

## EXCELLON ENTERS MILLING AGREEMENT WITH HECLA FOR SAN SEBASTIAN SULPHIDE ORE

Toronto, Ontario – February 26, 2018 – Excellon Resources Inc. (TSX:EXN, EXN.WT, EXN.WT.A; OTC:EXLLF) ("Excellon" or the "Company") is pleased to announce that it has entered into an agreement with Hecla Mining Company ("Hecla" – NYSE:HL) to toll mill sulphide ore from Hecla's San Sebastian mine in Durango at Excellon's processing facility in Miguel Auza, Zacatecas (the "Milling Facility").

### Highlights

- **Toll milling arrangement expected to commence in 2019 following successful completion of 4,000 tonne bulk sample testing program (the "Bulk Sample") at Miguel Auza Facility in Q3 2018**
- **Expected milled tonnage of 400 tonnes per day ("tpd") or 12,000 tonnes per month to be batched processed under formal milling arrangement**
- **Expected to increase the Company's operating cash flow and reduce milling cost per tonne and all-in sustaining cost ("AISC") per payable ounce on Platosa Mine production**
- **Ample capacity remains available to process increased Platosa Mine production and potential new discoveries at either Platosa or Miguel Auza**

"We are very pleased to begin this partnership with Hecla to process ore from the San Sebastian Mine, 42 kilometres northwest of our Milling Facility," stated Brendan Cahill, President and CEO of Excellon. "This arrangement provides opportunities for additional operating cash flow to the Company and lower milling cost per tonne and all-in sustaining cost from Platosa. Our Milling Facility's exceptional scalability has made this opportunity possible, with ample capacity remaining to process increased Platosa production and potential new discoveries at either Platosa or Miguel Auza."

"This arrangement is a significant step towards extending the life of the San Sebastian mine and we are looking forward to working with Excellon on this opportunity," stated Phillips S. Baker, Jr., President and CEO of Hecla. "We will take a bulk sample in the third quarter and if it is positive could begin mining sulphide ore next year. San Sebastian sulphides have the potential for five years of mine life and considerable upside with our recent exploration discoveries. Excellon's Miguel Auza facility is well-located for our purposes and expected to be well suited to process our sulphide ore going forward."

### Toll Milling Arrangement

Under the terms of the agreement, the formal toll milling arrangement is expected to commence in 2019 following the successful completion of the Bulk Sample in Q3 2018. During the Bulk Sample and the initial period of the formal arrangement, the Miguel Auza Facility will produce a copper-lead concentrate and a zinc concentrate from San Sebastian ore. Following commencement of the formal milling arrangement, a dedicated copper flotation circuit will be installed and copper, lead and zinc concentrates will be produced.

The Milling Facility currently has milling capacity of 800 tpd, with a 650 tpd ball mill in operation and a second, 150 tpd ball mill on standby. Crushing capacity totals over 1,000 tpd, none of which is required for Platosa ore, which is crushed on site at Platosa. The Company is reviewing current flotation capacity in collaboration with Hecla but expects existing capacity to be sufficient for the Bulk Sample and any upgrades necessary for the initial period of the formal toll milling arrangement to be of marginal cost.

Planning is underway on the copper circuit upgrade in collaboration with Hecla.

The five-year agreement is subject to due diligence, the successful processing of the Bulk Sample, and receipt of any regulatory approvals and third-party consents. Hecla also has an option to extend the agreement for an additional two years.

### **About Excellon**

Excellon's 100%-owned Platosa Mine in Durango has been Mexico's highest-grade silver mine since production commenced in 2005. The Company is focused on optimizing the Platosa Mine's cost and production profile, discovering further high-grade silver and carbonate replacement deposit (CRD) mineralization on the Platosa Project and epithermal silver mineralization on the Miguel Auza Property and capitalizing on the opportunity in current market conditions to acquire undervalued projects in the Americas.

Additional details on the La Platosa Mine and the rest of Excellon's exploration properties are available at [www.excellonresources.com](http://www.excellonresources.com).

### **For Further Information, Please Contact:**

Excellon Resources Inc.  
Brendan Cahill, President & CEO or  
Nisha Hasan, Vice President, Investor Relations  
(416) 364-1130  
[info@excellonresources.com](mailto:info@excellonresources.com)  
[www.excellonresources.com](http://www.excellonresources.com)

### **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](http://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 July 9, 2015 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.*