

Excellon Announces Up To C\$10 Million Non-brokered Private Placement Of Subscription Receipts

13.04.2023 | [CNW](#)

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TORONTO, April 13, 2023 - [Excellon Resources Inc.](#) (TSX: EXN) (OTCQB: EXNRF) (FRA: E4X2) ("Excellon" or the "Company") is pleased to announce a non-brokered private placement of up to 28,571,428 subscription receipts of the Company (the "Subscription Receipts") at a price of C\$0.35 per Subscription Receipt (the "Offering Price") for aggregate gross proceeds of up to approximately C\$10,000,000 (the "Offering").

Following completion of the Company's previously announced acquisition (the "Acquisition")¹ of the issued and outstanding shares of Minera La Negra, S.A. de C.V., the owner of the permitted, past-producing La Negra mine ("La Negra") located in Querétaro State, Mexico, the net proceeds of the Offering are expected to be used to advance development of La Negra and for general corporate purposes.

Acquisition Summary¹:

- Excellon entered into a definitive agreement with Dalu S.à.r.l., an entity controlled by Orion Resource Partners, (the "Seller") to acquire La Negra for up to US\$50 million².
- Upfront consideration totaling US\$20 million in common shares in the capital of the Company ("Common Shares") of C\$0.48 per Common Share.
- Up to US\$30 million in deferred consideration payments after declaration of commercial production at La Negra, and the Company's option payable in cash or Common Shares.
- The Company and the Seller have agreed to extend the timeline to complete the Acquisition to no later than June 30, 2023.

La Negra Project¹:

- Fully permitted, past producing mine with established infrastructure and historical payable production averaging +3.0 million silver-equivalent ("AgEq") ounces ("oz") annually.
- Indicated Mineral Resources of approximately 15.1 million oz AgEq at 191 g/t AgEq and Inferred Mineral Resources of approximately 41.8 million AgEq oz at 202 g/t AgEq.
- Completed Preliminary Economic Assessment ("PEA") demonstrates a post-tax NPV_{5%} of US\$132.4 million.
- Estimated restart capital of US\$20.9 million based on the PEA.
- Target annual payable production of +3.0 million oz AgEq annually at an estimated cash cost of US\$12.95 per AgEq ounce.
- Polymetallic production mix: 43% Ag, 26% Zn, 23% Cu, 7% Pb by NSR contribution.
- Near-term restart of La Negra: 12-18 month development plan de-risking mine restart.

The Subscription Receipts will be created and issued pursuant to the terms of a subscription receipt agreement (the "Subscription Receipt Agreement") between a third party escrow agent, as subscription receipt agent (the "Subscription Receipt Agent") and the Company. Each Subscription Receipt will entitle the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, one unit of the Company comprised of one Common Share and one Common Share purchase warrant of the Company (a "Warrant"), subject to adjustment in certain events, upon the satisfaction of the Escrow Release Conditions (as defined in the Subscription Receipt Agreement), including the satisfaction of all conditions precedent to the completion of the Acquisition, at or before 5:00 p.m. (Toronto time) on the Escrow Release Deadline (as defined in the Subscription Receipt Agreement). Each Warrant will entitle the holder thereof to acquire one Common Share at a price of C\$0.55 per Common Share for a period of 24 months from the closing date of the Offering, subject to adjustment in certain events.

In connection with the Offering, provided the Escrow Release Conditions are satisfied, certain arm's-length parties may receive a cash finder's fee payment and/or warrants to purchase Common Shares in consideration of Subscription Receipts that such parties introduced by such parties.

Upon closing of the Offering, the aggregate gross proceeds of the Offering will be deposited in escrow with the Subscription Receipt Agent.

Receipt Agent pending satisfaction or waiver of the Escrow Release Conditions, in accordance with the provisions of the Subscription Receipt Agreement. Unless the requisite approval is obtained pursuant to and in accordance with the terms of the Subscription Receipt Agreement, if the Escrow Release Conditions are not satisfied at or before the Escrow Release Date, each of the then issued and outstanding Subscription Receipts will be cancelled and the Subscription Receipt Agent will refund to each holder of Subscription Receipts an amount equal to the aggregate Offering Price of the Subscription Receipts held by such holder plus an amount equal to the holder's pro rata share of any interest or other income earned on the escrowed funds (net of applicable withholding tax, if any). To the extent that the escrowed funds are insufficient to refund such amounts to each holder of the Subscription Receipts, the Company shall be liable for and will contribute such amounts as are necessary to satisfy such shortfall.

The Offering is expected to close on or about May 4, 2023 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange.

The Subscription Receipts will be offered: (a) by way of private placement in each of the provinces of Canada pursuant to applicable exemptions from the prospectus requirements under applicable Canadian securities laws; (b) in the United States or for the account or benefit of, U.S. persons, by way of private placement pursuant to the exemptions from the registration requirements provided for under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"); and (c) in jurisdictions outside of Canada and the United States on a private placement or equivalent basis. The securities to be issued pursuant to the Offering will be subject to a four-month hold period in Canada pursuant to applicable Canadian securities laws.

The securities offered have not been, nor will they be, registered under the U.S. Securities Act, or any state securities laws. They may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an exemption from such registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy in the United States nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

¹ For further details on the Acquisition and La Negra (including the PEA and mineral resources) refer to Excellon's news release dated January 9, 2023 and the technical report entitled "Technical Report - Preliminary Economic Assessment Study, La Negra Mine, Minera La Negra S.A. de C.V., Caderyta de Montes (Maconi), Querétaro, Mexico" dated June 29, 2022 with an effective date of March 31, 2022 (the "La Negra Technical Report") available under Excellon's profile on SEDAR (www.sedar.com) and on the Company's website (www.excellonresources.com), as well as the Cautionary Statements at the end of this news release.

² As previously disclosed in Excellon's news release dated January 9, 2023, 60% of the purchase consideration will be paid to the Seller for all of its shares of the holding company of La Negra and 40% will be paid to Grupo Desarrollador Migo, S.A.P.I. de C.V. for the termination of existing joint venture arrangements regarding La Negra.

³ As previously disclosed in the "Corporate Update" section of Excellon's news release dated April 3, 2023 announcing the Company's financial and operating results for the fiscal year ended December 31, 2022, the Company has been in discussions with the Seller regarding an extension of the timeline to complete the Acquisition to no later than the end of June 2023 (as opposed to the April 2023 target dates announced on January 9, 2023). Copies of such press releases are available under Excellon's profile on SEDAR and on the Company's website. The Company has an experienced operational management team for the benefit of our employees, communities and shareholders. The Company is advancing a portfolio of silver, base metals and precious metals assets including Kilgore, an advanced gold exploration project in Idaho; and Silver City, a high-grade epithermal silver district in Saxony, Germany with over 100 years of mining history and no modern exploration. The Company has also entered into an agreement to acquire La Negra, a past-producing Ag-Zn-Cu-Pb mine with exploration potential, located in Mexico.

Additional details on Excellon's properties are available at www.excellonresources.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, contained, referenced or incorporated by reference in this news release constitute "forward-looking statements" and "forward looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements are identified by the use of forward-looking terminology such as: "advance", "deferred", "de-risking", "development", "expected", "exploration", "following", "further", "later", "near-term", "opportunities", "option", "payable", "plan", "potential", "preliminary", "restart", "subject to", "target", "upon", and "vision", or variations of such words, and similar such words, expressions or

statements that certain actions, events or results can, could, may, should, will (or not) be achieved, occur, provide, result in, or support in the future or which, by their nature, refer to future events. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements include statements regarding the structure and terms of the Offering; the use of proceeds of the Offering; the timing and ability of the Company to close the Offering; any finder's fee payments, in cash or warrants to purchase Common Shares; the timing and ability of the Company to receive necessary approvals; the timing and ability of the Company to close the Acquisition (including timing thereof); the restart of mining operations and/or commercial production at La Negra (including strategy, plans, critical work streams, development activities and resulting further analysis, timing, costs, capital requirements, permitting, achieving commercial production, mine plan, production); exploration at La Negra; the La Negra Technical Report, including any financial and/or economic metrics and other results or conclusions or recommendations thereof (including NPV, IRR, recommendation and the following which are all estimates only: AgEq oz, cash costs and capital costs, production, NPV, IRR, contribution); and Excellon's vision. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct, and any forward-looking statements by the Company are not guarantees of future actions, results or performance. Forward-looking statements are based on assumptions, estimates, expectations and opinions, which are considered reasonable and represent best judgment based on available facts, as of the date such statements are made. If such assumptions, estimates, expectations and opinions prove to be incorrect, actual and future results may be materially different than expressed or implied in the forward-looking statements. Forward-looking statements are inherently subject to known and unknown risks, uncertainties, contingencies and other factors which may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by the forward-looking statements. Such risks, uncertainties, contingencies and other factors include, among others, the "Risks and Uncertainties" section of the Company's annual information form dated March 31, 2023 (the "2023 AIF"), and the risks, uncertainties, contingencies and other factors identified in this news release, the Company's Management's Discussion and Analysis, and accompanying financial statements, for the year ended December 31, 2022 (collectively, the "FYE 2022 Financial Disclosure"), the La Negra Technical Report, the Excellon news releases referenced in this news release, and the Company's other applicable public disclosures (collectively, "Company Disclosure"). The foregoing list of risks, uncertainties, contingencies and other factors is not exhaustive and readers should consult the more complete discussion of the Company's business, financial condition and prospects that is provided in the 2023 AIF and the other aforementioned Company Disclosure. The forward-looking statements referenced herein are expressly qualified by these Cautionary Statements as well as the Cautionary Statements contained in the FYE 2022 Financial Disclosure, the 2023 AIF and the other referenced Company Disclosure. Forward-looking statements contained herein are made as of the date of this news release (or as otherwise expressly specified) and the Company has no obligation to update any forward-looking statements, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

Mineral Resources

Until mineral deposits are actually mined and processed, mineral resources must be considered as estimates only. Mineral resource estimates that are not classified as mineral reserves do not have demonstrated economic viability. The estimation of mineral resources is inherently uncertain, involves subjective judgement about many relevant factors and may be materially affected by, among other things, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant uncertainties, contingencies and other factors described in the foregoing Cautionary Statements on Forward-Looking Statements. The quantity and grade of reported "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain that further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. The accuracy of any mineral resource estimates is a function of the quantity and quality of available data, and the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable. The estimates may depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. The quantity and grade of "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain that further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. Mineral resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in mineral prices; (ii) results of drilling and development; (iii) results of geological and structural modeling including stope design; (iv) metallurgical testing and other testing; (v) proposed mining operations including dilution; and (vi) the possible failure to receive and/or obtain required permits, licenses and other approvals. It cannot be assumed that all or any part of a "inferred", "indicated" or "measured" mineral resource estimate will ever be upgraded to a higher category including a mineral reserve.

Mineral resource estimates disclosed by the Company were estimated and reported in accordance with National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") using Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources and Mineral Reserves (the "CIM Standards"), which govern the public disclosure of scientific and technical information concerning mineral projects by Canadian issuers such as Excellon, and the CIM's Mineral Resources and Mineral Reserves Best Practices guidelines (as applicable). For additional discussion of the Company's mineral resource estimates at La Negra, as well as an overall more detailed discussion of such project, the reader should refer to the 2023 AIF and the La Negra Technical Report.

U.S. Readers

The terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource"

A PEA, including the La Negra PEA, is only a conceptual study of the potential viability of the subject project's mineral resource estimates, and the economic and technical viability of the project and its estimated mineral resources has not been determined. A PEA is preliminary in nature and provides only an initial, high-level review of the subject project's potential and design; there is no certainty that a PEA will be realized. The conceptual LOM plan and economic model in a PEA include numerous assumptions and mineral resource estimates including inferred mineral resource estimates. Inferred mineral resource estimates are considered to be too speculative geologically to have any economic considerations applied to such estimates. Under NI 43-101, estimates of inferred mineral resources may not form the basis of feasibility studies, pre-feasibility studies or other economic studies, except in prescribed cases, such as in a preliminary economic assessment under certain circumstances. There is no guarantee that inferred mineral resource estimates will be converted to indicated or measured mineral resources, indicated or measured mineral resources can be converted to mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability, and as such there is no guarantee the economics described in any PEA, including the La Negra PEA, will be achieved. Mineral resource estimates may be materially affected by environmental, permitting, legal, taxation, socio-political, marketing, or other relevant risks, uncertainties and other factors, as more particularly described in the foregoing other Cautionary Statements of this news release.

Contact:
 Title, Taxation, socio-political, marketing, or other relevant risks, uncertainties and other factors, as more particularly described in the foregoing other Cautionary Statements of this news release.
 Please Contact: [Excellion Resources Inc.](http://www.excellionresources.com), Shawn Howarth, President & Chief Executive Officer, showarth@excellionresources.com

Dieser Artikel stammt von [Minenportal.de](#)
Mr. Paul Keller, P. Eng. Chief Operating Officer of the Company and a Qualified Person as defined in NI 43-101 (a "QR
<https://www.minenportal.de/artikel/4985989-Excellon-Announces-Its-Top-C10-Million-Non-brokered-Private-Placement-Of-Subscription-Receipts.html>
 reviewed, verified and approved the scientific and technical information relating to operations and production results co
 this news release. **Mr. Jorge Ortega, M.Sc. P. Geo. Vice President Exploration of the Company and a QP, reviewed, v**
 approved the scientific and technical information relating to geological interpretation and results contained in this news
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