Interest on C\$17,910,000 Principal Amount of Debentures Payable at 10% (C\$)	Number of Common Shares to be Issued <sup>(2)</sup> Price of Common Shares for 10-Day Period (C\$)		
		0.01 <sup>(3)</sup>	0.10 <sup>(4)</sup>	0.19 <sup>(5)</sup>
December 31, 2023	\$902,860.27	90,286,027 (214%)	9,028,602 (21%)	4,751,896 (11%)
June 30, 2024	\$890,606.56	89,060,656 (211%)	8,906,065 (21%)	4,687,402 (11%)
July 31, 2024	\$151,696.72	15,169,672 (36%)	1,516,967 (4%)	798,403 (2%)
<b>TOTAL</b>	<b>\$1,945,163.55</b>	<b>194,516,355 (461%)</b>	<b>19,451,634 (46%)</b>	<b>10,237,701 (24%)</b>

##### Notes:

- (1) Excellon may, at its option, satisfy interest payments through the issuance of Common Shares at a price equal to the 10-day volume-weighted average price of the Common Shares on the TSX ending on the fifth trading day preceding the interest payment date, at an effective annual interest rate of 10%. As the number of Common Shares that could be issued in satisfaction of the interest payments is dependent on the price of the Common Shares at the time of any such issuance, the number of Common Shares issuable pursuant to the interest payments, if Excellon elects to satisfy such payments in

Common Shares, cannot be known at this time. Excellon has requested that the TSX approve for listing up to 194,516,355 Common Shares that may be issued in satisfaction of the interest payments, which is based on the number of Common Shares issuable in satisfaction of interest in the amount of C\$1,945,163.55, representing interest on the aggregate principal amount of C\$17,910,000 at an effective annual interest rate of 10% for the period from and including June 30, 2023 to July 31, 2024 and an issue price of C\$0.01, which is a discounted price intended to provide flexibility to Excellon to permit the issuance of Common Shares without additional Shareholder approval in the case of a decrease in the Common Share price. The actual number of Common Shares issuable will be determined at the time, should Excellon elect to satisfy the interest payments in Common Shares.

- (2) Bracketed figures represent percentage of issued and outstanding Common Shares on a pre-transaction, non-diluted basis, based on 42,183,625 Common Shares issued and outstanding prior to completion of the Debenture Extension.
- (3) Represents approximately 90% discount to the market price of the Common Shares of C\$0.10 as at October 24, 2023.
- (4) Represents the market price of the Common Shares as at October 24, 2023.
- (5) Represents approximately 90% premium to the market price of the Common Shares of C\$0.10 as at October 24, 2023.

### Reasons for Shareholder Approval Requirement

In connection with the initial issuance of the Debentures on July 30, 2020, the TSX delivered a conditional approval letter dated July 28, 2020 (the "**TSX Conditional Approval Letter**"). The TSX Conditional Approval Letter provided that no more than 7,909,390 Common Shares (or 39,546,953 pre-consolidation common shares of Excellon), representing 25% of the number of Common Shares outstanding, on a non-diluted basis, prior to the initial issuance of the Debentures, shall be issued, or made issuable, pursuant to the private placement without shareholder approval. The Debentures were convertible into 3,379,245 Common Shares at a conversion price of \$5.30 per Common Share (or 16,896,226 pre-consolidation common shares of Excellon at a conversion price of \$1.06 per common share). In connection with the initial issuance of the Debentures, Excellon also issued 1,006,542 Common Share purchase warrants (or 5,032,710 warrants to purchase pre-consolidation common shares of Excellon) to the purchasers of the Debentures. Additionally, Excellon issued 136,886 Common Share purchase warrants (or 684,434 warrants to purchase pre-consolidation common shares of Excellon) to certain brokers. The 3,379,245 Common Shares made issuable upon conversion of the Debentures, together with the 1,143,428 Common Shares made issuable upon exercise of the Common Share purchase warrants, represented approximately 14.30% of the number of Common Shares outstanding, on a non-diluted basis, prior to the initial issuance of the Debentures.

In connection with the satisfaction of interest payment obligations during the period from the date of issuance of the Debentures until June 30, 2023, Excellon issued an aggregate of 7,475,106 Common Shares and, when combined with the potential Common Shares issuable upon conversion of the Debentures and exercise of the Common Share purchase warrants, inadvertently exceeded the limit set forth in the TSX Conditional Approval Letter.

In connection with the Debenture Extension, on September 29, 2023, Excellon issued 6,888,458 Common Shares in consideration for an extension fee equal to 6% of the aggregate principal amount of the Debentures payable *pro rata* to the holders of the Debentures in Common Shares priced at C\$0.156 per Common Share.

Excellon has issued a total of 14,363,564 Common Shares in connection with the Debentures to date.

As a condition of approval of the issuance of the Common Shares issued in satisfaction of interest payment obligations during the period from the date of issuance of the Debentures until June 30, 2023 and the Debenture Extension, the TSX imposed a condition that Excellon cannot issue additional Common Shares related to the Debentures without disinterested shareholder approval. Accordingly, Excellon is seeking disinterested shareholder approval for the issuance of up to 194,516,355 Common Shares in connection with interest payments on the Debentures for the period from and including June 30, 2023 until July 31, 2024, subject to earlier completion of the Debenture Restructuring, which interest payments may, at the option of Excellon be satisfied through the issuance of Common Shares at a price equal to the 10-day volume-weighted average price of the Common Shares on the TSX ending on the fifth trading day preceding the interest payment date, at an effective annual interest rate of 10%. As the number of Common Shares that could be issued in satisfaction of the interest payments is dependent on the price of the Common Shares at the time of any such issuance, the number of Common Shares issuable pursuant to the interest payments, if Excellon elects to satisfy such payments in Common Shares, cannot be known at this time.

Excellon has requested that the TSX approve for listing up to 194,516,355 Common Shares that may be issued in satisfaction of the interest payments, which is based on the number of Common Shares issuable in satisfaction of interest in the amount of C\$1,945,163.55, representing interest on the aggregate principal amount of C\$17,910,000 at an effective annual interest rate of 10% for the period from and including June 30, 2023 to July 31, 2024 and an issue price of C\$0.01, which is a discounted price intended to provide flexibility to Excellon to permit the issuance of Common Shares without additional Shareholder approval in the case of a decrease in the Common Share price. The actual number of Common Shares issuable will be determined at the time, should Excellon elect to satisfy the interest payments in Common Shares.

See "*Particulars of Matters to be Acted Upon – 4. Approval of Debenture Interest Shares – Potential Dilution*".

### **Debenture Interest Shares Resolution**

At the Meeting, Shareholders (other than those Shareholders who also beneficially own, or exercise control or direction over, Debentures) will be asked to consider and, if deemed advisable, to approve the following Debenture Interest Shares Resolution:

**BE IT RESOLVED THAT** the issuance of an aggregate of up to 194,516,355 common shares in the capital of the Corporation ("**Common Shares**") that may be issued in connection with the payment of interest on the Corporation's outstanding 5.75% secured convertible debentures due July 31, 2024 (the "**Debentures**") in Common Shares for the period from and including June 30, 2023 until the earlier of the date of completion of the restructuring of the Debentures and July 31, 2024, all as more particularly described in the management information circular of the Corporation dated October 24, 2023, is hereby approved.

The Board unanimously recommends that Shareholders vote **FOR** the Debenture Interest Shares Resolution. Unless otherwise indicated, proxies received in favour of management will be voted in favour of the Debenture Interest Shares Resolution.

### **Debenture Interest Shares Resolution Approval Requirements**

The Debenture Interest Shares Resolution must be approved by a simple majority of the votes cast by Shareholders voting virtually in person or by proxy at the Meeting, excluding the votes cast by or on behalf of Shareholders who also beneficially own, or exercise control or direction over, Debentures. Excellon has identified the following Common Shares held by the Subject Debentureholders (as defined herein) and their associates and affiliates as at the Record Date, which, for greater certainty, was prior to the issuance of Common Shares in connection with the Debenture Extension, representing an aggregate of 6,083,534 Common Shares or 14.42% of the outstanding Common Shares as at the Record Date, and they will be excluded for purposes of determining disinterested shareholder approval of the Debenture Interest Shares Resolution:

<u>Name of Subject Debentureholder</u>	<u>Number of Common Shares and Percentage of Outstanding Common Shares as at the Record Date</u>
Concept Capital Management Ltd.	1,693,534 (4.01%)
Golden Capital Consulting Ltd.	Nil (0%)
Mezzo Consulting Services S.A.	Nil (0%)
Sinigual Sociedad S.A.	Nil (0%)
RE2GO S.r.L.	2,540,000 (6.02%)
Gerhard Merkel	1,850,000 (4.39%)

In addition, Excellon will be determining any other Shareholders who may also be Debentureholders and their votes will be excluded for purposes of determining disinterested shareholder approval of the Debenture Interest Shares Resolution. As such, the form of proxy or voting instruction form, as applicable, accompanying this Circular includes a question as to whether Shareholders are also Debentureholders. Shareholders who also beneficially own, or exercise control or direction over, Debentures should indicate YES (= FOR) in response to this question. Shareholders who do not beneficially own, or exercise control or direction over, Debentures should indicate NO (= AGAINST) in response to this question. All Common Shares represented by proxies which have indicated YES (= FOR) in response to this question will be excluded for purposes of determining disinterested shareholder approval of the Debenture Interest Shares Resolution.

## 5. APPROVAL OF THE PROPOSED DEBENTURE RESTRUCTURING

### Background to the Debenture Restructuring

On July 30, 2020, Excellon issued the Debentures pursuant to the Indenture. On July 24, 2023, Excellon entered into a binding agreement with holders of greater than 66<sup>2/3</sup>% of the aggregate principal amount of the Debentures in respect of the Debenture Extension. The Debenture Extension was completed on September 29, 2023 and was implemented pursuant to the terms and conditions of the Supplemental Indenture. The Debentures currently expire on July 31, 2024 and are convertible into Common Shares prior to maturity at a conversion price of C\$5.30 per Common Share. The Debentures currently bear interest at an annual rate of 5.75%, payable in cash semi-annually. Interest on the Debentures may alternatively be paid in Common Shares at Excellon's option based on the 10-day volume-weighted average price of the Common Shares prior to the payment date at an effective annual rate of 10%. The Debentures are secured against Excellon's Kilgore Project in Idaho.

On September 21, 2023, Excellon entered into a binding term sheet (the "**Debenture Restructuring Term Sheet**"), subject to customary conditions, with the holders of Debentures (the "**Debentureholders**") representing greater than 66<sup>2/3</sup>% of the aggregate principal amount of the Debentures (such Debentureholders, the "**Subject Debentureholders**"), pursuant to which Excellon has agreed to restructure the Debentures to, among other things:

- repurchase and cancel C\$10,410,000 aggregate principal amount of the Debentures (the "**Debenture Repurchase**"); and
- amend the terms of the remaining Debentures following the Debenture Repurchase, including, among other things, to further extend the maturity date of the Debentures, to reduce the conversion price of the Debentures and to increase the interest rate of the Debentures (the "**Debenture Amendment**" and together with the Debenture Repurchase, the "**Debenture Restructuring**").

The Debenture Restructuring will be implemented pursuant to the terms of a supplemental indenture or an amended and restated indenture entered into between Excellon and TSX Trust Company, as trustee and collateral agent.

The terms of the Debenture Restructuring were negotiated at arm's length with the Subject Debentureholders.

### **The Debenture Repurchase**

Pursuant to the Debenture Repurchase, Excellon will repurchase and cancel C\$10,410,000 aggregate principal amount of the Debentures in exchange for the following or similar consideration:

- (a) C\$3,500,000 in Common Shares at a price of C\$0.09 per Common Share, representing the market price of the Common Shares as at the date of the Debenture Restructuring Term Sheet, payable on the closing date of the Debenture Restructuring (the "**Restructuring Closing Date**") *pro rata* to the Debentureholders (the "**Consideration Shares**");

- (b) contingent value rights of Excellon providing for aggregate cash payments equal to the equivalent of up to 1,500 troy ounces of gold upon the achievement of certain milestones (the "**Contingent Value Rights**"), as further detailed below;
- (c) a 2% net smelter returns royalty on Excellon's Kilgore Project (the "**NSR Royalty**"), as further detailed below; and
- (d) a 25% interest in the common shares of Saxony Silver Corp. (the "**Saxony Silver Shares**"), which holds Excellon's Silver City Project, as further detailed below.

As partial consideration for the Debenture Repurchase, on the Restructuring Closing Date, the Debentureholders will be issued Contingent Value Rights providing for an aggregate cash payment equal to 500 troy ounces of gold, payable *pro rata* to the Debentureholders, upon the achievement of each of the following milestones at Excellon's Kilgore Project:

- (a) *Milestone 1*: Public filing of an updated mineral resource estimate;
- (b) *Milestone 2*: Public filing of an updated preliminary economic assessment, preliminary feasibility study, pre-feasibility study or feasibility study; and
- (c) *Milestone 3*: Declaration of commercial production.

Each cash payment shall be equal to total ounces multiplied by the average gold price for the five trading days prior to the achievement of the applicable milestone.

As partial consideration for the Debenture Repurchase, on the Restructuring Closing Date, the Debentureholders will receive a *pro rata* interest in the NSR Royalty. The NSR Royalty will be held by a trustee, nominee or paying agent for and on behalf of the Debentureholders.

As partial consideration for the Debenture Repurchase, on the Restructuring Closing Date, the Debentureholders will receive a *pro rata* interest in the 25% interest in the Saxony Silver Shares. Such Saxony Silver Shares will be held by a trustee or nominee for and on behalf of the Debentureholders. Prior to any liquidity event (which term shall be defined in the definitive documentation) with respect to Saxony Silver Corp. or the Silver City Project, Excellon will maintain such holders' 25% interest in the Saxony Silver Shares without further financial obligation on the part of such holders, as further described and subject to any exceptions set forth in the definitive documentation. The definitive documentation will provide for the rights of Excellon and the holders of an interest in the 25% interest in the Saxony Silver Shares in relation to the Saxony Silver Shares.

### ***The Debenture Amendment***

The remaining Debentures following the Debenture Repurchase will be amended to further extend the maturity date of the Debentures from July 31, 2024 to August 31, 2026 (the "**Extended Maturity Date**"). Following completion of the Debenture Restructuring, the outstanding principal shall be payable on the Extended Maturity Date in cash.

The remaining Debentures following the Debenture Repurchase will also be amended to reduce the conversion price (the "**New Conversion Price**") to C\$0.10 per Common Share, representing an 11% premium to the market price of the Common Shares as at the date of the Debenture Restructuring Term Sheet, or, if Excellon issues Common Shares or other securities convertible, exercisable or exchangeable for Common Shares under an offering of Common Shares, subscription receipts or other securities convertible, exercisable or exchangeable for Common Shares prior to the Restructuring Closing Date, which is expected to occur on or before December 31, 2023 (a "**Pre-Closing Equity Offering**"), a 20% discount to the price of such Pre-Closing Equity Offering; provided, however, that the New Conversion Price shall not be less than C\$0.06 per Common Share, representing a 33% discount to the market price

of the Common Shares as at the date of the Debenture Restructuring Term Sheet, and shall not be more than C\$0.16 per Common Share, representing a 78% premium to the market price of the Common Shares as at the date of the Debenture Restructuring Term Sheet. The Debentureholders will have the right, but not the obligation, at any time prior to the Extended Maturity Date, to convert the principal amount of the Debentures held by such holder into Common Shares at the New Conversion Price. The New Conversion Price will be subject to standard adjustments from time to time upon the occurrence of certain events as set forth in the Indenture.

In addition, the remaining Debentures following the Debenture Repurchase will be amended such that the Debentures will bear interest at a rate of 6.50% per annum calculated on the basis of a 365-day or 366-day year, as the case may be, payable in cash. Interest on the Debentures may alternatively be paid in Common Shares at Excellon's option based on the 15-day volume-weighted average price of the Common Shares on the TSX prior to the payment date at an effective annual rate of 10%. Interest in cash or in Common Shares will be payable on a semi-annual basis. The applicable interest rate upon an Event of Default (as defined in the Indenture) shall be 12%.

Subject to the receipt of requisite regulatory and securityholder approvals, the Restructuring Closing Date is expected to occur on or before December 31, 2023.

### ***Board Nomination Right***

Subject to the requirements under any applicable law, following the Restructuring Closing Date, so long as the Debentures remain outstanding, the Debentureholders shall have the right to nominate one individual who is qualified to serve as a director under the OBCA (the "**Debentureholder Director**"). The Debentureholder Director is required to be independent within the meaning of applicable laws. The Debentureholder Director will be nominated by beneficial holders of not less than a majority of the aggregate principal amount of the Debentures outstanding from time to time on behalf of the Debentureholders.

### **Description of the Debentures Following the Debenture Restructuring**

The following is a summary of certain material terms of the remaining Debentures following the Debenture Restructuring. This summary does not contain all of the information about the Debentures. The terms of the Debentures are governed by the express terms of the Indenture, as amended by the Supplemental Indenture and as further amended by the supplemental indenture or amended and restated indenture implementing the Debenture Restructuring, and not by this summary or any other information in this Circular.

***Maturity Date*** - The Extended Maturity Date of the Debentures will be August 31, 2026.

***Security*** - The Debentures will continue to be secured solely against Excellon's Kilgore Project in Idaho.

***Interest*** - The Debentures will bear interest at a rate of 6.50% per annum calculated on the basis of a year of 365 or 366 days, as the case may be, payable in cash. Interest on the Debentures may alternatively be paid in Common Shares at Excellon's option based on the 15-day volume-weighted average price of the Common Shares on the TSX prior to the payment date at an effective annual rate of 10%. Interest in cash or in Common Shares will be payable on a semi-annual basis. The applicable interest rate upon an Event of Default (as defined in the Indenture) shall be 12%.

***Conversion Right*** - The Debentureholders will have the right, but not the obligation, at any time prior to the Extended Maturity Date, to convert the principal amount of the Debentures held by such Debentureholder into Common Shares at the New Conversion Price.

***Conversion Price Adjustment Provision*** - The conversion price, or the Common Shares issued upon conversion, will be subject to standard adjustments from time to time upon the occurrence of certain events, including: (i) the subdivision or consolidation of the outstanding Common Shares or the issue of Common Shares or securities

exchangeable for or convertible into Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a dividend or distribution; (ii) the payment of a cash dividend or distribution to the holders of all or substantially all of the outstanding Common Shares; (iii) the issuance of options, rights or warrants to the holders of all or substantially all of the outstanding Common Shares in certain circumstances; (iv) a reclassification of the Common Shares or a capital reorganization of Excellon or a consolidation, amalgamation, arrangement, share exchange, merger of Excellon with or into any other person or entity or acquisition of Excellon or other combination pursuant to which the Common Shares are converted into or acquired for cash, securities or other property or a sale or conveyance of the property and assets of Excellon in their entirety or substantially in their entirety to any other person (other than a direct or indirect wholly-owned subsidiary of Excellon) or other entity or a liquidation, dissolution or winding-up of Excellon; and (v) a distribution to all or substantially all of the holders of Common Shares of shares in the capital of Excellon, other than Common Shares, or evidences of indebtedness or other assets of Excellon, including securities.

## Potential Dilution

The following tables illustrate the potential dilution that may occur in connection with the Debenture Restructuring, as well as certain dilution scenarios in connection with the future conversion of the Debentures and the interest payments on the Debentures. The below tables are provided for illustrative purposes only.

Event	Number of Common Shares to be Issued <sup>(1)</sup>
Consideration Shares <sup>(2)</sup>	38,888,888 (79%)
Future Conversion <sup>(3)</sup>	125,000,000 (255%)
Interest Payments <sup>(4)</sup>	207,534,247 (423%)
<b>TOTAL</b>	<b>371,423,135 (757%)</b>

### Notes:

- (1) Bracketed figures represent percentage of issued and outstanding Common Shares on a pre-transaction, non-diluted basis, based on 49,072,083 Common Shares issued and outstanding as at the date hereof. The number of Common Shares issued and outstanding prior to completion of the Debenture Restructuring is subject to change.
- (2) Represents the 38,888,888 Consideration Shares to be issued to the Debentureholders as partial consideration for the Debenture Repurchase, representing C\$3,500,000 in Common Shares at a price of C\$0.09 per Common Share.
- (3) Represents the potential future conversion of the C\$7,500,000 aggregate principal amount of the remaining Debentures into Common Shares at a conversion price equal to C\$0.06 per Common Share, being the minimum conversion price of the Debentures following the Debenture Amendments in the event of a Pre-Closing Equity Offering adjustment.
- (4) Excellon may, at its option, satisfy interest payments through the issuance of Common Shares at a price equal to the 15-day volume-weighted average price of the Common Shares on the TSX ending on the trading day prior to the issuance of such Common Shares, provided that such price is not less than the market price of the Common Shares less the maximum discount permitted by the rules and policies of the TSX, at an effective annual interest rate of 10%. As the number of Common Shares that could be issued in satisfaction of the interest payments is dependent on the price of the Common Shares at the time of any such issuance, the number of Common Shares issuable pursuant to the interest payments, if Excellon elects to satisfy such payments in Common Shares, cannot be known at this time. Excellon has requested that the TSX approve for listing up to 207,534,247 Common Shares that may be issued in satisfaction of the interest payments, which is based on the number of Common Shares issuable in satisfaction of interest in the amount of approximately C\$2,075,342, representing interest on the aggregate principal amount of C\$7,500,000 at an effective annual interest rate of 10% for the period from and including November 24, 2023, being the earliest possible Restructuring Closing Date, to August 31, 2026 and an issue price of C\$0.01, which is a discounted price intended to provide flexibility to Excellon to permit the issuance of Common Shares without additional Shareholder approval in the case of a decrease in the Common Share price. The actual number of Common Shares issuable will be determined at the time, should Excellon elect to satisfy the interest payments in Common Shares. See additional dilution scenarios in the table titled "Interest Payments – Dilution Scenarios" below.

*Future Conversion – Dilution Scenarios*

Price of Common Shares (C\$)	Number of Common Shares to be Issued <sup>(1)</sup>
0.06 <sup>(2)</sup>	125,000,000 (255%)
0.10 <sup>(3)</sup>	75,000,000 (153%)
0.16 <sup>(4)</sup>	46,875,000 (96%)

**Notes:**

- (1) Bracketed figures represent percentage of issued and outstanding Common Shares on a pre-transaction, non-diluted basis, based on 49,072,083 Common Shares issued and outstanding as at the date hereof. The number of Common Shares issued and outstanding prior to completion of the Debenture Restructuring is subject to change.
- (2) Represents the minimum conversion price of the Debentures following the Debenture Amendments.
- (3) Represents the conversion price of the Debentures assuming Excellon does not complete a Pre-Closing Equity Offering.
- (4) Represents the maximum conversion price of the Debentures following the Debenture Amendments.

*Interest Payments – Dilution Scenarios*

Event	Interest on C\$7,500,000 Principal Amount of Debentures Payable at 10% (C\$)	Number of Common Shares to be Issued <sup>(1)</sup> Price of Common Shares for 15-Day Period (C\$)		
		0.01 <sup>(2)</sup>	0.10 <sup>(3)</sup>	0.19 <sup>(4)</sup>
December 31, 2023 <sup>(5)</sup>	\$76,027.40	7,602,740 (16%)	760,274 (2%)	400,144 (1%)
June 30, 2024	\$372,950.82	37,295,082 (76%)	3,729,508 (8%)	1,962,899 (4%)
December 31, 2024	\$377,049.18	37,704,918 (77%)	3,770,491 (8%)	1,984,469 (4%)
June 30, 2025	\$371,917.81	37,191,781 (76%)	3,719,178 (8%)	1,957,462 (4%)
December 31, 2025	\$378,082.19	37,808,219 (77%)	3,780,821 (8%)	1,989,906 (4%)
June 30, 2026	\$371,917.81	37,191,781 (76%)	3,719,178 (8%)	1,957,462 (4%)
August 31, 2026	\$127,397.26	12,739,726 (26%)	1,273,972 (3%)	670,511 (1%)
<b>TOTAL</b>	<b>\$2,075,342.47</b>	<b>207,534,247 (423%)</b>	<b>20,753,422 (42%)</b>	<b>10,922,853 (22%)</b>

**Notes:**

- (1) Bracketed figures represent percentage of issued and outstanding Common Shares on a pre-transaction, non-diluted basis, based on 49,072,083 Common Shares issued and outstanding as at the date hereof. The number of Common Shares issued and outstanding prior to completion of the Debenture Restructuring is subject to change.
- (2) Represents approximately 90% discount to the market price of the Common Shares of C\$0.10 as at October 24, 2023.
- (3) Represents the market price of the Common Shares as at October 24, 2023.
- (4) Represents approximately 90% premium to the market price of the Common Shares of C\$0.10 as at October 24, 2023.
- (5) Represents interest on the Debentures for the period from and including November 24, 2023, being the earliest possible Restructuring Closing Date, to and including December 30, 2023.



## Creation of New Insiders

To the knowledge of Excellon, upon completion of the Debenture Restructuring, Concept Capital Management Ltd. will own more than 10% of Excellon's outstanding Common Shares, as set forth in the table below. Additionally, to the knowledge of Excellon, subsequent to the completion of the Debenture Restructuring, depending on, among other things, the aggregate principal amount of Debentures converted and the number of Common Shares held at the time of conversion or satisfaction of interest payments through the issuance of Common Shares, Golden Capital Consulting Ltd., Mezzo Consulting Services S.A. and Sinigual Sociedad S.A. could potentially own more than 10% of Excellon's outstanding Common Shares upon future conversion of the Debentures and/or satisfaction of interest payments through the issuance of Common Shares, as set forth in the table below.

Holder <sup>(1)</sup>	Common Shares Owned Following Completion of Debenture Restructuring <sup>(2)</sup>	Common Shares Owned Following Future Conversion of Debentures <sup>(3)</sup>	Common Shares Owned Following Payment of Interest on Debentures in Common Shares <sup>(4)</sup>
Concept Capital Management Ltd. <sup>(5)</sup>	15,367,952 (17.47%)	52,707,427 (42.06%)	98,908,286 (26.90%)
Golden Capital Consulting Ltd. <sup>(6)</sup>	7,706,237 (8.76%)	28,748,951 (26.37%)	54,785,510 (14.90%)
Mezzo Consulting Services S.A. <sup>(7)</sup>	5,712,584 (6.49%)	21,311,411 (20.58%)	40,612,144 (11.05%)
Sinigual Sociedad S.A. <sup>(8)</sup>	3,833,949 (4.36%)	14,302,961 (14.53%)	27,256,472 (7.41%)

### Notes:

- (1) Information as to the identity of the holder, the aggregate principal amount of Debentures held prior to completion of the Debenture Restructuring and the number of Common Shares held prior to completion of the Debenture Restructuring, not being within the knowledge of Excellon, has been provided by the respective holder. To the knowledge of Excellon, none of the disclosed holders is related to any other disclosed holder.
- (2) Bracketed figures represent percentage of issued and outstanding Common Shares following completion of the Debenture Restructuring on a non-diluted basis, assuming 87,960,971 Common Shares issued and outstanding following completion of the Debenture Restructuring.
- (3) Assumes conversion only by each respective holder of all Debentures anticipated to be held following completion of the Debenture Restructuring by such holder at a conversion price equal to C\$0.06 per Common Share, being the minimum conversion price of the Debentures following the Debenture Amendments in the event of a Pre-Closing Equity Offering adjustment. Bracketed figures represent percentage of issued and outstanding Common Shares following conversion of Debentures by the respective holder only on a partially diluted basis, based on 87,960,971 Common Shares issued and outstanding following completion of the Debenture Restructuring and prior to any such conversion.
- (4) Assumes no future conversion of the Debentures and the election by Excellon to satisfy all interest payments for the period from June 30, 2023 to August 31, 2026 in Common Shares at an issue price of C\$0.01, which is a discounted price intended to provide flexibility to Excellon to permit the issuance of Common Shares without additional Shareholder approval in the case of a decrease in the Common Share price.
- (5) The beneficial owner of Concept Capital Management Ltd. is Bernd Hogel. Figures include Common Shares held directly by Bernd Hogel.
- (6) The beneficial owner of Golden Capital Consulting Ltd. is Jouzas Papartis.
- (7) The beneficial owner of Mezzo Consulting Services S.A. is Frank Hogel.
- (8) The beneficial owner of Sinigual Sociedad S.A. is Marc Lawrenson.

## Reasons for Shareholder Approval Requirement

### *Section 607(g)(i) of the Manual*

Pursuant to Section 610(c) of the TSX Company Manual (the "**Manual**"), a decrease in the conversion price of a previously issued convertible security must be submitted to the TSX for approval and will be reviewed as a new private placement. The remaining Debentures following the Debenture Repurchase will be amended to reduce the conversion price from C\$5.30 per Common Share to C\$0.10 per Common Share or, if Excellon completes a Pre-

Closing Equity Offering, a 20% discount to the price of such Pre-Closing Equity Offering; provided, however, that the New Conversion Price shall not be less than C\$0.06 per Common Share and shall not be more than C\$0.16 per Common Share. As such, the TSX will review the Debenture Restructuring as a new private placement.

Pursuant to Section 607(g)(i) of the Manual, the TSX will require that security holder approval be obtained for private placements for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction, if the price per security is less than the market price. Section 607(f)(iii) of the Manual further provides that in the case of a private placement of convertible securities (such as the Debentures), the underlying listed securities will be considered as being issued at a price per security less than the market price, unless the conversion price of such convertible security is defined as at least market price at the time of conversion and will be regarded as being part of the number of securities being issued pursuant to the transaction. The conversion price of the remaining Debentures following the Debenture Repurchase will not be defined as at least market price at the time of conversion and, therefore, the underlying Common Shares will be considered as being issued at a price per Common Share less than the market price and will be regarded as being part of the number of securities being issued pursuant to the transaction.

In connection with the Debenture Restructuring and pursuant to the terms of the Debentures following completion of the Debenture Restructuring, an aggregate of up to 371,423,135 Common Shares may be issued or made issuable, representing 757% of the number of Common Shares which are outstanding, on a pre-transaction, non-diluted basis, as follows:

1. As partial consideration for the Debenture Repurchase, Excellon proposes to issue an aggregate of 38,888,888 Consideration Shares at a price of C\$0.09 per Common Share to the Debentureholders, representing 79% of the number of Common Shares which are outstanding, on a pre-transaction, non-diluted basis.
2. In connection with the potential future conversion of the C\$7,500,000 aggregate principal amount of the remaining Debentures into Common Shares following completion of the Debenture Restructuring, Excellon proposes to make issuable an aggregate of up to 125,000,000 Common Shares at a conversion price equal to C\$0.06 per Common Share, being the minimum conversion price of the Debentures following the Debenture Amendments in the event of a Pre-Closing Equity Offering adjustment, which number of Common Shares represents 255% of the number of Common Shares which are outstanding, on a pre-transaction, non-diluted basis.
3. Pursuant to the terms of the Debentures, following completion of the Debenture Restructuring, Excellon may, at its option, satisfy interest payments through the issuance of Common Shares at a price equal to the 15-day volume-weighted average price of the Common Shares on the TSX ending on the trading day prior to the issuance of such Common Shares, provided that such price is not less than the market price of the Common Shares less the maximum discount permitted by the rules and policies of the TSX, at an effective annual interest rate of 10%. As the number of Common Shares that could be issued in satisfaction of the interest payments is dependent on the price of the Common Shares at the time of any such issuance, the number of Common Shares issuable pursuant to the interest payments, if Excellon elects to satisfy such payments in Common Shares, cannot be known at this time. However, Excellon has requested that the TSX approve for listing up to 207,534,247 Common Shares that may be issued in satisfaction of the interest payments, representing 423% of the number of Common Shares which are outstanding, on a pre-transaction, non-diluted basis, which is based on the number of Common Shares issuable in satisfaction of interest in the amount of approximately C\$2,075,342, representing interest on the aggregate principal amount of C\$7,500,000 at an effective annual interest rate of 10% for the period from and including November 24, 2023, being the earliest possible Restructuring Closing Date, to August 31, 2026 and an issue price of C\$0.01, which is a discounted price intended to provide flexibility to Excellon to permit the issuance of Common Shares without additional Shareholder approval in the case of a decrease in the Common Share

price. The actual number of Common Shares issuable will be determined at the time, should Excellon elect to satisfy the interest payments in Common Shares.

See "*Particulars of Matters to be Acted Upon – 5. Approval of the Proposed Debenture Restructuring – Potential Dilution*".

As the Debenture Restructuring and the terms of the Debentures following completion of the Debenture Restructuring will provide for the issuance of greater than 25% of the currently issued and outstanding Common Shares, on a non-diluted basis, prior to the date of closing of the transaction, at a price per security less than the market price, at the Meeting, in accordance with Section 607(g)(i) of the Manual, Shareholders will be asked to consider and, if deemed advisable, pass the Debenture Restructuring Resolution approving, among other things, the issuance of an aggregate of up to 371,423,135 Common Shares.

#### *Section 610(g)(ii) of the Manual*

Pursuant to Section 610(g)(ii) of the Manual, the TSX will require that security holder approval be obtained for private placements that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during the six month period. It is currently contemplated that a new insider will be created upon completion of the Debenture Restructuring and that additional insiders could be created upon future conversion of the Debentures or satisfaction of interest payments through the issuance of Common Shares. As a result, the completion of the Debenture Restructuring, the future conversion of the Debentures or the satisfaction of interest payments through the issuance of Common Shares could result in the issuance to insiders, during a six month period, of a number of Common Shares greater than 10% of the number of Common Shares which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during the six month period. Accordingly, at the Meeting, in accordance with Section 607(g)(ii) of the Manual, Shareholders will be asked to consider and, if deemed advisable, pass the Debenture Restructuring Resolution approving, among other things, the issuance of an aggregate of up to 371,423,135 Common Shares.

#### *Section 610(a) and Section 607(e) of the Manual*

Pursuant to Section 610(a) of the Manual, the conversion price of a convertible security privately placed is subject to Section 607(e) of the Manual and may be: (i) based on either of, but not the lower of, market price less the applicable discount, at the time of issuance of the convertible security or at the time of conversion of such security; or (ii) based on the lower of market price, without any applicable discount, at the time of the issuance of the convertible security or at the time of conversion of such security. In all other instances providing a basis for determining the conversion price that could result in a conversion price lower than that determined in accordance with paragraphs (i) and (ii), security holder approval is required. Section 607(e) of the Manual provides that the price per listed security for any private placement must not be lower than the market price less a discount of 25% where the market price is \$0.50 or less. Section 607(e) of the Manual further provides that the TSX will allow the price per listed security for a particular transaction to be less than as provided for in Section 607(e) of the Manual provided that the listed issuer has received security holder approval (other than by security holders participating directly or indirectly in the transaction and such security holders' associates and affiliates).

The remaining Debentures following the Debenture Repurchase will be amended to reduce the conversion price to C\$0.10 per Common Share, representing an 11% premium to the market price as at the date of the Debenture Restructuring Term Sheet, or, if Excellon completes a Pre-Closing Equity Offering, a 20% discount to the price of such Pre-Closing Equity Offering; provided, however, that the New Conversion Price shall not be less than C\$0.06 per Common Share, representing a 33% discount to the market price as at the date of the Debenture Restructuring Term Sheet, and shall not be more than C\$0.16 per Common Share, representing a 78% premium to the market price as at the date of the Debenture Restructuring Term Sheet. As the New Conversion Price may be less than the market price less the applicable discount at the time of issuance of the convertible security, at the Meeting, in accordance

with Section 610(a) and Section 607(e) of the Manual, Shareholders will be asked to consider and, if deemed advisable, pass the Debenture Restructuring Resolution approving, among other things, the New Conversion Price at a price less than market price less the applicable discount.

*Section 604(a)(i) of the Manual*

Pursuant to Section 604(a)(i) of the Manual, the TSX will generally require security holder approval as a condition of acceptance of a notice of a transaction involving the issuance or potential issuance of securities if, in the opinion of the TSX, the transaction will "materially affect control" of the listed issuer. Under the Manual, a transaction is considered to "materially affect control" if it gives any security holder or combination of security holders acting together the ability to influence the outcome of a vote of security holders, including the ability to block significant transactions. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together is generally considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances.

Following completion of the Debenture Restructuring, depending on the New Conversion Price, upon conversion of some or all of the Debentures held by each of Concept Capital Management Ltd., Golden Capital Consulting Ltd. and Mezzo Consulting Services S.A., at the time of such conversion, each such holder could become a "Control Person" (as such term is defined in the *Securities Act* (Ontario)) of Excellon. Assuming conversion of all of the Debentures expected to be held by Concept Capital Management Ltd. following completion of the Debenture Restructuring at a conversion price of C\$0.06 per Common Share, Concept Capital Management Ltd. would hold an aggregate of 52,707,427 Common Shares or 42.06% on a partially-diluted basis. Assuming conversion of all of the Debentures expected to be held by Golden Capital Consulting Ltd. following completion of the Debenture Restructuring at a conversion price of C\$0.06 per Common Share, Golden Capital Consulting Ltd. would hold an aggregate of 28,748,951 Common Shares or 26.37% on a partially-diluted basis. Assuming conversion of all of the Debentures expected to be held by Mezzo Consulting Services S.A. following completion of the Debenture Restructuring at a conversion price of C\$0.06 per Common Share, Mezzo Consulting Services S.A. would hold an aggregate of 21,311,411 Common Shares or 20.58% on a partially-diluted basis. Additionally, in connection with the satisfaction of interest payments through the issuance of Common Shares, depending on the price at which such Common Shares are issued, upon satisfaction of interest payments on the Debentures held by Concept Capital Management Ltd., at the time of such interest payment, such holder could become a "Control Person" of Excellon (as such term is defined in the *Securities Act* (Ontario)). Assuming the satisfaction of interest payments through the issuance of Common Shares on the Debentures expected to be held by Concept Capital Management Ltd. following completion of the Debenture Restructuring at a price of C\$0.01 per Common Share in respect of each interest payment for the period from June 30, 2023 to August 31, 2026, Concept Capital Management Ltd. would hold an aggregate of 98,908,286 Common Shares or 26.90% on a non-diluted basis. As such, Excellon is seeking Shareholder approval of the issuance of Common Shares that may be required to be issued upon conversion of all or some of the Debentures that are held by each of Concept Capital Management Ltd., Golden Capital Consulting Ltd. and Mezzo Consulting Services S.A. at the time of such conversion or the issuance of Common Shares that may be required to be issued upon satisfaction of interest payments on the Debentures that are held by Concept Capital Management Ltd., and where such conversion or issuance, as applicable, would "materially affect control" of Excellon through the creation of a new "Control Person".

The table below reflects the shareholdings of each of Concept Capital Management Ltd., Golden Capital Consulting Ltd. and Mezzo Consulting Services S.A. prior to and following completion of the Debenture Restructuring and upon future conversion of the Debentures or satisfaction of interest payments through the issuance of Common Shares.

<b>Holder<sup>(1)</sup></b>	<b>Common Shares Owned as at the Date of Circular<sup>(2)</sup></b>	<b>Common Shares Owned Following Completion of Debenture Restructuring<sup>(3)</sup></b>	<b>Common Shares Owned Following Future Conversion of Debentures<sup>(4)</sup></b>	<b>Common Shares Owned Following Payment of Interest on Debentures in Common Shares<sup>(5)</sup></b>
Concept Capital Management Ltd. <sup>(6)</sup>	3,751,226 (7.64%)	15,367,952 (17.47%)	52,707,427 (42.06%)	98,908,286 (26.90%)
Golden Capital Consulting Ltd. <sup>(7)</sup>	1,159,615 (2.36%)	7,706,237 (8.76%)	28,748,951 (26.37%)	54,785,510 (14.90%)
Mezzo Consulting Services S.A. <sup>(8)</sup>	859,615 (1.75%)	5,712,584 (6.49%)	21,311,411 (20.58%)	40,612,144 (11.05%)

**Notes:**

- (1) Information as to the identity of the holder, the aggregate principal amount of Debentures held prior to completion of the Debenture Restructuring and the number of Common Shares held prior to completion of the Debenture Restructuring, not being within the knowledge of Excellon, has been provided by the respective holder.
- (2) Bracketed figures represent percentage of issued and outstanding Common Shares as at the date of this Circular on a non-diluted basis, based on 49,072,083 Common Shares issued and outstanding.
- (3) Bracketed figures represent percentage of issued and outstanding Common Shares following completion of the Debenture Restructuring on a non-diluted basis, assuming 87,960,971 Common Shares issued and outstanding following completion of the Debenture Restructuring.
- (4) Assumes conversion only by each respective holder at a conversion price equal to C\$0.06 per Common Share, being the minimum conversion price of the Debentures following the Debenture Amendments in the event of a Pre-Closing Equity Offering adjustment. Bracketed figures represent percentage of issued and outstanding Common Shares following conversion of Debentures by the respective holder only on a partially diluted basis, based on 87,960,971 Common Shares issued and outstanding following completion of the Debenture Restructuring and prior to any such conversion.
- (5) Assumes no future conversion of the Debentures and the election by Excellon to satisfy all interest payments for the period from June 30, 2023 to August 31, 2026 in Common Shares at an issue price of C\$0.01, which is a discounted price intended to provide flexibility to Excellon to permit the issuance of Common Shares without additional shareholder approval in the case of a decrease in the Common Share price.
- (6) The beneficial owner of Concept Capital Management Ltd. is Bernd Hogel. Figures include Common Shares held directly by Bernd Hogel.
- (7) The beneficial owner of Golden Capital Consulting Ltd. is Jouzas Papartis.
- (8) The beneficial owner of Mezzo Consulting Services S.A. is Frank Hogel.

Excellon has applied for conditional approval from the TSX for the Debenture Restructuring and for the listing on the TSX of the Consideration Shares, the Common Shares that may be issued on conversion of the Debentures and the Common Shares that may be issued in connection with the payment of interest on the Debentures in Common Shares for the period from and including the date of completion of the Debenture Restructuring until August 31, 2026. The proposed listing will be subject to Excellon fulfilling all of the requirements of the TSX, including approval of the Shareholders, excluding those Shareholders who also beneficially own, or exercise control or direction over Debentures.

**Debenture Restructuring Resolution**

At the Meeting, Shareholders (other than those Shareholders who also beneficially own, or exercise control or direction over, Debentures) will be asked to consider and, if deemed advisable, to approve the following Debenture Restructuring Resolution:

**BE IT RESOLVED THAT:**

1. all actions of the directors of the Corporation in approving the repurchase and cancellation (the "**Debenture Repurchase**") of C\$10,410,000 aggregate principal amount of the Corporation's outstanding 5.75% secured convertible debentures due July 31, 2024 (the "**Debentures**") and the amendment of the terms of the remaining Debentures following the Debenture Repurchase, including, among other things, to further extend the maturity date of the Debentures, to reduce the conversion price of the Debentures and to increase the interest rate of the Debentures (together with the Debenture Repurchase, the "**Debenture Restructuring**"), all as more particularly described in the management information circular of the Corporation dated October 24, 2023 (the "**Circular**"), and any modifications or amendments thereto, are each authorized, ratified and approved;
2. the issuance of an aggregate of up to 371,423,135 common shares in the capital of the Corporation ("**Common Shares**") in connection with the Debenture Restructuring, comprising:
  - a. 38,888,888 Common Shares to be issued as partial consideration for the Debenture Repurchase;
  - b. up to 125,000,000 Common Shares that may be issued upon the future conversion of C\$7,500,000 aggregate principal amount of the Debentures; and
  - c. up to 207,534,247 Common Shares that may be issued in connection with the payment of interest on the Debentures in Common Shares for the period from and including the date of completion of the Debenture Restructuring until August 31, 2026,all as more particularly described in the Circular, is hereby approved; and
3. the reduction of the conversion price of the Debentures to a price not less than C\$0.06 per Common Share, as more particularly described in the Circular, is hereby approved.

The Board unanimously recommends that Shareholders vote **FOR** the Debenture Restructuring Resolution. Unless otherwise indicated, proxies received in favour of management will be voted in favour of the Debenture Restructuring Resolution.

**Debenture Restructuring Resolution Approval Requirements**

The Debenture Restructuring Resolution must be approved by a simple majority of the votes cast by Shareholders voting virtually in person or by proxy at the Meeting, excluding the votes cast by or on behalf of Shareholders who also beneficially own, or exercise control or direction over, Debentures. Excellon has identified the following Common Shares held by the Subject Debentureholders and their associates and affiliates as at the Record Date, which, for greater certainty, was prior to the issuance of Common Shares in connection with the Debenture Extension, representing an aggregate of 6,083,534 Common Shares or 14.42% of the outstanding Common Shares as at the Record Date, and they will be excluded for purposes of determining disinterested shareholder approval of the Debenture Restructuring Resolution:

<u>Name of Subject Debentureholder</u>	<u>Number of Common Shares and Percentage of Outstanding Common Shares as at the Record Date</u>
Concept Capital Management Ltd.	1,693,534 (4.01%)
Golden Capital Consulting Ltd.	Nil (0%)
Mezzo Consulting Services S.A.	Nil (0%)
Sinigual Sociedad S.A.	Nil (0%)
RE2GO S.r.L.	2,540,000 (6.02%)
Gerhard Merkel	1,850,000 (4.39%)

In addition, Excellon will be determining any other Shareholders who may also be Debentureholders and their votes will be excluded for purposes of determining disinterested shareholder approval of the Debenture Restructuring Resolution. As such, the form of proxy or voting instruction form, as applicable, accompanying this Circular includes a question as to whether Shareholders are also Debentureholders. Shareholders who also beneficially own, or exercise control or direction over, Debentures should indicate YES (= FOR) in response to this question. Shareholders who do not beneficially own, or exercise control or direction over, Debentures should indicate NO (= AGAINST) in response to this question. All Common Shares represented by proxies which have indicated YES (= FOR) in response to this question will be excluded for purposes of determining disinterested shareholder approval of the Debenture Restructuring Resolution.

## OTHER BUSINESS

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice accompanying this Circular. **However, if any other matters properly come before the Meeting, it is the intention of the management proxyholders to vote on the same in accordance with their best judgment on such matters.**

## STATEMENT OF EXECUTIVE COMPENSATION

### Named Executive Officers

The following describes the particulars of compensation for: (a) each individual who acted as a chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year; (b) each individual who acted as a chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year; (c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year (each a "**Named Executive Officer**" or "**NEO**"). For the financial year ended December 31, 2022, the Named Executive Officers of the Corporation were:

Shawn Howarth, President and Chief Executive Officer

Brendan Cahill, Former President and Chief Executive Officer

Daniel Hall, Chief Financial Officer

Alfred Colas, Former Chief Financial Officer

Paul Keller, Former Chief Operating Officer

Jorge Ortega, Former Vice President Exploration

Nicholas Hayduk, Former Chief Legal Officer and Vice President, Corporate Affairs and Corporate Secretary

### Compensation Policy Objectives

Excellon believes that recruiting and retaining highly competent executives is critical to the Corporation's success in achieving its strategic objectives and delivering value to Shareholders.

The objectives of the Corporation's compensation strategy are to:

- offer competitive compensation that allows the Corporation to successfully attract, retain and motivate qualified executives;

- provide incentives to executives to maximize productivity and enhance enterprise value by aligning the interests of the executives with those of the Shareholders;
- foster the teamwork and entrepreneurial spirit necessary to support the Corporation's growth objectives;
- establish a direct link between all elements of compensation and the performance of the Corporation and its subsidiaries, and individual performance;
- integrate compensation incentives with the development and successful execution of strategic and operating plans; and
- enhance Shareholder value.

## **Compensation Governance**

Effective July 31, 2023, the Compensation Committee is composed of Brendan Cahill (Chair), Laurie Curtis and Craig Lindsay, each of whom, other than Brendan Cahill, are considered independent for the purposes of National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). Each member of the Compensation Committee has held senior executive and board positions with other publicly traded companies where they have had direct involvement in the development and implementation of compensation policies and practices for employees at all levels, including executive officers. The Board believes that the Compensation Committee members possess the knowledge, experience and the profile needed to fulfill the mandate of the Compensation Committee.

For the year ended December 31, 2022, the Compensation Committee was responsible for making recommendations to the Board with respect to the compensation of the Corporation's directors, Named Executive Officers and employees. The Compensation Committee works in conjunction with the Chair and the President and Chief Executive Officer on the review and assessment of the performance of executive officers and other employees in accordance with the Corporation's compensation practices. The Board reviews the Compensation Committee's recommendations to ensure that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Corporation's compensation program.

In 2022, the Corporation did not engage an independent compensation consultant to review currently available public disclosure of peer compensation practices. There were no compensation related services for each of the two most recently completed financial years. The Compensation Committee considers available market data for companies in comparable industries and of a similar size, although a specific benchmark was not targeted and a formal peer group was not established for the financial year ended December 31, 2022.

The executive compensation program comprises fixed and variable elements of compensation; base salary, indirect compensation (benefits), discretionary bonus, and long-term incentives in the form of DSUs, RSUs and Options. In determining actual compensation levels, the Compensation Committee considers the total compensation program, rather than any single element in isolation. Total compensation levels are designed to reflect both the marketplace (to ensure competitiveness) and the responsibility of each position (to ensure internal equity). The Compensation Committee believes these elements of compensation, when combined, form an appropriate mix of compensation, and provide competitive salary, link the majority of the executives' compensation to corporate and individual performance (which induces and rewards behaviour that creates long-term value for Shareholders and other stakeholders), and encourage retention with time-based vesting attached to long-term equity-based incentives.

The compensation level of the President and Chief Executive Officer is designed to recognize his personal contributions and leadership. At the end of each fiscal year, the Compensation Committee evaluates the performance of the President and Chief Executive Officer, and the Compensation Committee, in consultation with the Chair, formally evaluates the performance of the President and Chief Executive Officer. Using both financial and non-financial measures, the Compensation Committee may recommend to the Board an increase to the President and Chief Executive Officer's total compensation to levels that are consistent with corporate and individual performance.



Similarly, the Compensation Committee reviews and ensures that the directors' compensation packages are competitive in light of the responsibility and the time commitment required from directors. Based on such reviews, the Committee makes recommendations to the Board with respect to changes to executive compensation and director compensation.

### Elements of 2022 Compensation Program

Compensation for NEOs is composed of different elements. These include elements relating to factors that do not directly correlate to the market price of the Common Shares, such as base salary, as well as elements that more closely correlate to the Corporation's performance and financial condition, such as short-term and long-term incentives. The elements of executive compensation are designed to attract and retain top quality executives to manage and grow the business through both adverse and favourable economic cycles. In recent years, in the context of difficult equity and commodity markets, the Corporation has significantly weighted compensation to corporate performance metrics, specifically regarding safety, cost performance and certain specific corporate and strategic objectives.

RSU and Option grants to NEOs for 2022 were as follows:

Name/Title	RSUs (#)	Options (#)
Shawn Howarth <sup>(1)</sup> President and CEO	400,000	450,000
Brendan Cahill <sup>(2)</sup> Former President and CEO	NIL	NIL
Daniel Hall <sup>(1)</sup> CFO	120,000	57,000
Alfred Colas Former CFO	NIL	NIL
Paul Keller Former COO	60,000	30,000
Jorge Ortega Former Vice President Exploration	60,000	30,000
Nicholas Hayduk <sup>(1)</sup> Former CLO and Vice President, Corporate Affairs and Corporate Secretary	125,000	100,000

(1) Includes grants on hiring or promotion during 2022.

(2) Grants in his capacity as President and CEO only.

The mix of total direct compensation potentially payable to Named Executive Officers is as follows:

### **Base Salaries**

Base salaries for the executive officers of the Corporation are designed to be competitive and are adjusted for the realities of the market. Initial base salaries are determined through market comparables, formal job evaluation, commercially available salary survey data, experience level, leadership and management skills, responsibilities and proven or expected performance. The Compensation Committee, in consultation with the Chair, reviews the recommendations of the President and Chief Executive Officer and recommends to the Board the base salaries for executive officers, taking into consideration the individual's performance, contributions to the success of the Corporation and internal equities among positions. No specific weightings are assigned to each factor; instead, a subjective determination is made based on a general assessment of the individual relative to such factors.

The Board and Compensation Committee review executive compensation on an ongoing basis, with the expectation that salaries will be modified in consideration of commodity prices, market and the Corporation's financial position.

### ***Discretionary Bonus***

A discretionary bonus is intended to provide incentives to executive officers to enhance the growth and development of the Corporation, to encourage and motivate executive officers to achieve short-term goals, and to reward individual contribution to the achievement of corporate objectives. The bonus can be based as a percentage of annual salary or a fixed dollar amount and is awarded at the discretion of the Board as recommended by the Compensation Committee.

After a review of 2022 performance on a corporate and individual basis, as well as equity and commodity market conditions, the Compensation Committee determined not to grant any discretionary cash bonuses in 2023.

### ***Long-Term Incentives***

The Corporation's long-term equity portion of executive compensation is designed to align the interests of executive officers with that of Shareholders by encouraging equity ownership through awards of Options, DSUs and RSUs, to motivate executives and other key employees to contribute to an increase in corporate performance and Shareholder value, and to attract talented individuals and encourage the retention of executive officers and other key employees by vesting Options, DSUs and RSUs over a period of time.

#### *Stock Options*

The Corporation grants Options to its NEOs. The timing of the grant, and number of Common Shares made subject to option is recommended by the Chair and the President and Chief Executive Officer, reviewed and approved (or revised, if thought appropriate) by the Compensation Committee in consultation with the Chair, and implemented by a resolution of the Board. The review of proposed Option grants by the Compensation Committee (which is comprised of a majority of independent directors) and the implementation thereof by the Board provides the independent directors with significant input into such compensation decisions. Consideration in determining Option grants is given to, amongst other things, the total number of Options outstanding, the current and future expected contribution to the advancement of corporate objectives, the position of the individual, tenure, and previous Option grants to selected individuals. No specific weightings are assigned to each factor; instead a subjective determination is made based on an assessment of the individual relative to such factors. Grants of Options also comprise a portion of the compensation package offered to attract and retain new directors and executive officers to the Corporation. Options granted by the Board are priced at the closing price of the Common Shares on the TSX on the last trading day prior to the date of grant. Please see "*Securities Authorized for Issuance under Equity Compensation Plans – Share Incentive Plan*" for further information.

During the fiscal year ended December 31, 2022, 160,000 Options were granted to directors, and 782,000 Options were granted to executives, employees and consultants of the Corporation for an aggregate total of 942,000 Options.

#### *Deferred Share Units*

DSUs are granted pursuant to the Share Incentive Plan. The Board's current policy is that DSUs will be granted to directors, officers and employees. Upon vesting, each DSU award entitles the DSU participant to receive, subject to adjustment as provided for in the Share Incentive Plan, a lump sum cash payment or, at the Corporation's discretion, Common Shares equal to the whole number of DSUs credited to the DSU participant plus a cash settlement for any fraction of a DSU. For the purposes of the Share Incentive Plan, the value of the DSU on the settlement date is equal to: (i) if the Common Shares are then listed on the TSX, the closing price of the Common Shares on the TSX on the last trading day prior to such particular date; (ii) if the Common Shares are not then listed on the TSX, the closing price of the Common Shares on any other stock exchange on which the Common Shares are then listed (and, if more than one, then using the exchange on which a majority of trading in the Common Shares occurs) on the last trading

day prior to the such particular date; or (iii) if the Common Shares are not then listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith. The Share Incentive Plan is posted on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

During the fiscal year ended December 31, 2022, 380,417 DSUs were granted to directors of the Corporation.

#### *Restricted Share Units*

Under the Share Incentive Plan, RSUs may be granted at the discretion of the Board as a bonus to executives taking into account a number of factors, including the amount and term of RSUs previously granted, base salary and bonuses and competitive market factors. The Board establishes the vesting conditions for each RSU grant at the time of grant.

Upon vesting, each RSU entitles the RSU participant to receive, subject to adjustments as provided for in the Share Incentive Plan, one Common Share. For the purposes of the Share Incentive Plan, the value of the RSU on vesting is equal to: (i) if the Common Shares are then listed on the TSX, the closing price of the Common Shares on the TSX on the last trading day prior to such particular date; (ii) if the Common Shares are not then listed on the TSX, the closing price of the Common Shares on any other stock exchange on which the Common Shares are then listed (and, if more than one, then using the exchange on which a majority of trading in the Common Shares occurs) on the last trading day prior to the such particular date; or (iii) if the Common Shares are not then listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith. The Share Incentive Plan is posted on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

During the fiscal year ended December 31, 2022, 1,124,948 RSUs were granted to executives, employees and consultants of the Corporation, as further described above in respect of NEOs.

#### *Indirect Compensation*

The primary benefits offered to the Named Executive Officers include participation in group health, dental, extended medical coverage, and life insurance, including long-term disability, paid vacation and payment of any professional dues on the individual's behalf, which benefits are generally available to all employees of the Corporation.

#### *Pension Plan Benefits*

The Corporation does not provide retirement benefits for directors, executive officers or employees.

#### *Share Ownership Requirements*

The Corporation has not imposed minimum share ownership requirements, in line with industry practices for similar companies of its size.

#### *Risks Associated with Compensation Practices*

As of the date of this Circular, the Corporation's directors have not, collectively, considered the implications of any risks associated with the Corporation's compensation policies applicable to its executive officers.

#### *Financial Instruments*

The Corporation has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this

Circular, entitlement to grants of incentive Options, RSUs and DSUs under the Corporation's Share Incentive Plan are the only equity-based security elements awarded to executive officers and directors.

### Summary Compensation Table

The table below is a summary of total compensation paid or payable to the NEOs for each of the Corporation's three most recently completed financial years:

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	Share-based Awards <sup>(1)</sup> (\$)	Option-based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup> (\$)	Long-term Incentive Plans (\$)			
<b>Shawn Howarth<sup>(4)</sup></b> President and CEO and Director	2022	135,493	216,000	133,693	NIL	NIL	NIL	NIL	485,186
<b>Brendan Cahill<sup>(5)</sup></b> Former President and CEO, and Director	2022	143,151	NIL	NIL	NIL	NIL	NIL	NIL	143,151
	2021	250,000	310,000	32,684	100,000	NIL	NIL	NIL	692,684
	2020	225,000	266,000	58,180	100,000	NIL	NIL	NIL	649,180
<b>Daniel Hall<sup>(6)</sup></b> CFO	2022	205,055	96,600	21,623	NIL	NIL	NIL	NIL	323,278
	2021	145,000	63,000	16,342	20,000	NIL	NIL	NIL	244,342
	2020	145,000	16,600	21,816	10,000	NIL	NIL	NIL	193,416
<b>Alfred Colas<sup>(7)</sup></b> Former CFO	2022	62,329	NIL	NIL	NIL	NIL	NIL	NIL	62,329
	2021	250,000	210,000	32,684	25,000	NIL	NIL	NIL	517,684
	2020	52,083	107,400	52,746	NIL	NIL	NIL	NIL	212,229
<b>Paul Keller<sup>(8)</sup></b> Former COO	2022	300,000	34,800	10,980	NIL	NIL	NIL	NIL	345,780
	2021	300,000	210,000	32,684	40,000	NIL	NIL	NIL	582,684
	2020	84,231	143,100	71,031	NIL	NIL	NIL	NIL	298,362
<b>Jorge Ortega<sup>(9)</sup></b> Former VP Exploration	2022	227,745	34,800	10,980	NIL	NIL	NIL	NIL	273,525
	2021	179,004	118,050	14,244	62,685	NIL	NIL	NIL	373,983
	2020	161,831	41,500	29,088	20,124	NIL	NIL	NIL	252,543
<b>Nicholas Hayduk<sup>(10)</sup></b> Former CLO, VP Corporate Affairs and Corporate Secretary	2022	109,589	60,000	36,600	NIL	NIL	NIL	NIL	206,189

- (1) RSUs are granted with performance, share price and time vesting criteria. The valuation of RSUs reflects the market value on the date of grant.
- (2) The values reported represent an estimate of the grant date fair market value of the Options awarded during the year estimated at the grant date based on the Black-Scholes option pricing model. Other than in respect of specific grants upon appointment, as noted below, fair value estimates for annual grants were based on the following assumptions: (i) for 2022, a risk-free interest rate of 0.23%, no dividend yield, expected life of three years and an expected price volatility of 80.34%; (ii) for 2021, a risk-free interest rate of 0.23%, no dividend yield, expected life of three years and an expected price volatility of 80.34%; and (iii) for 2020, a risk-free interest rate of 0.66%, no dividend yield, expected life of three years and an expected price volatility of 72.80%. The calculation of fair market value is based on the Black-Scholes pricing model, selected as it is widely used in estimating option-based compensation values by Canadian public companies. The Black-Scholes model is a pricing model, which may or may not reflect the annual value of the Options. The Options may never be

exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

- (3) Represents annual cash bonus. See "*Statement of Executive Compensation – Elements of 2022 Compensation Program – Discretionary Bonus*".
- (4) Mr. Howarth joined the Corporation as President and CEO on July 28, 2022, and received 400,000 RSUs and 450,000 Options in connection with his appointment. Assumptions include a risk-free interest rate of 3.1%, no dividend yield, expected life of three years and an expected price volatility of 85.9%. Mr. Howarth does not receive any compensation for his role as a director of the Corporation.
- (5) Mr. Cahill resigned as President and CEO effective July 28, 2022. Mr. Cahill continued to serve as a director of the Corporation following such resignation – see the section titled "*Director Compensation*" for details of compensation received by Mr. Cahill after his resignation as President and CEO. Prior to his resignation, Mr. Cahill did not receive any compensation for his role as a director of the Corporation.
- (6) Mr. Hall was appointed CFO of the Corporation on April 2, 2022 and received 60,000 RSUs and 27,000 Options in connection with his appointment. Assumptions include a risk-free interest rate of 2.5%, no dividend yield, expected life of three years and an expected price volatility of 85.8%. Prior to his appointment as CFO, Mr. Hall served as the Corporate Controller of the Corporation.
- (7) Mr. Colas joined the Corporation as CFO on October 19, 2020 and received 30,000 RSUs and 30,000 Options in connection with his appointment. Assumptions include a risk-free interest rate of 0.23%, no dividend yield, expected life of three years and an expected price volatility of 77.34%. Mr. Colas resigned as CFO on April 1, 2022.
- (8) Mr. Keller joined the Corporation as COO on September 21, 2020 and received 30,000 RSUs and 30,000 Options in connection with his appointment. Assumptions include a risk-free interest rate of 0.26%, no dividend yield, expected life of three years and an expected price volatility of 76.87%. Mr. Keller's employment was terminated on July 26, 2023.
- (9) Mr. Ortega was appointed VP Exploration on October 22, 2021 and received 15,000 RSUs and 15,000 Options in connection with his appointment. Assumptions include a risk-free interest rate of 0.98%, no dividend yield, expected life of three years and an expected price volatility of 81.32%. For Mr. Ortega's initial hiring in 2020, assumptions include a risk-free interest rate of 0.66%, no dividend yield, expected life of three years, and an expected price volatility of 72.80%, respectively. Mr. Ortega's salary and bonus was paid in USD and converted to CAD using the annual average exchange rates of \$1.3014/USD in 2022, \$1.2537/USD in 2021 and \$1.3416/USD in 2020. Mr. Ortega's employment was terminated on July 26, 2023.
- (10) Mr. Hayduk was appointed CLO, VP Corporate Affairs and Corporate Secretary on July 25, 2022 and received 125,000 RSUs and 100,000 Options in connection with his appointment. Assumptions include a risk-free interest rate of 3.1%, no dividend yield, expected life of three years and an expected price volatility of 85.5%. Mr. Hayduk resigned from the Corporation on July 25, 2023.

## Incentive Plan Awards

### *Outstanding Option-Based and Share-Based Awards*

Option-based and share-based awards outstanding in respect of each NEO as at December 31, 2022 were as follows:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)
<b>Shawn Howarth</b> President, CEO and Director	125,000 325,000	0.56 0.58	07/12/2025 07/12/2025	NIL	400,000	176,000
<b>Brendan Cahill<sup>(3)</sup></b> Former President and CEO, and Director	40,000 20,000 15,000	3.05 4.75 4.14	04/24/2023 03/24/2024 03/19/2024	NIL	NIL	NIL
<b>Daniel Hall</b> CFO	3,000 15,000 7,500	4.55 3.05 4.14	11/08/2024 04/24/2023 03/19/2024	NIL	139,000	61,160

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)
	27,000 30,000	0.76 0.58	04/02/2025 08/15/2025			
<b>Alfred Colas</b> Former CFO	NIL	NIL	NIL	NIL	NIL	NIL
<b>Paul Keller</b> Former COO	30,000 15,000 30,000	4.77 4.14 0.58	09/18/2023 03/19/2024 08/15/2025	NIL	140,000	61,600
<b>Jorge Ortega</b> Former VP Exploration	5,000 10,000 20,000 15,000 30,000	7.50 3.65 3.05 1.78 0.58	04/20/2023 05/14/2024 04/24/2023 10/22/2024 08/15/2025	NIL	111,000	48,840
<b>Nicholas Hayduk</b> Former CLO, VP Corporate Affairs and Corporate Secretary	100,000	0.58	08/15/2025	NIL	120,000	52,800

- (1) The "Value of unexercised in-the-money options" reflects the aggregate dollar amount of (vested and unvested) unexercised in-the-money Options held at the end of the year. The amount is calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2022 (\$0.44) and the exercise price of the Options. Where the difference is negative, the Options are not in-the-money and no value is reported. The Options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) The "Market or payout value of share-based awards that have not vested" reflects the aggregate dollar amount of unvested and unexercised share-based awards held at the end of the year. The amount is calculated based on the closing price of the Common Shares on the TSX on December 31, 2022 (\$0.44).
- (3) Includes option-based awards received by Mr. Cahill as NEO. See the section titled "Director Compensation" for details of compensation received by Mr. Cahill for his role as a director of the Corporation.

### **Value Vested or Earned During the Year**

For the year ended December 31, 2022, the following table sets forth for each Named Executive Officer the value that would have been realized if the option-based incentive plan awards had been exercised on their vesting date, and the value earned under the non-equity incentive plan.

Name	Option-based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Shawn Howarth	NIL	NIL	NIL
Brendan Cahill	NIL	36,430	NIL
Daniel Hall	NIL	NIL	NIL
Alfred Colas	NIL	NIL	NIL
Paul Keller	NIL	NIL	NIL
Jorge Ortega	NIL	7,300	NIL
Nicholas Hayduk	NIL	NIL	NIL

- (1) The value of Options which vested during the fiscal year ended December 31, 2022 was calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options. Where the difference is negative, the Options are not in-the-money and no value is reported. The Options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) The value of share-based awards which vested during the fiscal year ended December 31, 2022 was calculated based on the volume-weighted average price of the Common Shares on the TSX for the five trading days prior to the vesting date. Share-based awards in this column represent RSUs that were paid out in Common Shares vesting in 2022.

### Employment Agreements

As of the date hereof, the Corporation has employment agreements in place with its President and CEO and CFO. These executive employment agreements provide for base salary, discretionary bonuses and Option awards, as approved by the Board, paid vacation and enrolment in the Corporation's benefits plan, which benefits are generally available to all employees of the Corporation and provide payment on termination without just cause or in the event of change of control of the Corporation as described below.

### Termination and Change of Control Benefits

"Change of Control" for the Corporation is defined in the Corporation's employment agreements with the President and CEO and CFO as:

- (a) the completion of a transaction or series of transactions constituting an acquisition, merger, amalgamation, consolidation, transfer, sale, arrangement, reorganization, recapitalization, reconstruction or other similar event by virtue of which the Shareholders of the Corporation immediately prior to such transaction or series of transactions hold less than 50% of the voting Common Shares of the successor company following completion of such transaction or series of transactions; or
- (b) the disposal of all or substantially all of the assets of the Corporation; or
- (c) a transaction or series of transactions, as a result of which 50% of the directors of the Corporation are removed from office at any annual or special meeting of Shareholders, or a majority of the directors of the Corporation resign from office over a period of 60 days or less, and the vacancies created thereby are filled by nominees proposed by any person other than directors or management of the Corporation in place immediately prior to the removal or resignation of the directors.

**Shawn Howarth, President and Chief Executive Officer:** Under the terms of his employment agreement, within six months of a Change of Control, if Mr. Howarth's employment is terminated without just cause or he chooses to terminate his employment at his sole discretion, Mr. Howarth is entitled to receive a lump sum payment equal to two times the sum of (i) his base salary at the time of termination of employment plus (ii) the average of the most recent of either, the cash bonus paid to him in the year of the Change of Control, the cash bonus paid to him in the

year preceding the Change of Control and the target cash bonus for the year in which the Change of Control occurs, and (iii) the equivalent annual value of the Benefit Plan (as defined in the employment agreement). In addition, all outstanding equity compensation granted to Mr. Howarth will vest immediately. In the event of the termination of Mr. Howarth's employment without just cause either before or in the absence of a Change of Control or beyond a six month period following a Change of Control, Mr. Howarth is entitled to receive a lump sum payment equal to 12 months of his base salary at the time of termination of employment and group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of 12 months following termination and the day he commences employment with another employer.

**Daniel Hall, Chief Financial Officer:** Under the terms of his employment agreement, within six months of a Change of Control, if Mr. Hall's employment is terminated without just cause or he chooses to terminate his employment at his sole discretion, Mr. Hall is entitled to receive a lump sum payment equal to two times the sum of: (i) his base salary at the time of the Change of Control plus (ii) any cash bonus paid to him in the year preceding the Change of Control, and (iii) the equivalent annual value of the Benefit Plan (as defined in the employment agreement). In addition, all outstanding equity compensation granted to Mr. Hall will vest immediately. In the event of the termination of Mr. Hall's employment without just cause either before or in the absence of a Change of Control or beyond a six month period following a Change of Control, Mr. Hall is entitled to receive a lump sum payment equal to 6 months, plus one additional month per completed year of service to a maximum of 12 months, of his base salary at the time of termination of employment, and group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of 6 months, plus one additional month per completed year of service to a maximum of 12 months, following termination and the day he commences employment with another employer.

The table below sets out the estimated incremental payments, payables and benefits due to each of the NEOs for termination on a change of control or termination without just cause, assuming termination on December 31, 2022:

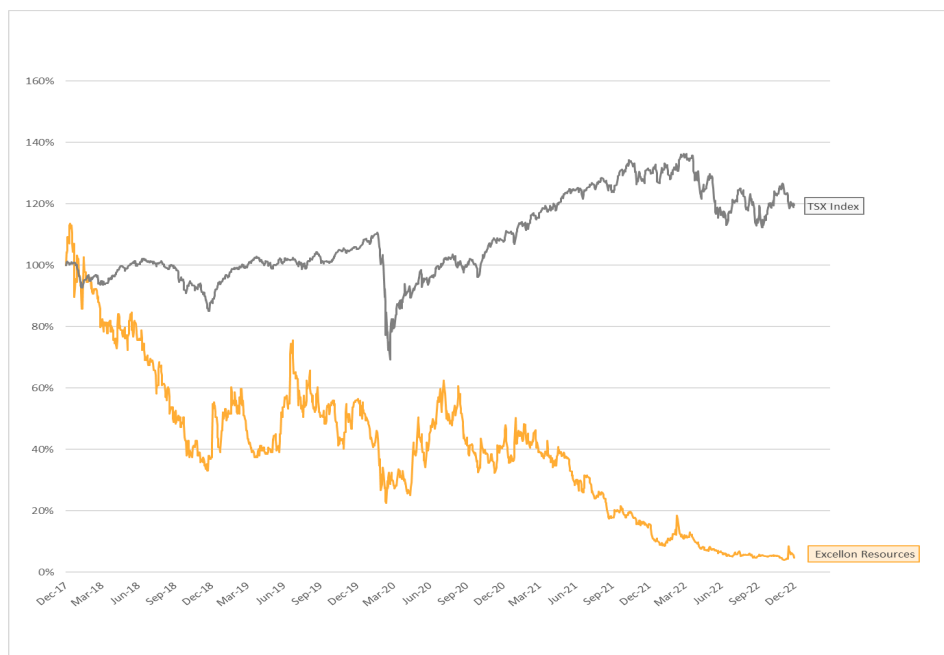
Name	Triggering Event	Base Salary (\$)	Value of Option-Based Awards if Exercised on Termination <sup>(1)</sup> (\$)	All Other Compensation <sup>(2)</sup> (\$)	Total (\$)
Shawn Howarth	Change of control	630,000	NIL	491,000	1,121,000
	Termination without just cause	315,000	NIL	NIL	315,000
Daniel Hall	Change of control	450,000	NIL	101,160	551,160
	Termination without just cause	168,750	NIL	NIL	168,750

- (1) The value of unexercised Options was calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2022 (\$0.44) and the exercise price of the Options. Where the difference is negative, the Options are not in-the-money and no value is reported. The Options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Reflects the value attributable to DSUs or RSUs, as applicable, at vesting on the triggering event and the value related to the bonus calculation. The amount payable for continuing benefit coverage is dependent upon the Named Executive Officer obtaining alternative employment within the time period discussed above and cannot be determined at this time.

## Performance Graph

The following graph compares the yearly change in the cumulative total Shareholder return over the five most recently completed financial years, assuming a \$100 investment in the Common Shares on December 31, 2017, against the return of the S&P/TSX Composite Index, assuming the reinvestment of dividends, where applicable, for the comparable period.





	<b>31-Dec-17</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
Excellon Resources Inc.	100	38	56	41	16	5
S&P/TSX Composite Index	100	88	105	108	131	120

Executive compensation is affected by, but not directly based on, Common Share price performance, therefore NEO compensation may not compare to the trend shown above.

The S&P/TSX Composite Index is an index of the stock prices of the largest companies on the TSX as measured by market capitalization. Stocks included in this index cover all sectors of the economy and the S&P/TSX Composite Index has traditionally been heavily weighted towards financial stocks. In addition, global commodity prices, world economic conditions, and general market conditions are significant factors affecting stock market performance, which are beyond the control of the Corporation's officers.

### **Directors and Officers Liability Insurance**

The Corporation has directors' and officers' liability insurance for the benefit of the directors and officers of the Corporation, which provides coverage in the aggregate of \$4.5 million. The deductible amount on the policy is \$2.5 million and the total annual premium for the policy year of July 2023 to July 2024 is \$281,000.

## **DIRECTOR COMPENSATION**

### **Director Compensation Table**

The following table sets forth all compensation paid, accrued, awarded or earned by the non-executive directors of the Corporation for the financial year ended December 31, 2022.

Director Compensation Table							
Name	Fees Earned (\$) <sup>(1)</sup>	Share-Based Awards <sup>(2)</sup> (\$)	Option- Based Awards <sup>(3)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Laurie Curtis	17,500	68,935	7,320	NIL	N/A	NIL	93,755
Craig Lindsay	25,000	43,935	7,320	NIL	N/A	NIL	76,255
Brendan Cahill <sup>(4)</sup>	NIL	39,419	7,320	NIL	N/A	NIL	46,739
André Fortier <sup>(5)</sup>	NIL	60,468	7,320	NIL	N/A	NIL	67,788
Anna Ladd-Kruger <sup>(5)</sup>	NIL	50,333	7,320	NIL	N/A	NIL	57,653
Roger Norwich <sup>(5)</sup>	31,250	38,979	7,320	NIL	N/A	NIL	77,549
Jeff Swinoga <sup>(5)</sup>	35,000	49,500	7,320	NIL	N/A	NIL	91,820
Zoya Shashkova <sup>(5)</sup>	563	49,619	7,320	NIL	N/A	NIL	57,502

- (1) During 2022, non-executive directors elected to receive all or a portion of cash Board fees in DSUs, with approximately 72% of cash fees being issued or accrued in the form of DSUs. Board fees paid in DSUs are aggregated with annual compensation grants in the Share-Based Awards column.
- (2) DSUs vest on the grant date but are not exercisable until the director ceases to hold office. As DSUs vest immediately, this value is calculated based on the market price on the date of grant. The value on the date of exercise will not be known until that time.
- (3) The values reported represent an estimate of the grant date fair market value of the Options awarded during the year estimated at the grant date based on the Black-Scholes option pricing model. For 2022, assumptions include a risk-free interest rate of 3.1%, no dividend yield, expected life of three years and an expected price volatility of 85.5%. The Options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (4) Compensation received by Mr. Cahill as a director of the Corporation. Mr. Cahill did not receive any compensation for his role as a director of the Corporation prior to his resignation as President and CEO effective July 28, 2022.
- (5) Former director – Mr. Fortier retired effective August 12, 2022, Ms. Ladd-Kruger resigned effective July 31, 2022, Mr. Norwich resigned effective November 22, 2022, Mr. Swinoga and Ms. Shashkova resigned effective July 23, 2023.

The Board, on recommendation of the Compensation Committee, determines director compensation. The objective in determining such director compensation is to ensure that the Corporation can attract and retain experienced and qualified individuals to serve as directors. The Corporation compensates its non-executive directors through the payment of directors' fees (on an annual retainer, committee chair and committee member basis) and through the grant of incentive Options, DSUs and RSUs. During the year ended December 31, 2022, non-executive directors received or accrued the following annual retainers and other fees for their services as directors (which may be payable in DSUs, cash or 50/50 DSUs/cash at the director's option):

Director Retainer (base)	\$45,000
Chair (retainer)	\$75,000
Audit Committee Chair (Member)	\$15,000 (\$7,500)
Corporate Responsibility and Technical Committee Chair (Member)	\$10,000 (\$5,000)
Compensation Committee Chair (Member)	\$10,000 (\$5,000)
Nominating and Corporate Governance Committee Chair (Member)	\$10,000 (\$5,000)
Special Opportunities Committee Chair (Member)	\$10,000 (\$5,000)

All retainers are paid or accrued *pro rata* on a quarterly basis. Directors are also reimbursed for out-of-pocket expenses incurred in attending meetings and otherwise carrying out their duties as directors of the Corporation. In addition, directors are eligible to participate in the Corporation's Share Incentive Plan, and historically the

Corporation has granted Options to members of the Board. As of the date of this Circular, the Corporation had awarded outstanding Options to purchase 1,048,807 Common Shares, of which 201,461 were granted to non-executive directors or former directors, representing approximately 19% of outstanding Options. Of the total current outstanding Options, 42,307 are held by former optionholders of Otis, including 38,461 held by a former director of Otis that is now an Excellon director.

## Incentive Plan Awards

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the awards outstanding as of December 31, 2022 for each non-executive director.

Director Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>
Laurie Curtis	5,000	8.10	03/26/2023	NIL	168,965	74,345
	10,000	3.05	04/24/2023			
	8,000	4.75	03/24/2024			
	10,000	4.14	03/19/2024			
	20,000	0.58	08/15/2025			
Craig Lindsay	23,000	5.00	01/21/2023	NIL	77,643	34,163
	38,461	2.20	04/22/2024			
	10,000	4.14	03/19/2024			
	20,000	0.58	08/15/2025			
Brendan Cahill <sup>(3)</sup>	20,000	0.58	08/15/2025	NIL	25,000	11,000
André Fortier <sup>(4)</sup>	NIL	NIL	NIL	NIL	NIL	NIL
Anna Ladd-Kruger <sup>(4)</sup>	NIL	NIL	NIL	NIL	NIL	NIL
Roger Norwich <sup>(4)</sup>	11,500	5.00	01/21/2023	NIL	NIL	NIL
	19,230	2.20	04/22/2024			
	10,000	4.14	03/19/2024			
	20,000	0.58	08/15/2025			
Jeff Swinoga <sup>(4)</sup>	20,000	1.78	10/22/2024	NIL	39,981	17,592
	20,000	0.58	08/15/2025			
Zoya Shashkova <sup>(4)</sup>	20,000	0.58	08/15/2025	NIL	25,922	11,406

- (1) The value of unexercised in-the-money Options reflects the aggregate dollar amount of (vested and unvested) unexercised Options held at the end of the year. The amount is calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2022 (\$0.44) and the exercise price of the Options. Where the difference is negative, the Options are not in-the-money and no value is reported. The Options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Reflects the aggregate dollar amount of unvested and unexercised share-based awards held at the end of the year. The amount is calculated based on the closing price of the Common Shares on the TSX on December 31, 2022 (\$0.44).
- (3) Compensation received by Mr. Cahill after his resignation as President and CEO effective July 28, 2022. Prior to his resignation, Mr. Cahill did not receive any compensation for his role as a director of the Corporation.
- (4) Former director.

### Value Vested or Earned During the Year

For the year ended December 31, 2022, the following table sets forth, for each non-executive director, the value that would have been realized if the option-based incentive plan awards had been exercised on their vesting date.

Director Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Laurie Curtis	NIL	NIL	N/A
Craig Lindsay	NIL	NIL	N/A
Brendan Cahill	NIL	NIL	N/A
André Fortier <sup>(2)</sup>	NIL	75,664	N/A
Anna Ladd-Kruger <sup>(2)</sup>	NIL	62,618	N/A
Roger Norwich <sup>(2)</sup>	NIL	NIL	N/A
Jeff Swinoga <sup>(2)</sup>	NIL	NIL	N/A
Zoya Shashkova <sup>(2)</sup>	NIL	NIL	N/A

- (1) The value of Options which vested during the fiscal year ended December 31, 2022 was calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options. Where the difference is negative, the Options are not in-the-money and no value is reported. The Options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Former director.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information, as of December 31, 2022, regarding the Corporation's equity compensation plans under which securities of the Corporation are authorized for issuance to directors, officers, employees and consultants of the Corporation and its affiliates:

#### Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights <sup>(1)</sup>	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by Shareholders	3,243,410 <sup>(2)</sup> (8.5%) <sup>(3)</sup>	\$1.84	561,968 <sup>(2)</sup> (1.5%) <sup>(3)</sup>
Equity compensation plans not approved by Shareholders	NIL	NIL	NIL
<b>Total</b>	<b>3,243,410</b>	<b>\$1.84</b>	<b>561,968</b>

- (1) In respect of the 1,450,737 Options outstanding only, as an exercise price in respect of the DSUs and RSUs is not applicable.
- (2) Does not include 99,489 Otis Options which are administered under the Otis Replacement Stock Option Plan following the acquisition of Otis Gold Corp. in April 2020.
- (3) Calculated based on 38,053,776 Common Shares issued and outstanding as at December 31, 2022.

## Burn Rate

Pursuant to section 613 of the Manual, the following table sets out the burn rate under each of the Corporation's equity compensation plans during each of the past three calendar years, with the burn rate reflecting the number of securities granted under each plan as a percentage of the weighted average number of issued and outstanding Common Shares during the year. The burn rate increased during 2022 compared to previous years due to the hiring of both a new President and CEO and Chief Legal Officer.

	2020 <sup>(1)</sup>		2021		2022	
	Issued	Burn Rate (%)	Issued	Burn Rate (%)	Issued	Burn Rate (%)
Options <sup>(2)</sup>	470,500	1.63%	257,500	0.79%	942,000	2.70%
RSUs	337,331	1.17%	466,122	1.43%	1,124,948	3.22%
DSUs	217,264	0.75%	209,353	0.64%	380,417	1.09%
<b>Total</b>	<b>1,025,095</b>	<b>3.55%</b>	<b>932,975</b>	<b>2.86%</b>	<b>2,447,365</b>	<b>7.01%</b>
<b>Weighted I/O Common Shares<sup>(3)</sup></b>	<b>28,881,800</b>		<b>32,662,594</b>		<b>34,917,037</b>	

- (1) Does not include Otis Options which are administered under the Otis Replacement Stock Option Plan following the acquisition of Otis Gold Corp. in April 2020.
- (2) During 2020, the Corporation began issuing Options with a term of three years, rather than the previous practice of issuing Options with a term of five years. As at December 31, 2022, 88% of Options outstanding have a term of three years.
- (3) As at December 31<sup>st</sup> of each year.

## Share Incentive Plan

The shareholders approved, and the Board adopted, a new share incentive plan on August 12, 2022 (the "**Share Incentive Plan**"), which provides for the grant of options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**", and together with the RSUs, "**Share Units**") and deferred share units ("**DSUs**", and together with the Options and Share Units, "**Awards**"). The Share Incentive Plan is available on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

The following is a summary of the key terms of the Share Incentive Plan. This summary is qualified in all respects by the full text of the Share Incentive Plan. All terms used but not defined in this section have the meaning ascribed thereto in the Share Incentive Plan.

Key Terms of the Share Incentive Plan	
<b>Purpose:</b>	To attract and retain key personnel who are necessary or essential to the Corporation's success, image, reputation or activities. It also allows the Corporation to reward key personnel for their performance and greater align their interests with those of Shareholders.
<b>Eligible Participants:</b>	In respect of a grant of Options or Share Units, an Eligible Participant is any director, executive officer, employee or Consultant of the Corporation or any of its Subsidiaries. In respect of a grant of DSUs, an Eligible Participant is any Non-Employee Director. Employees, executive officers or Consultants of the Corporation are not eligible to receive DSUs.
<b>Award Types:</b>	Options, Share Units and DSUs.
<b>Share Reserve:</b>	The maximum number of Common Shares available for issuance under the Share Incentive Plan will not exceed 10% of the Common Shares that are issued and outstanding from time to time, less the number of Common Shares subject to any other Share Compensation Arrangement adopted by the Corporation, if any. The share reserve will also be impacted by the "Share Counting" definitions as set out below.

<b>Key Terms of the Share Incentive Plan</b>	
<b>Share Counting:</b>	Each Option is counted as reserving one Common Share under the Share Incentive Plan. Each Share Unit is counted as reserving one Common Share under the Share Incentive Plan. Each DSU is counted as reserving one Common Share under the Share Incentive Plan.
<b>Share Recycling:</b>	If an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been exercised or settled in full, or if Common Shares acquired pursuant to an Award subject to forfeiture are forfeited, the Common Shares covered by such Award, if any, will again be available for issuance under the Share Incentive Plan.
<b>Insider Limits</b>	The maximum number of Common Shares issuable to Insiders, at any time under the Share Incentive Plan, or when combined with all of the Corporation's other Share Compensation Arrangements, cannot exceed 10% of the Corporation's total issued and outstanding Common Shares. The maximum number of Common Shares issued to Insiders, within any one-year period, under the Share Incentive Plan, or when combined with all of the Corporation's other Share Compensation Arrangements, cannot exceed 10% of the Corporation's total issued and outstanding Common Shares.
<b>Director Participation Limits:</b>	The maximum number of Common Shares that may be made issuable pursuant to Awards made to all Non-Employee Directors within any one-year period shall not exceed 1% of the number of Common Shares that are outstanding on a non-diluted basis (as of the commencement of such one-year period) provided that the (i) annual grant of Awards under the Share Incentive Plan to an individual Non-Employee Director cannot exceed \$150,000 in value, of which no more than \$100,000 may be subject to Option grants and (ii) any Award (1) granted pursuant to the Share Incentive Plan, or securities issued under any other Share Compensation Arrangement, prior to a Participant becoming an Insider, or (2) granted as (A) one-time initial grants made to a new Non-Employee Director upon joining the Board, or (B) taken in lieu of any cash fee or retainer payable for serving as a director of the Corporation, shall be excluded from the purposes of the limits set out above.
<b>Non-Assignability of Awards</b>	Except as specifically provided in a Grant Agreement approved by the Board, each Award granted under the Share Incentive Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted under the Share Incentive Plan shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
<b>Plan Renewal:</b>	The Share Incentive Plan was last approved for a 3-year period, with Shareholder approval next required at the Corporation's 2025 annual meeting.

Further details on the Share Incentive Plan are provided below.

**Purpose**

The purpose of the Share Incentive Plan is:

- (a) to increase the interest in the Corporation's welfare of those employees, officers, directors and Consultants (who are considered Eligible Participants under the Share Incentive Plan) who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Eligible Participants for their performance of services while working for the Corporation or a Subsidiary; and

- (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able persons to enter its employment or service.

### **Description of Awards**

#### *Stock Options*

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Common Shares from treasury at a specified exercise price (the "**Option Price**"). Options are exercisable over a period established by the Board from time to time and reflected in the Participant's option agreement (each, an "**Option Agreement**"), which period shall not exceed ten years from the date of grant. Notwithstanding the expiration provisions set forth in the Share Incentive Plan, if the date on which an Option expires falls within a Blackout Period or within nine Business Days after a Blackout Period Expiry Date, the expiration date of the Option will be the date that is ten Business Days after the Blackout Period Expiry Date. The Option Price in respect of any Option will be determined by the Board when such Option is granted, but shall not be set at less than the Market Value of a Share as of the date of the grant.

The grant of an Option by the Board shall be evidenced by an Option Agreement. At the time of grant of an Option, the Board may establish vesting conditions in respect of each Option grant, which may include Performance Criteria related to corporate or individual performance. The Share Incentive Plan also permits the Board to grant an Option holder, at any time, the right to deal with such Option on a cashless exercise basis in accordance with the formula set out in the Share Incentive Plan.

As at December 31, 2022, 1,450,737 Options were outstanding, representing 3.8% of the issued and outstanding Common Shares on that date. The maximum number of Common Shares available for issuance under the Share Incentive Plan is 10% of the Common Shares that are issued and outstanding from time to time. As at December 31, 2022, assuming no further Share Unit or DSU issuances, the Corporation could issue up to another 462,480 Options (or 1.2% of the issued and outstanding Common Shares) under the terms of the Share Incentive Plan.

#### *Share Units*

A Share Unit is an Award in the nature of a bonus for services rendered in the year of grant that, upon settlement, entitles the recipient Participant to receive, for each Share Unit redeemed, a cash payment equal to the Market Value of a Share or, at the sole discretion of the Corporation, a Common Share. The right of a holder to have their Share Units redeemed is subject to such restrictions and conditions on vesting as the Board may determine at the time of grant. Restrictions and conditions on vesting may, without limitation, be based on the passage of time during continued employment or other service relationship (commonly referred to as an RSU), the achievement of specified Performance Criteria (commonly referred to as a PSU) or both. The grant of a Share Unit by the Board shall be evidenced by a share unit agreement (each, a "**Share Unit Agreement**").

The Board shall have sole discretion to determine whether the Performance Criteria, if any, and/or other vesting conditions with respect to a Share Unit, as contained in the Share Unit Agreement pursuant to which such Share Unit is granted, have been met and shall communicate to a Participant as soon as reasonably practicable when all such applicable vesting conditions or Performance Criteria have been satisfied and the Share Units have vested. If the date on which any Share Units would otherwise vest falls within a Blackout Period or within nine Business Days after a Blackout Period Expiry Date, the vesting of such Share Units will be deemed to occur on the date that is ten Business Days after the Blackout Period Expiry Date. Subject to the vesting and other conditions and provisions in the Share Incentive Plan and in the applicable Share Unit Agreement, each Share Unit awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the Corporation (or the applicable Subsidiary), one Common Share or any combination of cash and Common Shares as the Corporation (or the applicable Subsidiary) in its sole discretion may determine, in each case less any applicable withholding taxes. The Corporation (or the applicable Subsidiary) may, at its sole discretion, elect to settle all or any portion of the cash payment obligation by the delivery of Common Shares issued from treasury or acquired by a

Designated Broker in the open market on behalf of the Participant. Subject to the terms and conditions in the Share Incentive Plan, vested Share Units shall be redeemed by the Corporation (or the applicable Subsidiary) as described above on the 15th day following the vesting date (or, if such day is not a Business Day, on the immediately following Business Day). Notwithstanding the foregoing, no payment, whether in cash or in Common Shares, shall be made in respect of the settlement of any Share Units later than December 15th of the third calendar year following the end of the calendar year in respect of which such Share Unit is granted.

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested Share Units in a Participant's account on the same basis as cash dividends declared and paid on Common Shares as if the Participant was a Shareholder of record on the relevant record date. In the event that the Participant's applicable Share Units do not vest, all Dividend Equivalents, if any, associated with such Share Units will be forfeited by the Participant.

As at December 31, 2022, 1,186,000 RSUs were outstanding, representing 3.1% of the issued and outstanding Common Shares on that date. The maximum number of Common Shares available for issuance under the Share Incentive Plan is 10% of the Common Shares that are issued and outstanding from time to time. As at December 31, 2022, assuming no further Option or DSU issuances, the Corporation could issue up to another 462,480 in Share Units (or 1.2% of the issued and outstanding Common Shares) under the terms of the Share Incentive Plan.

#### *Deferred Share Units*

A DSU is an Award in the nature of a deferral of payment for services rendered, or for future services to be rendered, which, upon settlement, entitles the recipient Participant to receive, for each DSU redeemed, a cash payment equal to the Market Value of a Share. Alternatively, the Corporation will have, at its sole discretion, the ability to elect to settle all or any portion of the cash payment obligation arising in respect of the redemption and settlement of a Participant's DSUs by the delivery of Common Shares issued from treasury. The grant of a DSU by the Board shall be evidenced by a DSU agreement (each, a "**DSU Agreement**").

DSUs shall only vest, and a Participant is only entitled to redemption of a DSU, when the Participant ceases to be a director of the Corporation for any reason, including termination, retirement or death.

Subject to the vesting and other conditions and provisions in the Share Incentive Plan and in any DSU Agreement, each DSU awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the Corporation, one Common Share or any combination of cash and Common Shares as the Corporation in its sole discretion may determine. DSUs shall be redeemed and settled by the Corporation as soon as reasonably practicable following the Participant's Termination Date or as the Participant may otherwise elect in accordance with terms of the Share Incentive Plan, but in any event not later than, and any payment (either in cash or in Common Shares) in respect of the settlement of such DSUs shall be made no later than, December 15th of the first calendar year commencing immediately after the Termination Date.

As at December 31, 2022, 706,160 DSUs were outstanding, representing 1.9% of the issued and outstanding Common Shares on that date. The maximum number of Common Shares available for issuance under the Share Incentive Plan is 10% of the Common Shares that are issued and outstanding from time to time. As at December 31, 2022, assuming no further Option or Share Unit issuances, the Corporation could issue up to another 462,480 in DSUs (or 1.2% of the issued and outstanding Common Shares) under the terms of the Share Incentive Plan.

#### ***Amendment or Discontinuance of Plan***

The Board may suspend or terminate the Share Incentive Plan at any time, or from time to time amend or revise the terms of the Share Incentive Plan or any granted Award without the consent of the Participants, provided that such suspension, termination, amendment or revision shall:

- (a) not adversely alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Share Incentive Plan;



- (b) be in compliance with applicable law (including Code Section 409A, to the extent it is applicable), including the prior approval, if required, of the TSX (or any other stock exchange on which the Common Shares are listed), or any other regulatory body having authority over the Corporation; and
- (c) be subject to shareholder approval to the extent such approval is required by applicable law or the requirements of the TSX (or any other stock exchange on which the Common Shares are listed), provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Corporation, make the following amendments to the Share Incentive Plan:
  - (i) any amendment to the vesting provision of the Awards;
  - (ii) any amendment to the expiration date of an Award that does not extend the terms of the Award past the original date of expiration of such Award;
  - (iii) any amendment regarding the effect of termination of a Participant's employment or engagement;
  - (iv) any amendment which accelerates the date on which any Option may be exercised under the Share Incentive Plan;
  - (v) any amendment necessary to comply with applicable law (including taxation laws) or the requirements of the TSX (or any other stock exchange on which the Common Shares are listed) or any other regulatory body;
  - (vi) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Share Incentive Plan, correct or supplement any provision of the Share Incentive Plan that is inconsistent with any other provision of the Share Incentive Plan, correct any grammatical or typographical errors or amend the definitions in the Share Incentive Plan;
  - (vii) any amendment regarding the administration of the Share Incentive Plan;
  - (viii) any amendment to adopt a clawback provision applicable to equity compensation; and
  - (ix) any other amendment that does not require the approval of the shareholders of the Corporation under the terms of the Share Incentive Plan.

The Board shall be required to obtain shareholder approval to make the following amendments to the Share Incentive Plan:

- (a) any increase to the maximum number of Common Shares issuable under the Share Incentive Plan, except in the event of an adjustment pursuant to the Share Incentive Plan;
- (b) except in the case of an adjustment pursuant to the Share Incentive Plan, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price or other entitlements;
- (c) except in the case of an adjustment pursuant to the Share Incentive Plan, any amendment which reduces the exercise price or purchase price of an Award benefitting an Insider;
- (d) any amendment which extends the expiry date of any Award, or the Restriction Period of any Share Unit beyond the original expiry date or Restriction Period;
- (e) any amendment to remove or to exceed the Insider participation limits set out in the Share Incentive Plan;

- (f) any amendment to the number of Common Shares that may be made issuable pursuant to Awards made to employees and Non-Employee Directors;
- (g) any amendment which would permit Awards granted under the Share Incentive Plan to be transferable or assignable other than for normal estate settlement purposes;
- (h) any amendment to the limits on Awards to Non-Employee Directors;
- (i) any amendment to the definition of an Eligible Participant under the Share Incentive Plan; and
- (j) any amendments to the amending provisions of the Share Incentive Plan.

provided that Common Shares held directly or indirectly by Insiders benefiting from the amendments shall be excluded when obtaining such shareholder approval.

***Effect of Termination, Resignation, Death or Disability on Awards***

*Options*

- (a) *Termination for Cause.* Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Share Incentive Plan, "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's codes of conduct and any other reason determined by the Corporation to be cause for termination.
- (b) *Termination not for Cause.* Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Corporation or a Subsidiary being terminated without Cause (including, for the avoidance of doubt, as a result of any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation), (i) each unvested Option granted to such Participant shall expire and become void immediately upon such termination, and (ii) each vested Option held by such Participant shall cease to be exercisable on the earlier of (A) ninety (90) days after the Participant's Termination Date (or such later date as the Board may, in its sole discretion, determine) and (B) the expiry date of such Option as set forth in the applicable Grant Agreement, after which such vested Option will expire.
- (c) *Resignation.* Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Corporation or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon such resignation and (ii) each vested Option held by such Participant shall cease to be exercisable on the earlier of (A) ninety (90) days after the Participant's Termination Date and (B) the expiry date of such Option as set forth in the applicable Grant Agreement, after which such vested Option will expire.
- (d) *Permanent Disability/Retirement.* Upon a Participant ceasing to be an Eligible Participant by reason of retirement or permanent disability, (i) each unvested Option granted to such Participant shall terminate and become void immediately, and (ii) each vested Option held by such Participant shall cease to be exercisable on the earlier of (A) ninety (90) days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Corporation or any Subsidiary by reason of permanent disability, and (B) the expiry date of such Option as set forth in the applicable Grant Agreement, after which such vested Option will expire.
- (e) *Death.* Upon a Participant ceasing to be an Eligible Participant by reason of death, (i) each unvested Option granted to such Participant shall terminate and become void immediately, and (ii) each vested Option held by such Participant at the time of death may be exercised by the legal representative of the Participant, provided that any such vested Option shall cease to be exercisable on the earlier of (A) the date that is six

(6) months after the Participant's death or (B) the expiry date of such Option as set forth in the applicable Grant Agreement, after which such vested Option will expire.

- (f) *Leave of Absence*. Upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, the Board may determine, at its sole discretion but subject to applicable laws, that such Participant's participation in the Share Incentive Plan shall be terminated, provided that all vested Options shall remain outstanding and in effect until the applicable exercise date, or an earlier date determined by the Board at its sole discretion.

#### *Share Units*

- (a) *Termination for Cause and Resignation*. Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Corporation or a Subsidiary, the Participant's participation in the Share Incentive Plan shall be terminated immediately, all Share Units credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested Share Units shall be forfeited and cancelled on the Termination Date.
- (b) *Death, Leave of Absence or Termination of Service*. Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, or upon a Participant ceasing to be Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination of Service for reasons other than for Cause, (iv) his or her employment or service relationship with the Corporation or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, all unvested Share Units in the Participant's Account as of such date relating to a Restriction Period in progress shall be forfeited and cancelled. Notwithstanding the foregoing, if the Board, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested Share Units, the date of such action is the Vesting Date.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No person who is, or at any time during the year ended December 31, 2022 (being the Corporation's last completed financial year) was, a director or executive officer of the Corporation, no person proposed to be nominated for election as a director of the Corporation, nor any associate of any such director, executive officer or proposed nominee, is, or at any time since the beginning of the last completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries, or indebted to another entity, where such indebtedness is, or at any time since the beginning of the last completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, pursuant to a security purchase program of the Corporation or otherwise, other than routine indebtedness.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person (as that term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, no person proposed to be nominated for election as a director of the Corporation, nor any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction since January 1, 2022 (being the commencement of the Corporation's last completed financial year) or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Corporation or any of its subsidiaries.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is

committed to sound corporate governance practices that are both in the interest of its Shareholders and contribute to effective and efficient decision making.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and NP 58-201 establish corporate governance practices, guidelines and disclosure procedures that apply to all public companies. NI 58-101 requires issuers, such as the Corporation, to provide disclosure with respect to their corporate governance practices in accordance with Form 58-101F1, specific details of which are set out under the heading "*Particulars of Matters to be Acted Upon – 2. Election of Directors*", as generally supplemented below.

### **Board of Directors**

NP 58-201 states that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the issuer. "Material relationship" is defined as a relationship that could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. With the exception of: (i) Shawn Howarth, who currently serves as the Corporation's President and CEO, and (ii) Brendan Cahill, who is deemed non-independent until July 28, 2025 as he was the Corporation's former President and CEO, the directors of the Corporation are considered by the Board to be "independent" within the meaning of applicable securities legislation. In making the foregoing determinations with respect to the independence of each of the Corporation's individual directors, the circumstances of each director have been examined in relation to a number of factors, including a review of the resumés of the directors and the corporate relationships and other directorships held by each of them and their prior involvement (if any) with management of the Corporation. Based on the foregoing determinations, a majority of directors are not independent. A description of what the Board does to facilitate its exercise of independent judgement in carrying out its responsibilities is set out under the headings below.

Dr. Laurence Curtis is the Chair of the Board and is considered to be independent for purposes of NI 58-101. The responsibilities of the Chair of the Board are detailed in Schedule "A" to this Circular.

### **Meetings of Independent Directors**

Each meeting of the Board includes an *in camera* meeting in the absence of non-independent directors and members of management. Independent directors are also free to meet separately at any time or to require management to withdraw during certain discussions. Additionally, the Audit Committee, NCGC, Compensation Committee and Corporate Responsibility and Technical Committee are each composed of a majority of independent directors and may meet as often as deemed necessary.

### **Board and Committee Meetings**

The Board generally meets a minimum of four times per year, at least every quarter. The independent directors regularly meet *in camera*, without non-independent directors and members of management present, during each Board and Committee meeting. The Audit Committee meets at least four times per year. The NCGC, Compensation Committee and the Corporate Responsibility and Technical Committee meet as deemed necessary. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs that the Corporation faces from time to time. During the year ended December 31, 2022, the Board held eight meetings, the Audit Committee held four meetings, the NCGC held two meetings, the Compensation Committee held two meetings, the Corporate Responsibility and Technical Committee held four meetings and the Special Opportunities Committee held five meetings.

## **Board Mandate**

The Board has adopted a Charter of the Board of Directors (the "**Charter**"), the full text of which is included as Schedule "A" to this Circular.

A copy of the Charter is also available on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

## **Position Descriptions**

The Board believes that its proposed composition, in which only one of four members is currently a member of management, is sufficient to ensure that the Board can function independently of management and does not consider it necessary to have any formal structures or procedures in place to ensure that it functions independent of management. The Charter sets out the role and responsibilities of the Chair. A written description of the role and duties of the President and Chief Executive Officer is set out in his employment agreement with the Corporation. The Board has adopted written position descriptions for the chairs of the Board Committees.

## **Orientation and Continuing Education**

All new directors are provided with comprehensive information about Excellon and its subsidiaries. Directors have the opportunity to meet with senior management to obtain insight into the operations of Excellon and its subsidiaries. New directors are briefed on the Corporation's current property holdings, exploration programs and operations, overall strategic plans, short, medium and long term corporate objectives, financial status, general business risks and mitigation strategies, and existing company policies. Senior management also makes regular presentations to the Board at its meetings and all directors are encouraged to communicate directly with management and other staff. Directors are invited to tour the Corporation's projects in the United States and Germany. This informal process is considered to be appropriate given the Corporation's size, current level of operations, and the ongoing interaction amongst the directors.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly in the natural resource sector and involving non-Canadian mineral properties. It is the Corporation's view that all current members of the Board are well versed and educated in the factors critical to the success of Excellon. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records. Reference is made to the table under the heading "*Particulars of Matters to be Acted Upon – 2. Election of Directors*" for a description of the current principal occupations of the members of the Board.

## **Ethical Business Conduct**

The Board expects management to operate the business of the Corporation in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives. To this end, in October 2006 (subsequently amended and approved on September 12, 2018) the Board adopted a Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees and, in appropriate cases, consultants. Interested Shareholders may obtain a copy by written request to the Corporation or by visiting the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com). Pursuant to the Code, the Corporation has appointed its Chief Financial Officer to serve as the Corporation's Ethics Officer to ensure adherence to the Code, reporting directly to the Board. A review of the Code is included in the orientation of new employees. To ensure familiarity with the Code, directors, officers and employees are asked to read and confirm their compliance with the Code annually.

In addition to the provisions of the Code, directors and senior officers are bound by the provisions of the Corporation's articles and the OBCA, which sets forth resolutions for any conflicts of interest. In particular, any

director who has a material interest in a particular transaction is required to disclose such interest and to refrain from voting with respect to the approval of any such transaction.

Since adoption of the Code, there have not been any material change reports filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

#### ***Whistleblower Policy***

In November 2011 (subsequently amended and approved on September 12, 2018) the Board adopted a Whistleblower Policy, which establishes procedures and systems that allow employees of the Corporation to confidentially and anonymously submit their concerns regarding questionable accounting, internal accounting controls, auditing matters or items which breach the Code, without fear of retaliation. Directors, officers and employees are required to report any known violations of the Code to the Chair of the Audit Committee. The Audit Committee is responsible for investigating and resolving all reported complaints made pursuant to this policy, and may retain independent legal counsel, accountants or other advisers to assist it in its investigations. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. A copy of the policy is available on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

#### ***Share Trading Policy***

In October 2006 (subsequently amended and approved on September 12, 2018) the Board adopted a Share Trading Policy, which prescribes rules with respect to trading in securities of the Corporation where there is any undisclosed material information or a pending material development. Strict compliance with the provisions of this policy is required, with a view to enhancing investor confidence in the Corporation's securities and contributing to ethical business conduct by the Corporation's personnel. A copy of the policy is available on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

#### ***Disclosure, Insider Trading and Confidentiality Policy***

The Board adopted a written Disclosure Policy in October 2008, approved an amendment on April 29, 2014 and subsequently further amended and restated the policy on March 16, 2021. The purpose of the Disclosure Policy is to ensure that all required disclosures are made on a timely and broadly disseminated basis and are factual and accurate. The disclosure policy documents these requirements, which are intended to ensure compliance with the rules and regulations applicable to public companies and should be read in conjunction with the Share Trading Policy. The Disclosure Committee (comprising members of management) is responsible for overseeing and monitoring disclosure processes and practices within the Corporation. The Chief Executive Officer is responsible for ensuring the proper, coordinated disclosure of material information by the Corporation on a timely basis. A copy of the policy is available on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

#### ***Board Diversity and Renewal Policy***

The Board adopted a written Diversity and Renewal Policy on March 24, 2015 in recognition of the key role of diversity and new perspectives to the ongoing prospects of the Corporation. As such, the Nominating and Corporate Governance Committee weighs various factors in nominating new members to the Board, including age, gender, ethnicity and geographic residence, along with other key considerations relevant to an individual's skill and ability to provide valuable oversight of the Corporation's affairs.

The Board seeks to balance the depth of experience and institutional knowledge of current members with the need for renewal and new perspectives that may be brought by new nominees. The Board's renewal policy does not impose an arbitrary retirement age, but sets a guideline that independent directors may serve up to a maximum of 15 years, assuming they are re-elected annually and meet applicable legal requirements.

The Diversity and Renewal Policy also covers senior executive appointments and requires the Chief Executive Officer to have reference to the Diversity and Renewal Policy in selecting and assessing candidates and in presenting recommendations to the Board regarding appointments to the senior executive team. The Renewal Policy requires the Board to also consider gender diversity and the objectives of the Diversity and Renewal Policy when considering those recommendations.

The Corporation has not adopted a target regarding the representation of women on the Board and in executive officer positions as the Board considers highly-qualified candidates and considers diversity to include any dimension that can be used to differentiate groups and people from one another, including the respect for and appreciation of differences in gender, age, ethnic origin, religion, education, sexual orientation, political belief and disability. Gender diversity is only one element of the diversity criteria that the Board considers important.

The Corporation has not adopted a specific policy with respect to the representation of women in the director identification and selection process as, in light of current equity and commodity markets, current market capitalization, competition in the industry for qualified executives and directors and the currently small number of executive officers, non-executive employees in Canada and independent directors, gender targets for executive or board positions are not appropriate at this time. The Corporation currently does not have any woman executives or directors. The Corporation has a history of female representation on the Board and in executive roles, despite an extremely competitive environment for female board and executive representation and actively seeks opportunities to hire female executives and appoint female Directors to the Board.

The Board annually reviews the diversity policy to assess the Corporation's progress on diversity at the Board level and in executive officer positions. This review will enable the Board to assess the effectiveness of the diversity policy on an ongoing basis.

### **Committees of the Board**

Effective from July 31, 2023, all Committees are composed of a majority of independent directors.

#### ***Audit Committee***

Effective from July 23, 2023, the members of the Audit Committee are Craig Lindsay (Chair), Laurie Curtis and Brendan Cahill.

The purpose of the Corporation's Audit Committee is to provide assistance to the Board in fulfilling its responsibilities with respect to matters involving the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Corporation's process for monitoring compliance with laws and regulations and the Code. A description of the Audit Committee's responsibilities, the education and experience of its members, and a copy of the Corporation's Audit Committee Charter is contained in the Corporation's Annual Information Form for the fiscal year ended December 31, 2022, a copy of which is available on the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and is also available on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com).

Based on information provided by each director, the Board has determined that all members of the Audit Committee are "financially literate" as that term is defined in NI 52-110. In light of the resignation of Mr. Swinoga and Ms. Shashkova in July 2023, the Board availed itself of the temporary exemptions contained in NI 52-110 to appoint Mr. Cahill to the Audit Committee.

#### ***Nominating and Corporate Governance Committee***

Effective from July 31, 2023, the members of the NCGC are Laurie Curtis (Chair), Craig Lindsay and Brendan Cahill.

The role of the NCGC is to (1) develop and monitor the effectiveness of the Corporation's system of corporate governance; (2) establish procedures for the identification of new nominees to the Board and lead the candidate

selection process; (3) develop and implement orientation procedures for new directors; (4) assess the effectiveness of directors, the Board and the various committees of the Board; (5) ensure appropriate corporate governance and the proper delineation of the roles, duties and responsibilities of management, the Board and its committees; (6) assist the Board in setting the objectives of the Chief Executive Officer and evaluating the performance of the Chief Executive Officer; and (7) review and provide recommendations in connection with resignations pursuant to the Corporation's Majority Voting Policy.

The NCGC is responsible for reviewing proposals for new nominees to the Board and conducting such background reviews, assessments, interviews and other procedures as it believes necessary to ascertain the suitability of a particular nominee. The selection of potential nominees for review by the NCGC is generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and with the Chief Executive Officer, and are usually based upon the desire to have a specific set of skills or expertise included on the Board. The appointment of new directors (either to fill vacancies or to add additional directors as permitted by applicable corporate legislation) or the nomination for election as a director of a person not currently a director by the Shareholders at an annual meeting is carried out by the Board, based on the recommendation of the NCGC. Prior to proceeding with the nomination for appointment or election as a director, potential nominees are advised of the expectations for the commitment of time and resources necessary to serve as an effective director of the Corporation.

The NCGC is also responsible for overseeing a periodic evaluation process to ensure that each member of the Board, the committees, the Chair and the other directors are assessed in light of their relevant terms of reference. Directors complete a number of evaluation questions with respect to performance of the Chief Executive Officer, the effectiveness of the Board as a whole, the individual committees of the Board and individual directors, and include a self-assessment of performance. The assessments are done by way of a confidential questionnaire distributed by the Corporate Secretary. Responses are returned to the Corporate Secretary with the results tallied on an anonymous basis. Cumulative results of the evaluation are analyzed by the committee and presented to the Board, which considers the results and any recommendation of actions needed to be undertaken to the Board's processes, composition or committee structure.

The Board has reviewed the overall expertise and skills of the Board as a whole, and does not consider it necessary, at this time, to add any additional directors, as it has not identified any particular skill set or expertise that it believes is lacking from the Board (as a whole).

The NCGC has a written charter, which was adopted on October 25, 2006 (subsequently amended and restated on August 14, 2013).

### ***Compensation Committee***

Effective from July 31, 2023, the members of the Compensation Committee are Brendan Cahill (Chair), Craig Lindsay and Laurie Curtis.

The Compensation Committee's guiding philosophy is to establish executive compensation based on corporate and individual performance.

The overall purpose of the Compensation Committee is to implement and oversee human resources and compensation policies and best practices for recommendation to the Board for approval and implementation. The responsibilities of the Compensation Committee generally include: (1) recommending human resources and compensation policies to the Board for approval and thereafter implementing such policies; (2) ensuring the Corporation has programs in place to attract and develop management of the highest calibre and a process to provide for the orderly succession of management; (3) assessing and reporting to the Board on the performance of the Chief Executive Officer; (4) reviewing the compensation of the Chief Executive Officer and other officers and members of the Board and making recommendations in respect thereof to the Board; (5) administering the Share



Incentive Plan; (6) reviewing and approving any proposed amendments to the Corporation's Share Incentive Plan; and (7) making recommendations to the Board concerning Option, DSU and RSU grants.

The Compensation Committee has a written charter, which was adopted on October 25, 2006 (subsequently amended and restated on August 14, 2013).

See the discussion under the heading "*Statement of Executive Compensation*" above for further information on the process by which the Board determines the compensation for the Corporation's directors and officers.

## **Other Board Committees**

### ***Corporate Responsibility and Technical Committee***

Effective from July 31, 2023, the members of the Corporate Responsibility and Technical Committee are Laurie Curtis (Chair), Craig Lindsay and Brendan Cahill.

The Corporate Responsibility and Technical Committee is established to assist in the Board's oversight of the Corporation's risks, opportunities, responsibilities, commitments, activities and performance relating to health, safety, environmental affairs, community relations, community development, human rights, government relations and technical operational matters (collectively, "CR"). Specifically, the Board has delegated responsibility and accountability to the Committee for oversight of the Corporation's (i) CR strategy, objectives, performance and reputation management to ensure that privilege to operate is built, maintained and enhanced; (ii) management of CR risks; (iii) compliance with applicable current and future legal requirements associated with CR matters; (iv) development and implementation of policies, management systems and processes to ensure that the Corporation's goals, strategies, objectives, commitments and performance relating to CR matters are achieved; and (v) public reporting of CR matters and performance.

CR encompasses all of those activities through which the Corporation seeks to build its reputation as a responsible corporate citizen, promote the Excellon brand and drive business value by addressing evolving societal interests in its day-to-day activities, decision-making and business planning, and through improved operational performance.

The Committee has a written charter, which was adopted on July 28, 2017.

### ***Special Opportunities Committee***

Effective from July 31, 2023, the members of the Special Opportunities Committee are Craig Lindsay (Chair), Laurie Curtis and Brendan Cahill.

The Special Opportunities Committee was established by the Board to assist in fulfilling the Board's responsibilities with regard to the review, consideration and approval of certain business opportunities presented by management of the Corporation for consideration and approval by the Board, including strategic opportunities such as acquisition, sale, business combination and take-over bid transactions.

The Committee has a written mandate, which was adopted on May 3, 2017 and amended on June 26, 2020.

## **ADDITIONAL INFORMATION**

Additional information regarding the Corporation and its business activities is available under the Corporation's profile on the SEDAR+ website located at [www.sedarplus.ca](http://www.sedarplus.ca). The Corporation's financial information is provided in the Corporation's audited consolidated financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the Corporation's profile on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Corporation's website at [www.excellonresources.com](http://www.excellonresources.com). Copies of the Corporation's annual information form, consolidated financial statements and related management discussion and analysis are

available upon request, free of charge to Shareholders of the Corporation, at the Corporation's principal office located at 10 King Street East, Suite 200, Toronto, Ontario, Canada M5C 1C3.

**APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the directors of the Corporation.

DATED at Toronto, Ontario, this 24<sup>th</sup> day of October, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) "Laurence Curtis"*

Laurence Curtis  
Chair

## SCHEDULE "A"

### CHARTER OF THE BOARD OF DIRECTORS

The Board of Directors (the "**Board**") of Excellon Resources Inc. (the "**Company**") is responsible for the stewardship of the Company, oversight of the management of the business and affairs of the Company, acting in the best interest of the Company, and performing such duties and approving certain matters as may be required by applicable legislation and regulations.

The Board will conduct the procedures and manage the duties and responsibilities set out below, either directly or through committees of the Board. The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee, the Nominating & Corporate Governance Committee, the Compensation Committee, the Corporate Responsibility & Technical Committee and the Special Opportunities Committee. Special committees will be established from time to time to assist the Board in connection with specific matters. The Board discharges its responsibility by delegating the day to day management of the Company to senior officers. The Board relies on senior officers to keep it apprised of all significant developments affecting the Company and its operations through its Chairperson.

### DUTIES AND RESPONSIBILITIES

The Board's duties and responsibilities shall include:

- To the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers of the Company, and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the Company;
- The adoption of a strategic planning process and approval, on an annual basis, of a strategic plan for the Company developed and proposed by management which takes into account, among other things, the opportunities and risks of the business;
- The identification of principal risks of the Company's business and implementation of appropriate systems to manage such risks;
- Ensuring that appropriate succession planning for executive officers of the Company and members of the Board is in place including appointing and monitoring senior management;
- The adoption of a communication/disclosure policy for the Company to address the accuracy and timing of disclosure of material information;
- Ensuring the integrity of the Company's internal control and management information system;
- Review of the Company's corporate governance, including the development of corporate policies, principles and guidelines that are specifically applicable to the Company;
- The adoption of a written code of business conduct and ethics applicable to directors, officers and employees of the Company designed to promote integrity, to deter wrongdoing, and monitoring compliance with the Company's code.

Responsibilities of the Chair of the Board include but are not limited to:

- Providing leadership to the Board with respect to its functions as described in this Charter;
- Chairing meetings of the Board, including in camera sessions, unless not present;
- Ensuring that the Board meets on a regular basis and at least quarterly;
- Establishing a calendar for holding meetings of the Board;

- In conjunction with the CEO, establishing the agenda for each meeting of the Board, with input from other Board members and any other parties as applicable;
- Ensuring that Board materials are available to any director on request;
- Fostering ethical and responsible decision making by the Board and its individual members;
- Ensuring that resources and expertise are available to the Board so that it may conduct its work effectively and efficiently;
- Facilitating effective communication between members of the Board and management; and
- Attending each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair.

### **COMPOSITION OF THE BOARD**

The directors of the Company shall be elected at each annual meeting of the shareholders of the Company and shall serve until the next annual meeting of shareholders or until their successors are elected.

A majority of the Board shall be "independent" within the meaning of applicable securities laws, rules, policies, regulations, guidelines and instruments and by any stock exchanges on which the Company's securities are listed. If the Chairman of the Board is not an independent director, an independent director may be appointed to act as lead director (the "**Lead Director**"), to act whenever leadership of a meeting, discussions among directors, or vote by independent directors should not have the leadership or presence of a non-independent Chairman. The Lead Director will act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

There shall be a reasonable number of directors who are financially literate. Financial literacy being the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Nominees for membership on the Board will be recommended to the Board by the Nominating and Corporate Governance Committee. The Board will recommend the nominees to the shareholders for election at the annual meeting. In selecting nominees as new directors, the Nominating and Corporate Governance Committee shall consider the competencies and skills the Board as a whole should possess, the competencies and skills of existing directors and of proposed nominees, and the needs of the Company.

The Board shall conduct annual assessments to evaluate the effectiveness of the Board, its Committees, and the contributions of individual directors.

The Board shall annually review and assess the adequacy of its mandate and shall consider such amendments to this mandate as the Nominating and Corporate Governance Committee shall recommend, and make such amendments to this mandate as it considers necessary and appropriate.

Directors are entitled to receive reasonable directors' fees and other compensation for their services as directors and committee members, as may be determined from time to time by the Board with input from the Compensation Committee, as well as reimbursement of expenses incurred on Company business or in attending Board or committee meetings.

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Company in advance of accepting an invitation to serve on the board of another public company.

## **MEETINGS AND AGENDA**

The Board shall meet as many times per year as it deems necessary or appropriate to carry out its responsibilities effectively, but in no event shall the Board meet less than four times per year. Meetings of the Board shall be conducted in accordance with the Company's articles or by-laws. Prior to the end of each year, the Chief Executive Officer will propose a schedule of Board meetings for the following calendar year for attendance by the Board.

The Chairman or Lead Director, if any, and the Chief Executive Officer shall develop the agenda for each regularly scheduled Board meeting. Any director may propose the inclusion of items on the agenda, and may raise at any meeting other matters that they consider worthy of discussion. Materials for discussion will be distributed sufficiently in advance of the meeting to provide the directors with a reasonable opportunity for review.

Directors should make all reasonable efforts to attend meetings of the Board and of all Board committees upon which they serve, to review the materials that are distributed in advance to prepare for those meetings, and be prepared to discuss such materials and actively participate in the meetings.

The Board may invite any of the Company's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

Directors shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

The independent members of the Board will hold regularly scheduled meetings at which non-independent directors and members of management of the Company are not in attendance.

## **COMMITTEES OF THE BOARD**

The Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, Corporate Responsibility & Technical Committee and Special Opportunities Committee shall be fully independent. The Board shall adopt mandates for each Committee of the Board. At least annually, each mandate shall be reviewed by the Nominating and Corporate Governance Committee and any suggested amendments shall be brought to the Board for consideration and approval. The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate. As required by applicable law, by applicable committee mandate, or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

With the assistance of the Audit Committee, the Board shall, among other things:

- review and approve the Company's interim and annual financial statements, managements' discussion and analysis, and associated news releases;
- review the audit report prepared by the Company's external auditor and any other matters related to the financial statements that are brought forward by the external auditors;
- review the factors identified by management as factors that may affect future financial results;
- identify and assess risks that could have a material impact on the Company's business and ensure the implementation of proper systems to monitor and manage such risks and identify material changes to the Company's risk profile; and

- review and approve the Company's financial objectives, plans and actions, including significant capital allocations and expenditures.

With the assistance of the Nominating and Corporate Governance Committee, the Board shall, among other things:

- develop the Company's approach to corporate governance, review corporate governance issues, and review and approve the disclosure of corporate governance practices;
- maintain a succession plan for the Company and ensure that the Board and management have the appropriate skills and experience required to succeed in their positions;
- review the effectiveness, size and composition of the Board, taking into consideration the strategic direction of the Company and the current strengths, competence, skills and experience of Board members and directors whose term of office is expiring;
- ensure that new directors receive orientation to understand fully the nature and operation of the Company's business, the role of the Board and its committees, as well as the contribution individuals directors are expected to make;
- provide opportunities for all directors so that individuals may maintain or enhance their skills and abilities as directors, as well as advance their knowledge and understanding of the Company's current business; and, if required, develop position descriptions for the Chairman and, if applicable, the Lead Director, the Chair of each Board committee, and the Chief Executive Officer.

With the assistance of the Compensation Committee, the Board shall, among other things:

- review and approve the corporate goals and objectives of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those corporate goals and objectives, and determine the Chief Executive Officer's compensation level based on this evaluation;
- periodically review the Company's management structure and the Chief Executive Officer's proposals for changes to that structure including any recommendations of officer appointments or terminations;
- review and approve the annual compensation of all other executive officers of the Company, as recommended by the Chief Executive Officer, based on the achievement of individual and corporate goals and objectives developed for the performance of the Company and management;
- review and approve the compensation of the directors and committee members;
- ensure that remuneration packages for all executive officers and directors have the overriding purpose of motivating and retaining qualified individuals; reflect the requirements of the marketplace to attract and retain the skills and abilities required; enhance long-term shareholder value, and involve a balance between fixed and incentive compensation that properly reflects individual performance relative to the short and long-term performance objectives appropriate to the Company's circumstances and goals;
- review and administer the Company's equity compensation plans to ensure that such plans are reasonable and provide appropriate incentives to directors, officers, employees and consultants;
- review and approve any recommended stock option grants and/or share issuances under the Company's equity-based compensation plans to directors, officers, employees and consultants of the Company and its subsidiaries, as appropriate;
- encourage Board members to own an appropriate number of Company shares; and
- review and approve the disclosure of executive compensation prior to release of any data.

With the assistance of the Corporate Responsibility & Technical Committee, the Board shall, among other things, provide oversight over:

- corporate responsibility ("CR") strategy, objectives, performance and reputation management to ensure that privilege to operate is built, maintained and enhanced;
- management of CR risks;
- compliance with applicable current and future legal and regulatory requirements associated with CR matters; and
- development and implementation of policies, management systems and processes to ensure that the Corporation's goals, strategies, objectives, commitments and performance relating to CR matters are achieved.

With the assistance of the Special Opportunities Committee, the Board shall, among other things, provide oversight over the review, consideration and approval of certain business opportunities presented by management of the Corporation for consideration and approval by the Board, including strategic opportunities such as acquisition, sale, business combination and take-over bid transactions.

#### **Board/Committee Communication**

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting following the committee's meeting. Minutes of committee meetings are made available to all directors and are filed with the Corporate Secretary.

#### **GENERAL**

Directors are expected to comply with all of the Company's governance policies, procedures and guidelines, including but not limited to, the Code of Business Conduct and Ethics, Board and Board Committee charters and mandates and corporate policies, including the Disclosure Policy and the Share Trading Policy among others, and are expected to sign a certificate of compliance annually confirming their continued understanding and compliance with such policies, procedures and guidelines.

The Board, in conjunction with the Chief Executive Officer, shall review measures for receiving information from the Company's shareholders. The Board shall, on a periodic basis and with the assistance of the officers involved in investor relations, monitor and review information provided by the Company's shareholders.

At least annually, the Board shall review and assess the adequacy of its mandate to ensure compliance with any rules and regulations of any regulatory body and approve any modifications to its mandate as are considered advisable.

Amended and restated by the Board of Directors on March 21, 2018