EXCELLON

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EXCELLON REPORTS SECOND QUARTER 2015 FINANCIAL RESULTS

Toronto, Ontario – August 13, 2015 – Excellon Resources Inc. (TSX:EXN; OTC:EXLLF) ("Excellon" or the "Company"), Mexico's highest grade silver producer, is pleased to report financial results for the three and six-month periods ended June 30, 2015.

Q2 2015 Financial Highlights

- Revenue of $4.0 million (Q2 2014 – $8.8 million)
- Sales of 304,984 silver equivalent ounces ("AgEq oz") payable (Q2 2014 – 545,343 AgEq oz payable)
- Net loss of $1.8 million or $0.03/share (Q2 2014 – net loss of $0.7 million or $0.01/share)
- Production cost per tonne of $274 represented a material improvement quarter-over-quarter and relative to comparable period (Q2 2014 – $287), despite lower tonnages in Q2 2015
- Cash costs per Ag oz payable of $16.96 (Q2 2014 – $9.03)
- All-in sustaining cost per Ag oz payable ("AISC") of $24.53 (Q2 2014 – $14.59 per Ag oz payable)
- Cash and current accounts receivable totaled $3.0 million at June 30, 2015 ($3.1 million at March 31, 2015)
- Released results of preliminary economic assessment on proposed optimization project on Platosa with after-tax IIR of 118% at $17/oz Ag and targeted AISC of $9.00

"The second quarter was tough this year, though in line with expectations, and we have made further strides in reducing unit costs throughout the operation," stated Brendan Cahill, President and Chief Executive Officer. "We have realized a material improvement in production costs per tonne, with costs now below the cost per tonne of significantly higher tonnage periods in the first half of 2014. Our operations team deserves great credit for identifying and sustaining these opportunities. These improvements will be yet more valuable as we continue into higher-grade mantos and further implementation of the previously announced optimization project at Platosa. Production in July and into mid-August has improved, with higher grades and throughputs already resulting in a further improved production and cost profile."

Financial and Operating Highlights

Financial results for the three and six-month periods ended June 30, 2015 and 2014 are as follows:

('000s of USD, except amounts per share and per ounce)	Q2 2015	Q2 2014	6-Mos 2015	6-Mos 2014
Revenues [1]	4,036	8,792	9,091	19,328
Production costs	(4,013)	(5,615)	(8,573)	(12,419)
Depletion and amortization	(815)	(1,047)	(1,662)	(2,040)
Cost of sales	(4,828)	(6,662)	(10,235)	(14,459)
Earnings/(loss) from mining operations	(792)	2,130	(1,144)	4,869
Corporate administration	(862)	(1,142)	(1,654)	(2,327)
Exploration	(188)	(181)	(414)	(518)
Other (incl. finance cost)	(740)	(903)	(216)	175
Income tax recovery (expense)	761	(615)	1,370	(1,035)

('000s of USD, except amounts per share and per ounce)	Q2 2015	Q2 2014	6-Mos 2015	6-Mos 2014
Net income (loss)	(1,821)	(711)	(2,058)	1,164
Earnings (loss) per share – basic and diluted	(0.03)	(0.01)	(0.04)	0.02
Cash flow from (used in) operations (2)	(1,187)	1,620	(757)	3,758
Cash flow from (used in) operations per share – basic (2)	(0.02)	0.03	(0.01)	0.07
Production cost per tonne ($/t) (3)	274	287	301	323
Total cash cost per silver ounce payable ($/Ag oz)	16.96	9.03	15.45	10.44
All-in sustaining cost per silver ounce payable ($/Ag oz)	24.53	14.59	22.40	15.98

(1) Revenues are net of treatment and refining charges.
(2) Cash flow from operations before changes in working capital.
(3) Production cost per tonne includes mining and milling costs excluding depreciation.

Production of 341,957 AgEq oz during the quarter (Q2 2014 – 636,713 AgEq ounces) was lower as a result of lower tonnes and grades mined during the period, though production was in line with the Company's current mine plans. Grades are expected to increase as the Company moves into higher grade areas of the mine in the second half of the year. While water management at Platosa was effective at controlling inflows during the period, productivity and development continue to be slowed. The Company continues to prepare to implement an optimization project to comprehensively manage water through an enhanced pumping system, which should allow for increased and lower cost production. Refer to Optimization Project, below, and to the Company's press release dated June 2, 2015 and the July 9, 2015 NI 43-101-compliant technical report prepared by Roscoe Postle Associates Inc. for additional information regarding the optimization program.

The Company recorded a net loss of $1.8 million during the quarter (Q2 2014 – net loss of $0.7 million), with net revenues of $4.0 million (Q2 2014 – $8.8 million) primarily due to lower tonnage produced, lower grades and lower silver prices. As silver prices were relatively stable during the quarter, revenues were not significantly impacted by any mark-to-market adjustments on finalization of concentrate sales. During the first half of 2014, marked-to-market adjustments positively impacted revenues by $0.9 million as provisionally priced sales at the end of 2013 settled at higher prices in 2014.

Production costs decreased to $4.0 million during the period from $5.6 million in Q2 2014 and $4.6 million in Q1 2015, primarily due to lower tonnages produced, but also reflecting improved production costs per tonne of $274 during the period, a 4% and 17% improvement over Q2 2014 and Q1 2015, respectively. Importantly, production costs per tonne were lower than in the comparable period of 2014, despite significantly higher tonnage mined in that period and a relatively lower contribution from byproducts (reflecting significant reductions in both variable and fixed costs in the current period). Additional cost savings initiatives are being implemented through the remainder of the year.

Sustaining cost of $1.2 million in Q2 2015 was a 32% decrease from Q2 2014 as low silver prices continued to require considerable cost reductions in general administration and the deferral of sustaining capital expenditures to future periods.

Cash corporate administrative expenses of $0.5 million in Q2 2015 (Q2 2014 – $0.9 million) were 43% lower than in the comparable period of 2014 and reflective of ongoing cost discipline at the corporate head office in Toronto. Cash G&A expenses remain at the lowest levels since 2005 (the year prior to Platosa's first full year of production).

Total cash cost per silver ounce payable was $16.96/oz in Q2 2015 (Q2 2014 – $9.03/oz), while AISC per silver ounce payable also increased to $24.53 in Q2 2015 (Q2 2014 – $14.59), primarily due to lower tonnes and grades mined during the period as development and water management efforts continued to be a priority. The Company expects costs to improve significantly as higher grade areas of the mine are accessed and further cost reductions are realized in the operation. Total cash costs net of by-product revenues may vary from period to period as planned production and development accesses different areas of the mine with different ore grades and mining characteristics.

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 three and six month periods ended June 30, 2015 and associated management discussion and analysis ("MD&A"), which are available on 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", "production cost per tonne", "cash cost per payable silver ounce net of byproducts" and "all-in sustaining cost per payable silver 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 three and six month periods ended June 30, 2015, for a reconciliation of these measures to reported IFRS results.

Production Results

	July 2015	**Q2 2015**	**Q2 2014**	**6-Mos 2015**	**6-Mos 2014**
Tonnes Mined	5,436	13,709	19,152	27,629	38,354
Tonnes Milled	4,844	14,629	19,567	28,457	38,457
Grades					
Silver (g/t)	609	475	594	499	607
Lead (%)	4.73	4.40	6.49	4.87	6.58
Zinc (%)	7.36	6.87	8.88	7.82	8.51
Recoveries					
Silver (%)	91.9	84.7	93.0	88.6	92.4
Lead (%)	79.6	73.6	84.8	75.9	84.5
Zinc (%)	81.1	80.1	82.8	81.9	81.7
Metal Production*					
Silver (oz)	87,146	182,709	374,266	399,788	740,207
Lead (lb)	402,225	1,024,813	2,304,958	2,277,608	4,651,724
Zinc (lb)	636,778	1,744,678	3,102,239	3,983,991	5,731,921
AgEq (oz)**	146,950	341,975	636,713	750,070	1,226,594

** Subject to adjustment following settlement with concentrate purchaser.*
*** Silver equivalent ounces established using average metal prices during the period indicated applied to the recovered metal content of concentrates.*

Ore production during the second quarter was primarily from the 6A, Guadalupe South, Guadalupe North and periphery of the 623 mantos, with development focused on the 6A, 623 and access to the Rodilla mantos. Grades during the quarter, though lower than in previous periods, were in line with estimates for the Platosa mineral resources mined during the period and the Company's current mine plans. Recoveries were impacted by the relatively lower grades of ore processed, but returned to normal levels as higher grade ore was accessed in July.

The Company is currently accessing the periphery of the high-grade 623 Manto, hosting mineral resources of 83,000 tonnes at 1,231 g/t Ag (1,766 g/t AgEq), with this manto expected to reach full production during the second half of 2015 as access ramps reach the main body of that manto.

Optimization Project

The Company is preparing to implement an optimization project at Platosa that is designed to achieve dry mining conditions and improve overall production rates and costs. This project aims to 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). The project is currently in the preparatory stages with ongoing reengineering of existing pump infrastructure prior to drilling dewatering wells and underground drain wells. Updates on the program will be provided in due course.

During the quarter, the Company released results of a PEA on the proposed optimization project, with results as follows (all currency references are in U.S. dollars):

Optimization Project: PEA Highlights Base case of $17/oz silver, $0.90/lb lead, $1.00/lb zinc	
IRR	• 118% after-tax IRR with a 1.9 year payback on invested capital
NPV	• $39 million after-tax $\text{NPV}^{7.5\%}$
M+I Resources	• 428,000 tonnes @ 760 g/t Ag, 8.28% Pb and 9.88% Zn, totaling 10.5 million oz Ag, 78 million lb Pb and 93 million lb Zn
Mine Life	• 6 years (2015-2020)
Invested Capital	• $9.9 million
Peak Production Period (2016-2019)	• $58.4 million cumulative net after-tax cash flow • $6.02 average total cash cost per payable silver ounce • $9.00 average all-in sustaining cost per payable silver ounce

The Company filed a technical report prepared in accordance with National Instrument 43-101 prepared by Roscoe Postle Associates Inc. on July 15, 2015.

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 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.

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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. Except for statements of historical fact relating to the Company, such statements forward-looking 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, the potential of the Company's properties, proposed production rates, potential mineral recovery processes and rates, business plans and future operating revenues Forward-looking statements are made based on management's beliefs, estimates, assumptions and opinions on the date the statements are made. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct and the Company undertakes no obligation to update forward-looking statements. Forward-looking statements are typically identified by words such as: believes, expects, anticipates, intends, estimates, targets, plans, postulates, 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. A description of the risk factors applicable to the Company can be found in the Company's most recent Annual Information Form under "Description of the Business – Risk Factors." 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 latest technical report dated July 9, 2015 prepared in accordance with National Instrument 43-101 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.