EXCELLON

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EXCELLON REPORTS 2014 ANNUAL AND FOURTH QUARTER FINANCIAL RESULTS

Toronto, Ontario – March 25, 2015 – Excellon Resources Inc. (TSX:EXN; OTC:EXLLF) ("Excellon" or the "Company"), Mexico's highest grade silver producer, reports financial results for the three- and twelve-month periods ended December 31, 2014.

2014 Financial Highlights

- Revenue of $30.8 million (2013 – $33.3 million)
- Sales of 1.9 million silver equivalent ounce ("AgEq oz") payable (2013 – 1.8 million AgEq oz payable)
- Mine operating earnings of $2.4 million (2013 – $8.7 million)
- Adjusted net loss of $3.8 million or $0.07/share (2013 – net loss of $5.0 million or $0.09/share)
- Cash flow from operations of $1.2 million or $0.03/share before changes in working capital (2013 – $1.7 million or $0.03/share)
- Cash costs per Ag oz payable of $13.76 (2013 – $10.01)
- All-in sustaining cost per Ag oz payable ("AISC") of $21.69 (2013 – $19.66 per Ag oz payable)

Q4 2014 Financial Highlights

- Revenue of $4.2 million (Q4 2013 - $7.5 million)
- Sales of 307,100 AgEq oz payable (Q4 2013 – 466,391 AgEq oz payable)
- Mine operating loss of $2.3 million (Q4 2013 – earnings of $0.2 million)
- Net loss of $2.6 million or $0.05/share (Q4 2013 – net loss of $2.4 million or $0.04/share)
- Cash used in operations of $1.5 million or $0.03/share before changes in working capital (Q4 2013 – $0.8 million cash flow from operations or $0.01/share)
- Cash costs per Ag oz payable of $24.39 (Q4 2013 – $12.77)
- AISC of $38.66 (Q4 2013 – $18.70)
- Cash, marketable securities and current account receivable totaled $5.2 million at December 31, 2014 (December 31, 2013 – $7.0 million)
- Net working capital totaled $6.2 million at December 31, 2014 (December 31, 2013 – $10.3 million)

"We had a good start to 2014, though water management slowed development into the Rodilla and 623 mantos later in the year," stated Brendan Cahill, President and Chief Executive Officer. "Production results during the second half of the year were disappointing, with higher operational costs due to an increased focus on development. That said, improved water management is a clear path to improving production, profitability and cash flows from Platosa, even at current silver prices, and we are increasingly confident in our plan to solve Platosa's water issues permanently.

Mr. Cahill continued, "We have now completed the preparatory stage of a comprehensive water management strategy in consultation with leading experts, Hydro-Ressources and Technosub. We expect this program to transform Platosa over the course of 2015, resulting in consistently increased production rates and dramatically reduced costs by the second half of the year and in to 2016. An update will be provided to shareholders on this project in the coming weeks, with implementation expected to commence during the upcoming quarter."

Financial and Operating Highlights

Financial results for the three- and twelve-month periods ended December 31, 2014 and 2013 are as follows:

('000s of USD, except amounts per share and per ounce)	Q4 2014	Q4 2013	2014	2013
Revenue [(1)]	4,234	7,445	30,767	33,332
Production costs	(5,702)	(5,987)	(24,526)	(20,692)
Depletion and amortization	(877)	(1,260)	(3,859)	(3,910)
Cost of sales	(6,579)	(7,247)	(28,385)	(24,602)
Gross profit (loss)	(2,345)	198	2,382	8,730
Corporate administration	(940)	(1,448)	(4,280)	(5,831)
Exploration	(269)	(212)	(2,069)	(6,718)
Other (incl. finance cost)	(1,076)	512	(852)	202
Impairment of mineral rights	-	-	(15,463)	-
Income tax recovery (expense)	2,044	(1,457)	990	(1,424)
Net loss	(2,586)	(2,407)	(19,292)	(5,041)
Adjusted net loss [(2)]	(2,586)	(2,407)	(3,829)	(5,041)
Loss per share – basic	(0.05)	(0.04)	(0.35)	(0.09)
Loss per share - adjusted	(0.05)	(0.04)	(0.07)	(0.09)
Cash flow from (used in) operations [(3)]	(1,528)	790	1,153	1,699
Cash flow from (used in) operations per share – basic	(0.03)	0.01	0.02	0.03
Net cash cost per payable silver ounce ($/Ag oz)	24.39	12.77	13.76	10.01
All-in sustaining cost per payable silver ounce ($/Ag oz)	38.66	18.70	21.69	19.66

(1) Revenues are net of treatment and refining charges.
(2) Adjusted net loss reflects results before $15.5 million impairment charge on exploration properties in Canada recorded in Q3 2014.
(3) Cash flow from operations before changes in working capital.

Due to ongoing water management efforts, which were exacerbated by a failed transformer during September 2014, underground development critical for accessing future mineable working faces fell behind schedule during the third quarter and into the fourth quarter. Operations during the fourth quarter therefore had a greater focus on development than previous quarters, along with increased water management activities, to improve operations in future quarters. In particular, 7,300 tonnes of high grade ore in the 623 manto and 2,300 tonnes from the Rodilla manto were not mined as per budgeted due to necessary development. Despite significantly lower production of 11,671 tonnes in Q4 2014, tonnage mined and milled for 2014 of 64,170 tonnes and 64,206 tonnes reflect only a 9% and 8% decrease respectively compared to 2013.

Cost of sales increased by 15% during 2014 due to increased per unit costs related primarily to increased water management and pumping, grouting, maintenance, electricity and overhead. Ongoing cost savings initiatives are being implemented at the mine site that should reduce unit costs in the near future.

The Company recorded a net loss of $2.6 million for Q4 2014 compared to a net loss of $2.4 million in Q4

2013 as a result of lower tonnage mined and increased consumable and maintenance costs relative to the number of tonnes of ore produced during the period. Other factors contributing to the loss included a lower average realized silver price of $19/oz in 2014 compared to $21/oz in 2013. While low silver prices impacted the Company's revenues and operating profits, lead and zinc account in the aggregate for 43% (2013 – 35%) of the Company's cash inflows from metals sold at current prices. In 2014, mark-to-market adjustments positively impacted revenues by $0.9 million, compared to a negative impact of $1.3 million in 2013. The Company recorded foreign exchange losses of $0.7 million in Q4 2014 compared to foreign exchange gains of $0.8 million in 2013.

Cash corporate administrative expenses in Q4 2014 were comparable to Q4 2013, reflecting continued cost discipline at the corporate head office in Toronto during both periods. On a year-to-date basis, cash general administrative expenses decreased by $0.6 million compared to 2013.

Exploration expenses incurred during the period were $0.3 million in Q4 2014. Exploration in 2014 was limited to $2.1 million compared to $6.7 million in 2013. Late in Q3 exploration drilling was halted due to the continued low price of silver, however, planning for additional drilling continues as significant potential remains for further new manto discoveries as the deposit area is open to the north, northeast, east and southeast of the known mantos. When drilling resumes additional holes will be drilled in the NE-1 manto and 6A manto areas.

The Company invested $1.4 million during Q4 2014 in capital expenditures for mine development compared to $0.6 million in Q4 2013. Development increased 98% to 480 metres in Q4 2014 compared to 243 metres in Q4 2013. Mine development continues to be a priority for 2015 as the Company continues to access the Rodilla and high-grade 623 mantos, the latter of which hosts mineral resources of 83,000 tonnes at 1,232 g/t Ag (1,777 g/t AgEq).

Total cash cost per silver ounce payable was $24.39/oz in Q4 compared to $12.77/oz in Q4 2013. The Company's total cash cost in 2014 increased to $13.76/oz for 2014 from $10.01/oz in 2013. All-in sustaining costs ("AISC") per silver ounce payable were $38.66 during Q4 2014 compared to $18.70 in Q4 2013 and ASIC increased from $18.33 at Q3 to $21.69 for 2014. Cash costs per ounce for the period were significantly higher because of increased development, consumables and water management efforts relative to the tonnes mined, along with lower ore grades in the particular mantos mined during the period.

Excellon defines AISC per silver ounce as the sum of total cash costs (including treatment charges and net of byproduct credits), capital expenditures that are sustaining in nature, corporate general and administrative costs (including non-cash share-based compensation), capitalized and expensed exploration that is sustaining in nature, and (non-cash) environmental reclamation costs, all divided by the total payable silver ounces sold during the period to arrive at a per ounce figure.

All financial information is prepared in accordance with IFRS, and all dollar amounts are expressed in U.S. dollars unless otherwise specified. The information in this news release should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2014 and associated management discussion and analysis ("MD&A") which are available from the Company's website at www.excellonresources.com and under the Company's profile on SEDAR at www.sedar.com.

The discussion of financial results in this press release includes reference to "cash flows from operations before changes in working capital items", "cash cost per payable silver equivalent ounce net of byproducts" and "all-in cost per payable silver equivalent ounce," which are non-IFRS performance measures. The Company presents these measures to provide additional information regarding the Company's financial results and performance. Please refer to the Company's MD&A for the year ended December 31, 2014, for a reconciliation of these measures to reported IFRS results.

Water Management Initiatives

Excellon has been working closely with Hydro-Ressources Inc. of St-Redempteur, Quebec and Technosub Inc. of Rouyn-Noranda, Quebec in recent months on a comprehensive water management program for Platosa. In effect, this program will change the Company's approach to water management from a reactive approach (pumping water from mine-workings while conducting intensive grouting to control further water inflows) to a proactive approach (increasing pumping capacity to ensure water does not enter mine workings). Preparatory studies were recently completed, with an update expected to be provided to shareholders in the coming weeks. The Company will provide a 2015 production outlook based on the water management report during the second quarter of 2015.

Production Highlights

Mine production for the three and twelve months periods ended December 31, 2014 and 2013 was as follows:

		Q4 2014(1)	Q4 2013(1)	Year 2014(1)	Year 2013(1)
Tonnes of ore produced		10,794	20,481	64,170	70,490
Tonnes of ore processed		11,671	21,186	64,206	69,862
Ore grades:					
	Silver (g/t)	632	684	603	718
	Lead (%)	6.00	5.27	6.57	6.14
	Zinc (%)	8.28	5.08	8.90	8.00
Recoveries:					
	Silver (%)	93.1	89.9	91.8	92.6
	Lead (%)	75.7	71.2	81.9	79.4
	Zinc (%)	79.6	75.8	81.8	80.2
Production:					
	Silver – (oz)	206,343	411,277	1,162,929	1,409,852
	Silver equivalent ounces (oz) (2)	366,272	545,428	2,048,017	2,055,567
	Lead – (lb)	1,136,853	1,720,303	7,515,720	7,342,108
	Zinc – (lb)	1,656,332	1,857,066	10,075,172	9,876,955
Payable:					
	Silver ounces – (oz)	176,492	360,285	1,067,807	1,279,364
	Silver equivalent ounces (oz) (2)	307,100	466,391	1,866,632	1,841,335
	Lead – (lb)	1,013,644	1,453,171	7,260,737	6,868,685
	Zinc – (lb)	1,275,349	1,376,336	8,655,708	8,117,208
Realized prices: (3)					
	Silver – ($US/oz)	16.63	20.02	18.73	20.93
	Lead – ($US/lb)	0.90	0.96	0.94	0.94
	Zinc – ($US/lb)	0.99	0.87	0.99	0.86

(1) Period deliveries remain subject to assay and price adjustments on final settlement with concentrate purchaser.
Data has been adjusted to reflect final assay and price adjustments for prior period deliveries settled during the period.

(2) Silver equivalent ounces established using average metal prices during the period indicated applied to the recovered metal content of the concentrates.

(3) Average realized silver price is calculated on current period sale deliveries and does not include the impact of prior period provisional adjustments in the period.

During 2014 only 13% of mine production (~8,300 tonnes) was from areas within the mineral resource model, resulting in measured and indicated resource depletion of less than 2% during the year. The remaining 55,870 tonnes of 2014 production were from outside of the model, mainly from fringe areas of the mantos. Given the irregular shape of the mantos at Platosa, economic amounts of sulphides can typically be found beyond the resource model boundaries.

Production of 1.2 million ounces of silver was in line with the Company's revised guidance provided during the third quarter. Lead production of 7.5 million pounds met the Company's original target of 7.5-8.5 million pounds, while zinc production of 10.1 million pounds exceeded the Company's original target of 9-10 million pounds. Combined lead and zinc production of 17.6 million pounds was the highest in the last five years, due in large part to base metal grades and improved recoveries in 2014. The Company expects strong lead and zinc production to continue providing positive cash flow during the ongoing period of relatively low silver prices, with imminent zinc supply deficits expected to result in higher zinc prices during 2015 and beyond.

During the fourth quarter, the Company began accessing the periphery of the high-grade 623 manto, hosting mineral resources of 83,000 tonnes at 1,232 g/t Ag (1,777 g/t AgEq), with this manto expected to reach full production after mid-2015.

Renewal of Shareholders Rights Plan

The Board of Directors has adopted a resolution to renew the Company's shareholders rights plan (the "Plan"), which is scheduled to expire on May 24, 2015. The Plan as renewed is substantially similar to, and maintains the protection afforded to shareholders under the plan previously approved by shareholders in 2011. It is not being adopted in response to any proposal to acquire control of Excellon.

The Plan has been accepted by the Toronto Stock Exchange and will be presented for ratification by the shareholders at the Company's upcoming annual meeting. A complete copy of the Plan will be filed on SEDAR at www.sedar.com.

Annual and Special Meeting

The annual and special meeting of Excellon shareholders (the "Meeting") will be held at 4:00 p.m. (ET) on May 28, 2015 at The King Edward Hotel (Chelsea Room), 37 King Street East, Toronto, Ontario. Excellon shareholders as of April 15, 2015 will be entitled to attend and vote their shares at the Meeting. The Management Information Circular and materials related to the Meeting will be available on the Company website and SEDAR in the coming weeks pursuant to the Notice and Access rules.

About Excellon

Excellon's 100%-owned and royalty-free La Platosa Mine in Durango is Mexico's highest grade silver mine, with lead and zinc by-products historically making it one of the lowest cash cost silver mines in the country. The Company is positioning itself to capitalize on undervalued projects by focusing on increasing La Platosa's profitable silver production and near-term mineable resources.

Additional details on the La Platosa Mine and the rest of Excellon's exploration properties are available at www.excellonresources.com.

For Further Information, Please Contact:

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Forward-Looking Statements

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this Press Release, which has been prepared by management. This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 27E of the Exchange Act. Such statements include, without limitation, statements regarding the future results of operations, performance and achievements of the Company, including potential property acquisitions, the timing, content, cost and results of proposed work programs, the discovery and delineation of mineral deposits/resources/reserves, geological interpretations, proposed production rates, potential mineral recovery processes and rates, business and financing plans, business trends and future operating revenues. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, significant downward variations in the market price of any minerals produced [particularly silver], the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. All of the Company's public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties, and particularly the March 25, 2014 NI 43-101-compliant technical report prepared by Roscoe Postle Associates Inc. with respect to the Platosa Property. This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.