



Mexico's highest grade

Silver producer

**Annual Meeting of Shareholders
May 10, 2016**

EXCELLON

Forward Looking Statements

Disclaimer

This document contains “forward-looking statements” within the meaning of applicable Canadian securities legislation and applicable U.S. securities laws. Except for statements of historical fact relating to the Company, such 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 forward-looking statements, except as may be required by law. 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 risk 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 NI 43-101-compliant technical report prepared by Roscoe Postle Associates Inc. with respect to the Platosa Property. This document is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The terms “Measured”, “Indicated” and “Inferred” Mineral Resources used or reference in this document are defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves. The CIM standards differ significantly from standards in the United States. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category or that Mineral Resources will ever be upgraded to Mineral Reserves. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies other than Preliminary Economic Assessments. United States investors are cautioned not to assume that all or any part of Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable, or that an Indicated Mineral Resource is economically or legally mineable.

Cautionary Note to United States Investors regarding Adjacent or Similar Properties

This document may also contain information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises United States investors that the United States Securities and Exchange Commission’s mining guidelines strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company’s properties.

Cautionary Note Regarding the Preliminary Economic Assessment (PEA)

The assessments in the PEA are preliminary in nature, mineral resources are not mineral reserves and do not have demonstrated economic viability, and there is no assurance the preliminary assessments will be realized. The outcome of this PEA may be materially affected by the closing of the financing, metals pricing, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

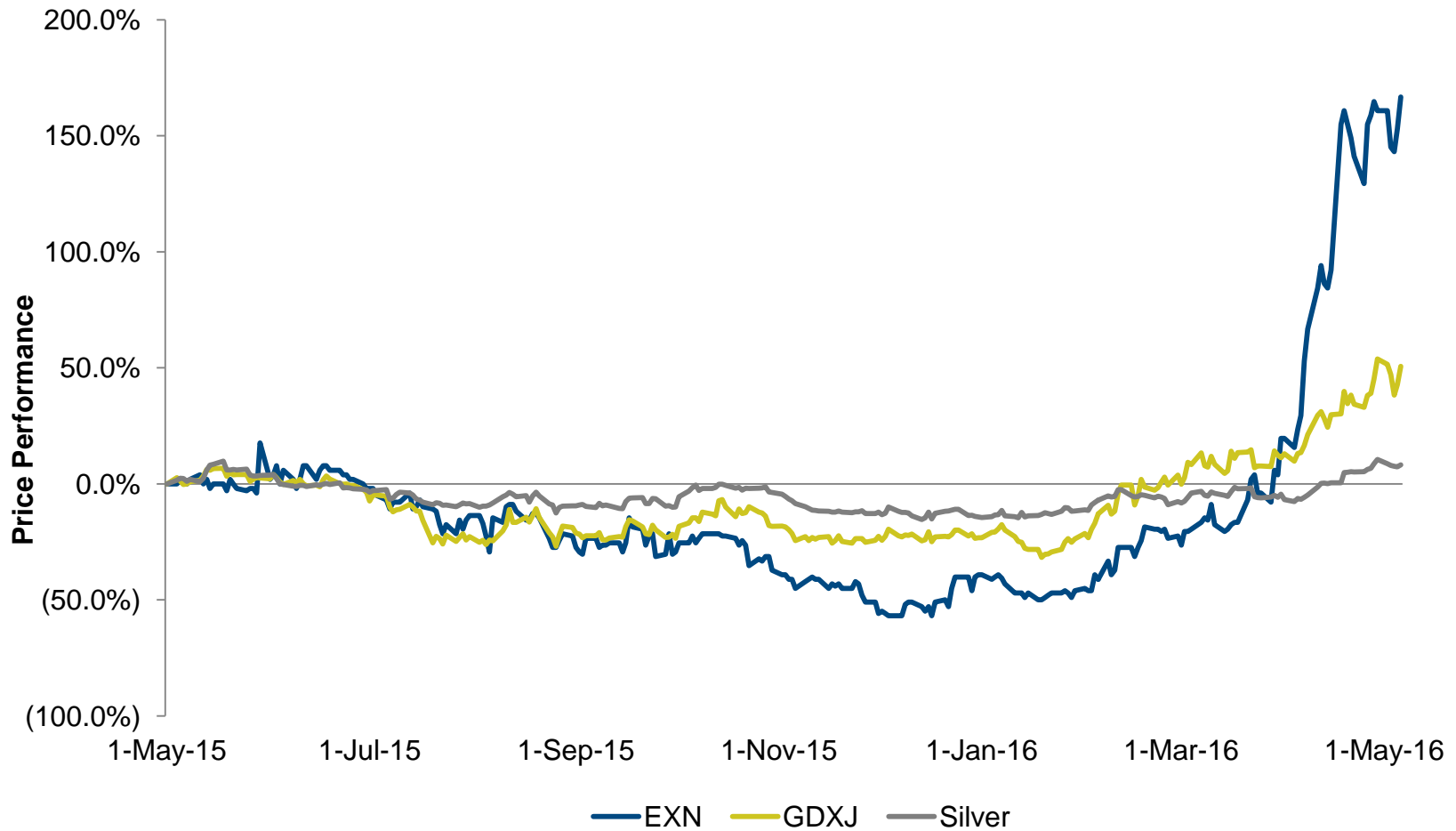
Qualified Persons

John Sullivan, Vice-President Exploration, is responsible for the Company’s exploration programs and has supervised the preparation of the technical information, which is disclosed in this press release. He has acted as the Qualified Person, as defined in NI 43-101, for this disclosure.

Conviction

Executing on a proven concept and strategy to double production and halve costs at the highest grade silver mine in Mexico

Timing



Experience

André Fortier Chairman	Director of Ferrinov Inc. Former SVP of Noranda, CEO of Kerr Addison Mines, and Campbell Resources. Former Chairman of Conseil de Patronat du Québec.
Thor Eaton	Canadian businessman and philanthropist. Founder of Thor & Nicole Eaton Foundation and Chairman of Notae Investments Ltd. Former director of West Timmins Mining.
Alan McFarland	Former director of Placer Dome from 1987 to 2006 and Masonite International. Founding director of the World Resources Institute.
Tim Ryan Chair of Audit Committee	Founder of First General Securities and First Silver Reserve, operated the San Martin Mine acquired by First Majestic Silver in 2006. Venture capitalist and director of a number of technology, financial and mining companies.
Ned Goodman	Canadian Mining Hall of Fame Inductee in 2012. Mostly notably helped build several successful companies including International Corona, Kinross Gold and the Dundee Group of Companies. Involved with Repadre (later IAMGOLD), Dundee Precious Metals and was an early backer of FNX Mining.
Oliver Fernández	Mexican businessman and entrepreneur. Founder and President of Grupo Empresarial Maestro, S.A. de C.V. (Credito Maestro). Former General Manager of Grupo IBADESA, Vice President of Camil Group and Founder and President of FERDAM.
Brendan Cahill President and CEO	Former VP Corp. Dev. of Pelangio Exploration and M&A/securities lawyer (Davies Ward Phillips & Vineberg LLP). Member of the Young Presidents' Organization, the Law Society of Upper Canada and a board Member of the Mining Association of Canada.

Talent

Brendan Cahill President and CEO	Former VP Corp. Dev. of Pelangio Exploration and M&A/securities lawyer (Davies Ward Phillips & Vineberg LLP). Member of the Young Presidents' Organization, the Law Society of Upper Canada and a board Member of the Mining Association of Canada.
Rupy Dhadwar Chief Financial Officer	Chartered Accountant with a range of finance and business expertise. Appointed CFO in August 2012 and was previously controller, since 2010. Formerly with MacGillivray Partners, Chartered Accountants.
John Sullivan Vice-President, Exploration	35+ years of experience. Directed major exploration programs and property evaluations in Canada, Europe, Africa and Latin America. Former positions with Noranda, Watts, Griffis & McOuat and Hudson Bay. Excellon VP Exploration since 2007.
Gerardo Rovelo Senior Operations Manager	Mining engineer and MBA with over 25 years of experience. Most recently with First Majestic. Instrumental in reducing costs, enhancing technical capabilities and improving production at La Guitarra and La Encantada mines. Formerly Mine Manager at Diabros Mexicana's Bolivar Mine and various positions with Grupo Mexico.
Ronald Marino Corporate Controller	Chartered Accountant with master in Finance. Last 18 years of experience within the mining industry in latin America (Brazil, Venezuela, Mexico) and North America (Canada). Previously with Anglo American group in Iron Ore and Base Metals Divisions in various finance roles.
Nisha Hasan Director, Investor Relations	Previously lead investor relations programs for several Canadian mining companies including, Continental Gold, Mukuba Resources and Verde Potash. Formerly with the TMX Group of Companies and Member of the Canadian Investor Relations Institute.

Community



Education – Hosted second annual ‘Improve your community contest’, continued relationships with schools and training colleges to motivate students and enhance educational experience

Health – Facilitated access to free health checks for all residents through Platosa’s doctor

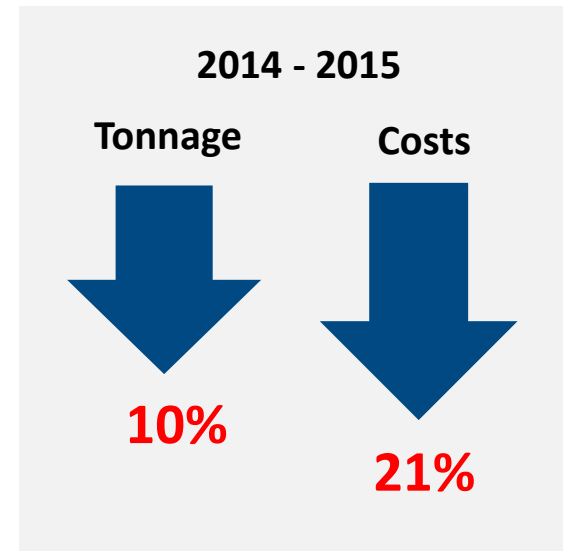
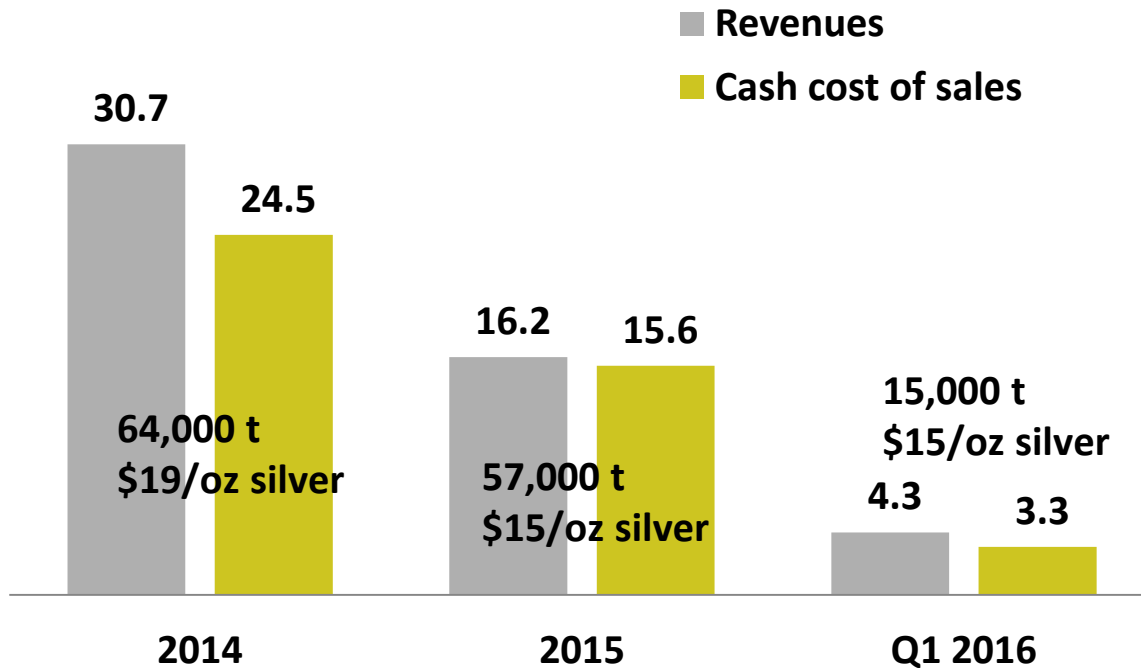
Infrastructure – Renovated neighboring schools and other facilities to ensure a safe and clean area

Community Outreach – Active member in the community celebrating traditions, sponsoring events and encouraging full participation of all members



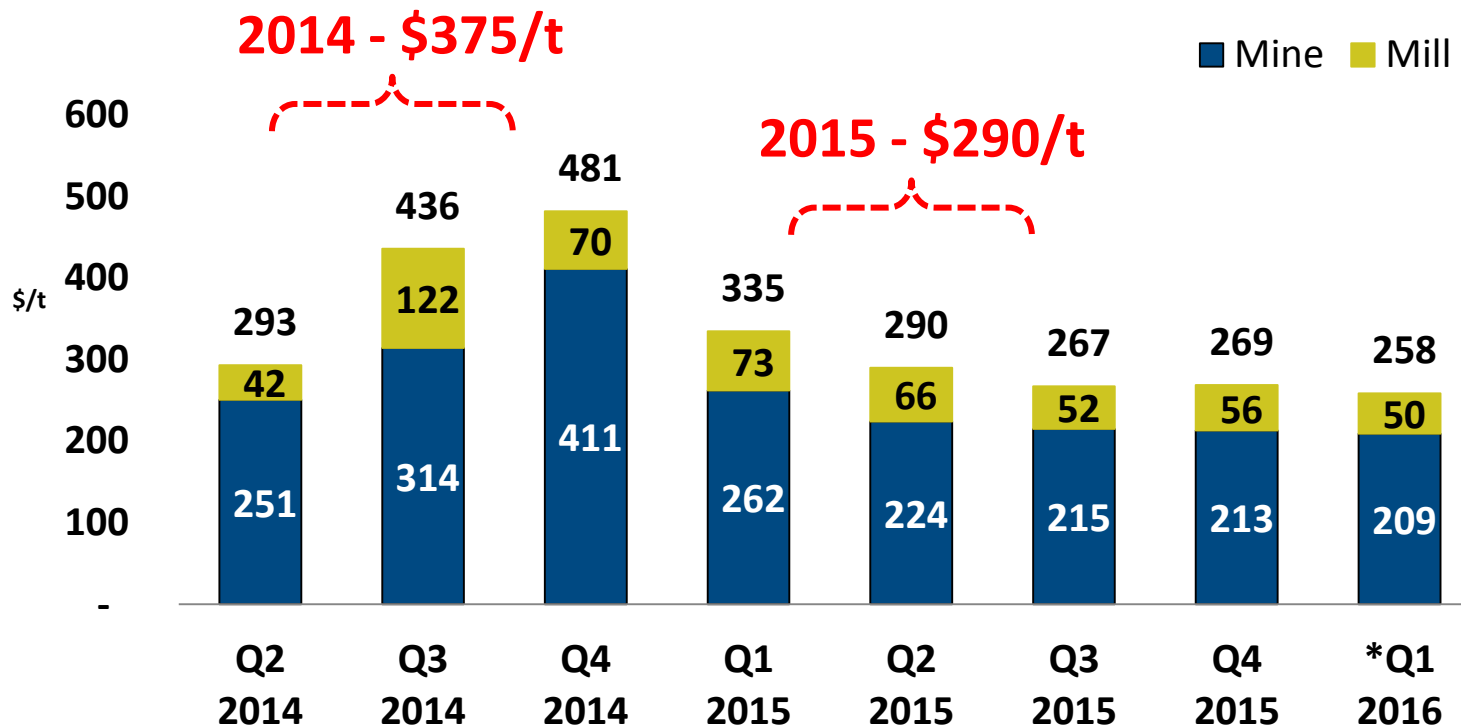
Improved Costs

Revenues vs. Cost of sales (\$ millions)

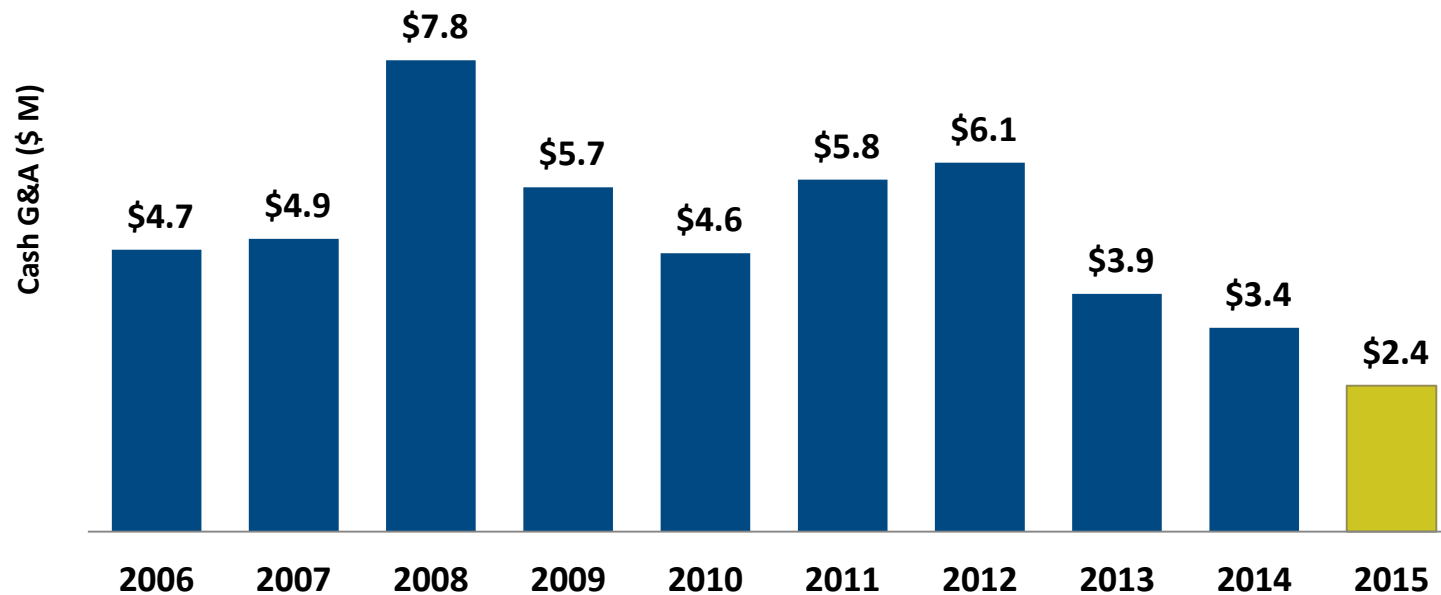


Improved Costs per Tonne

Cost per tonne Mined and Milled (excludes depreciation)

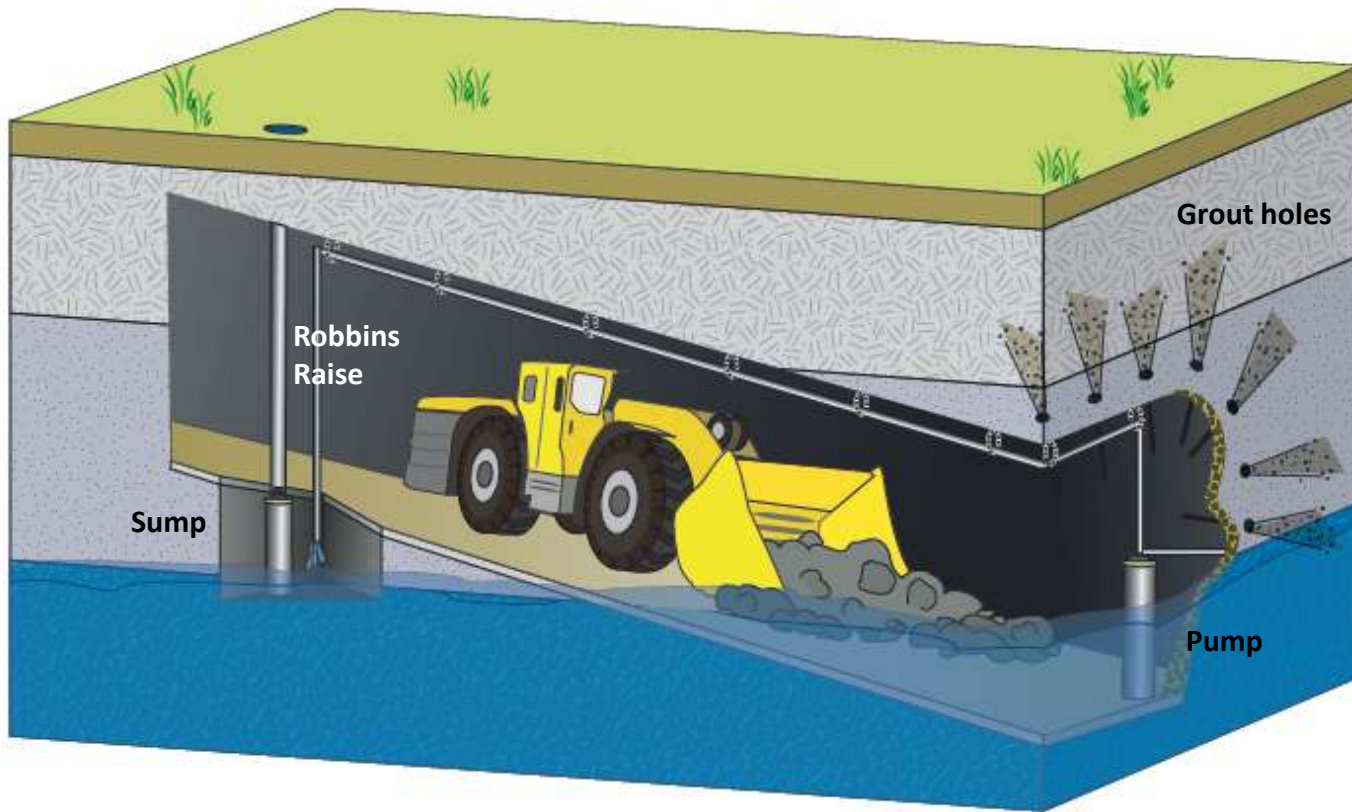


Discipline



**Lowest cash G&A since 2005, before production commenced
Executive Salary Reductions, Board Paid in Equity**

Problem: Reactive

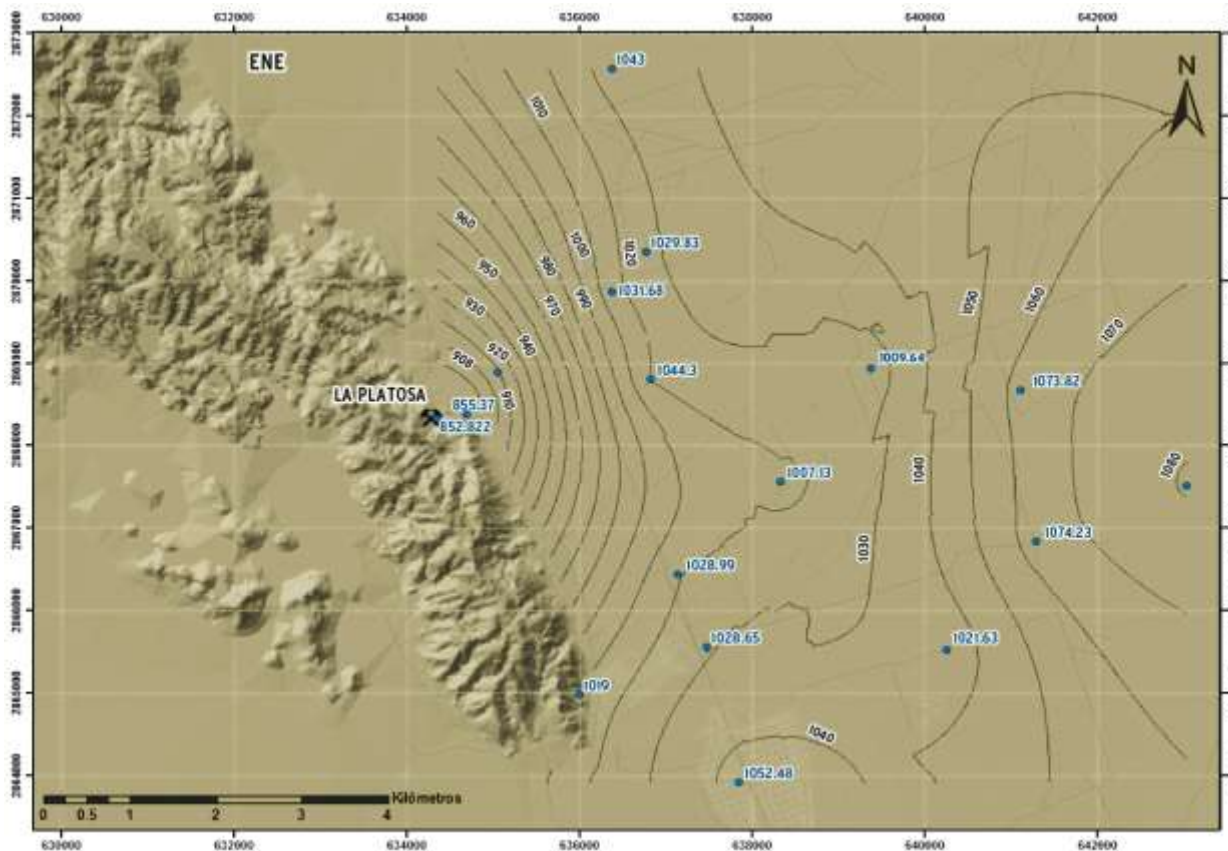


Intensive grouting to keep water out of the mine, reactive pumping when inflows occur

Capital and labour intensive mining process

Perspective

Contour map of regional water table



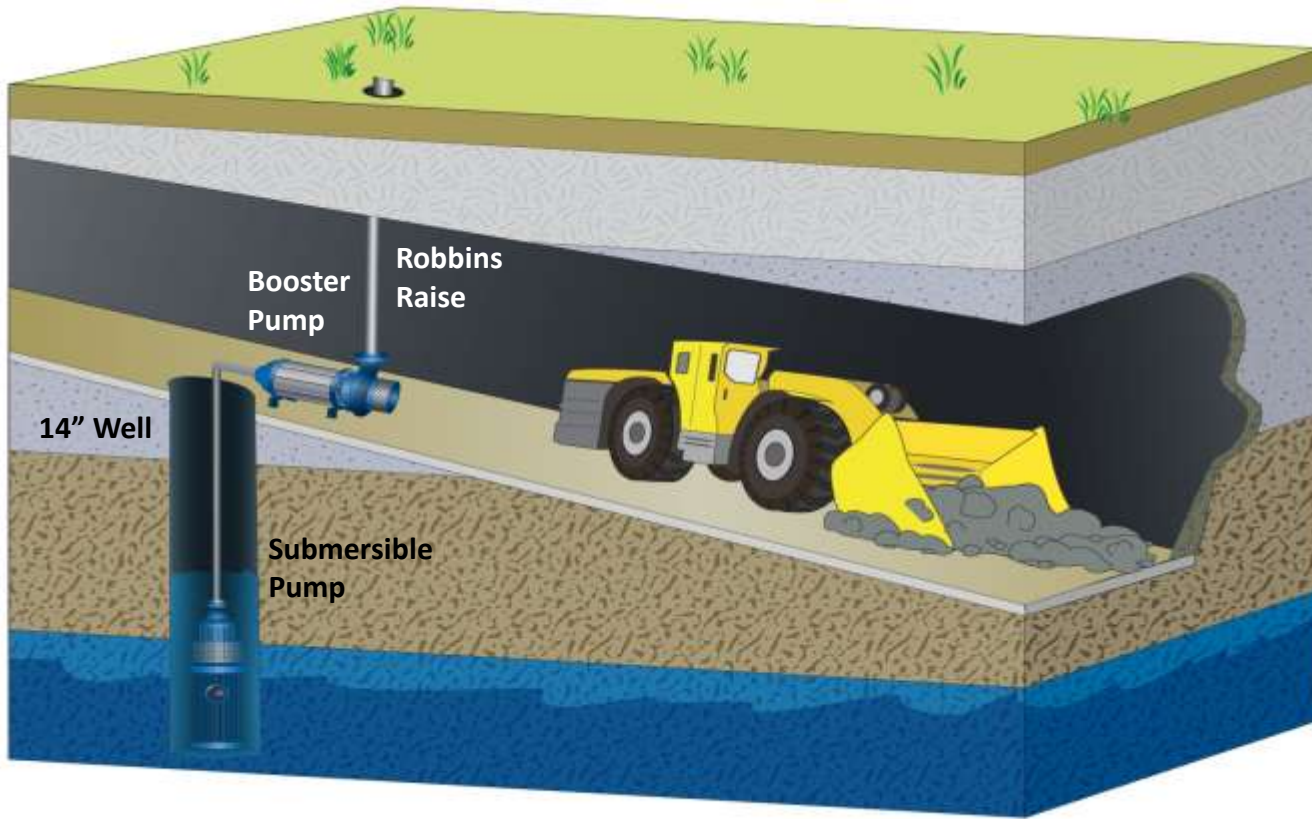
ADVISORS

Hydro Ressources Inc.
track record with Goldex (Agnico), Éléonore (Goldcorp), Cigar Lake (Cameco) and Victor (Debeers)

Technosub Inc.
Pump suppliers to 80% of Canada's underground mines

Pumping (since 2009) lowers water levels around mine

Solution: Proactive



Proactive pumping to increase cone of depression and eliminate the possibility of water entering the mine

High-efficiency pumps, pumping directly from water-bearing faults

Timeframe and Cost

Description	Month	Cost
Phase I – installation of high efficiency sump and booster pumps; drilling pilot wells	0-3	\$1.42 M
Phase II – drilling of primary wells and installation of booster pumps	3-6	\$1.54 M
Phase III – installation of submersible pumps in drain wells and additional boost pumps	6-10	\$2.31 M
Technical studies and installation (casing, screen, etc.)		\$0.29 M
Contingency		\$0.52 M
	Total:	US\$6.00 M

Reduction in originally proposed capital expenditure by over 40%

Benefit



DEVELOPMENT



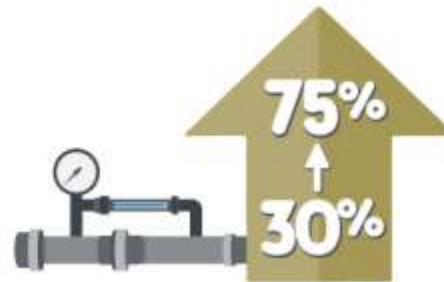
EQUIPMENT MAINTENANCE



GROUTING



PUMPS



ELECTRICAL EFFICIENCY

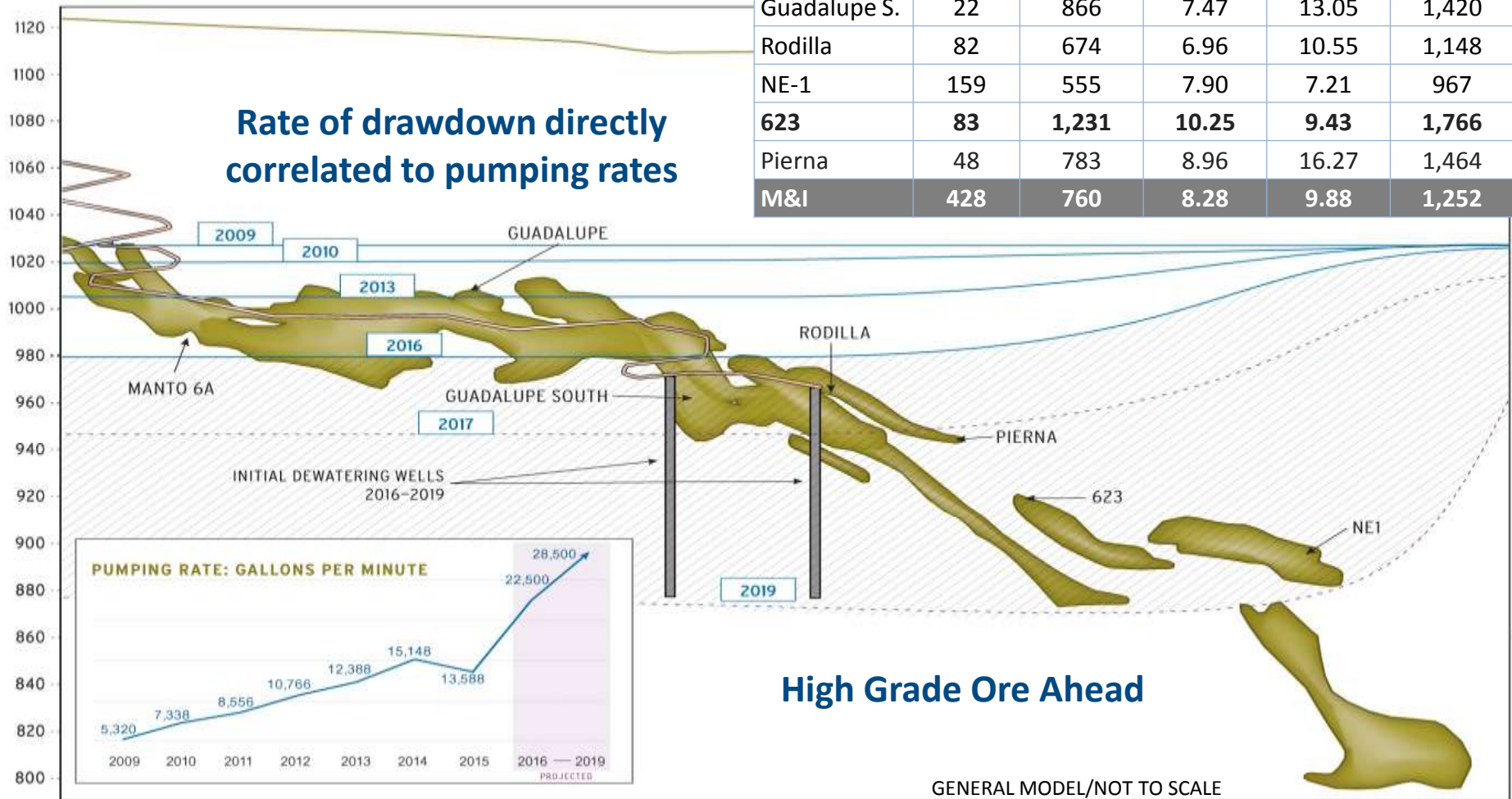
2X
PRODUCTION

1/2
COSTS

0
CAPACITY
CONSTRAINTS

Proof

Area/Manto	Tonnes (kt)	Ag (g/t)	Pb (%)	Zn (%)	Ag Eq (g/t)
6A/6B	34	664	7.95	10.77	1,171
Guadalupe S.	22	866	7.47	13.05	1,420
Rodilla	82	674	6.96	10.55	1,148
NE-1	159	555	7.90	7.21	967
623	83	1,231	10.25	9.43	1,766
Pierna	48	783	8.96	16.27	1,464
M&I	428	760	8.28	9.88	1,252



Confidence

DECEMBER 2015:
\$6.6M

- 3.75% convertible debentures (4 year, \$0.50 conversion) and sale of 1.25% NSR
- Low cost of capital, leveraged to better equity and commodity markets – aligned with shareholders' best interests

APRIL 2016:
\$3M

- Investment by Eric Sprott
- Key vote of confidence by legendary precious metal investor
- Catalyst for immediate 120% increase in market price

Catalysts



Phase I: Installation of high efficiency sump & booster pumps; drilling pilot wells

COMPLETED



Phase II: Drilling of primary wells; installation of booster pumps

UNDERWAY



Phase III: Installation of submersible pumps in drain wells; additional boost pumps



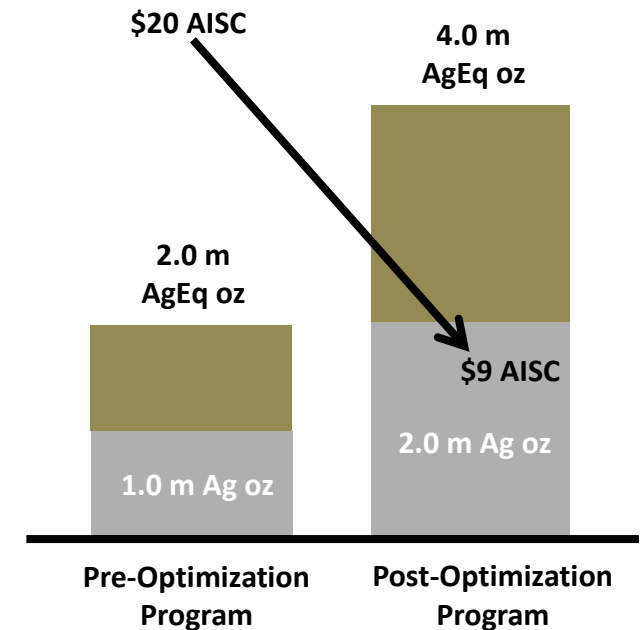
Drawdown



Dry mine

Goal

	LOM (2015 – 2020)	Peak Production (2016 – 2019)
Net Cash Flow	\$54.5 million	\$58.4 million
Avg. Annual Metal Production	1.6 million oz Ag 10.4 million lb Pb 11.7 million lb Zn	1.9 million oz Ag 12.2 million lb Pb 14.3 million lb Zn
Production Costs	\$7.58 total cash cost/payable Ag oz \$12.41 AISC per payable Ag oz	\$6.02 total cash cost/payable Ag oz \$9.00 AISC per payable Ag oz



*Based on original capital investment of \$9.9M as disclosed in PEA prepared by Roscoe Postle & Associates Inc. dated July 9, 2015 and base case metals prices of \$17/oz silver, \$0.90/lb lead, \$1.00/lb zinc.

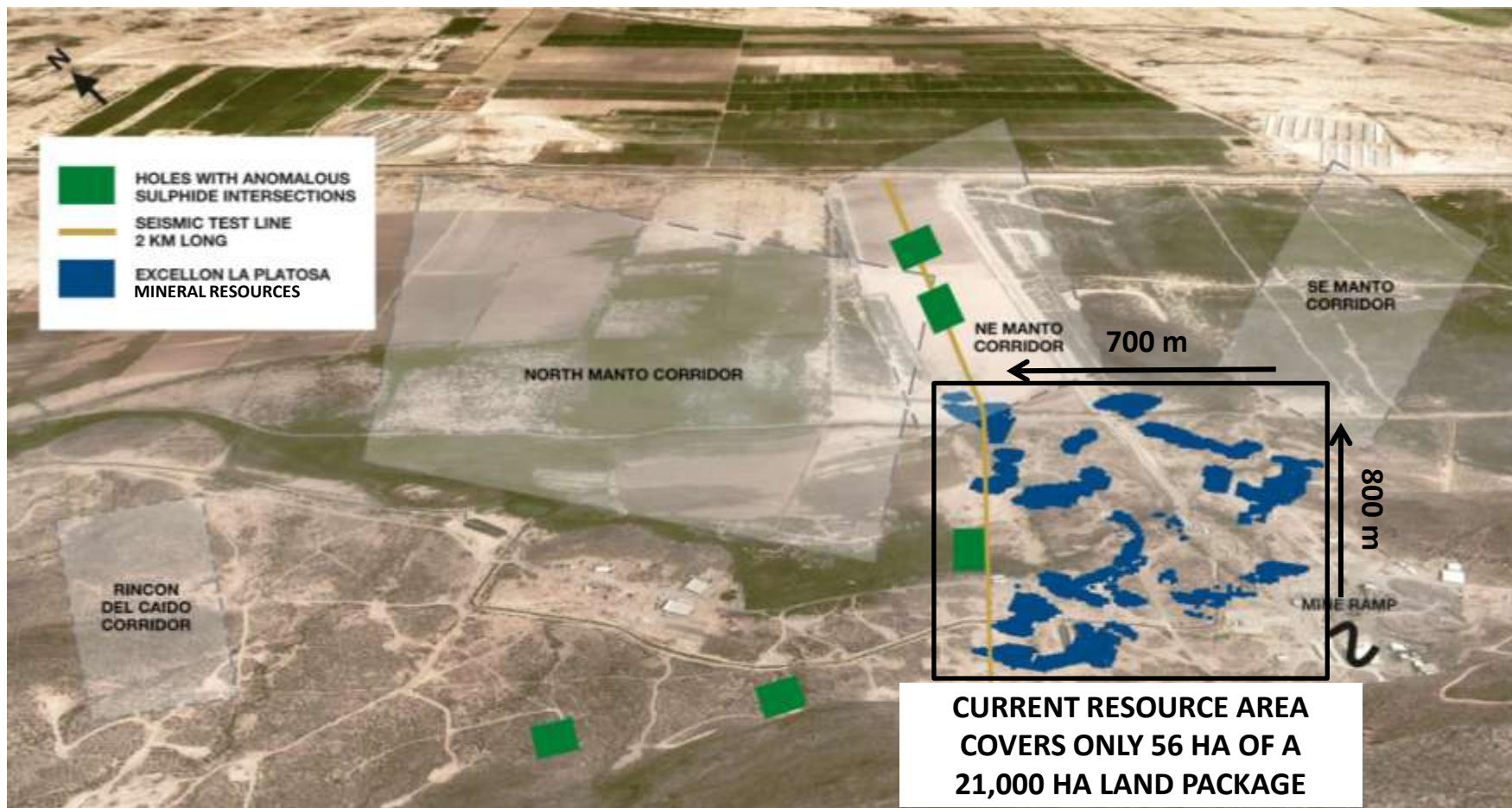
Targeting annual cash flow of US\$10M @ \$14 Ag

Path

	March 2016	Q1 2016
Tonnes Mined	5,035	12,778
Tonnes Milled	6,015	14,720
Grades		
Silver (g/t)	601	483
Lead (%)	6.58	4.80
Zinc (%)	8.06	6.15
Recoveries		
Silver (%)	91.1	91.6
Lead (%)	86.4	83.6
Zinc (%)	79.0	79.3
Metal Production*		
Silver (oz)	106,643	211,557
Lead (lb)	755,718	1,318,916
Zinc (lb)	849,805	1,588,778
AgEq (oz)**	190,557	363,552

- Rodilla - bonus ultra high grade ore – 1000 g/t Ag, 10% Pb, 10% Zn
- March - AISC of \$11.72

Expansion



Significant room for new mineralization

Prospective and undrilled ground at the edge of known resources

Conviction

THE CASE FOR GOLD



Ongoing currency war

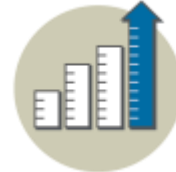


Negative interest rates – no opportunity cost to hold gold



Major central bank buying and move to physical exchanges in the East

THE CASE FOR SILVER



Ratio – trading at 73:1, but produced at less than 10:1



Consumption – 50% of silver production consumed



Future - solar, high technology and medicine – the irreplaceable metal of innovation

Deutschebank price fixing scandal in both gold and silver

Reality

2015 Gold Mine Production of **112 Moz**

Slowest annual growth rate since 2008,
production up only 1% from previous year

Annual gold recycling dropped to lowest level
since 2007

Total supply fell by 4%, its lowest level since
2009

2015 Silver Mine Production of **887 Moz**

Deficit of 130 Moz, 60% larger than 2014

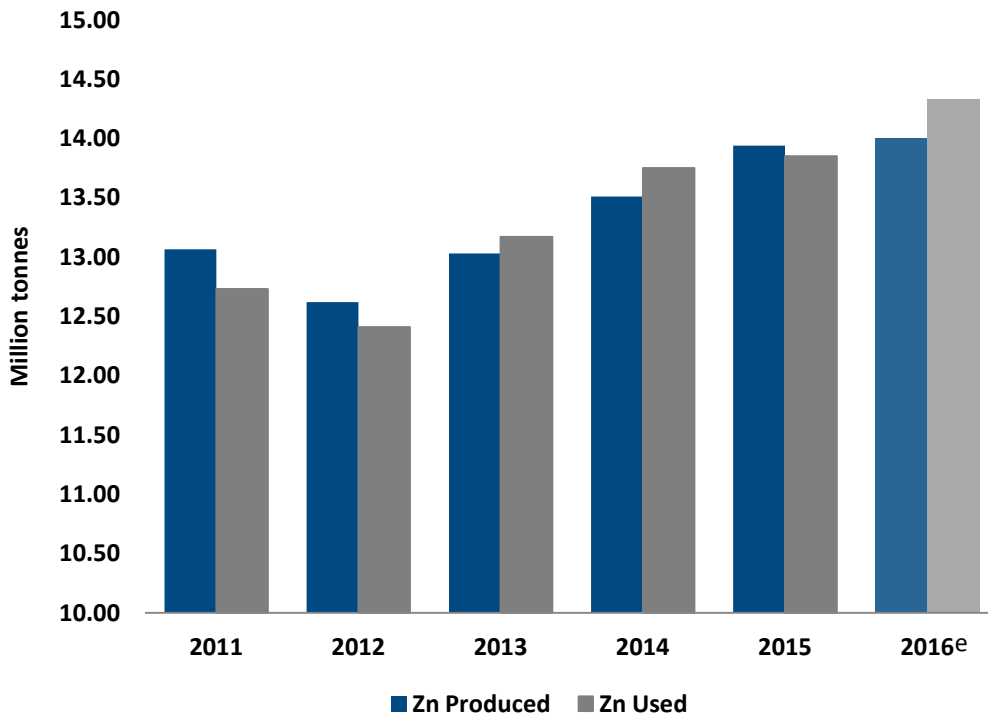
Mine production growth slowed to 2%

Significant decline in scrap supply, down 15%
at 146 Moz, lowest level recorded since 1992

Source: World Gold Council and Silver Institute

Zinc

Zinc – Supply and Demand, Annual



- 43% revenue contributions at Platosa in 2015 from base metals
- Zinc – demand to outstrip supply in 2016
- Combination of 4.5% higher demand expected from China and additional cutbacks in mine production

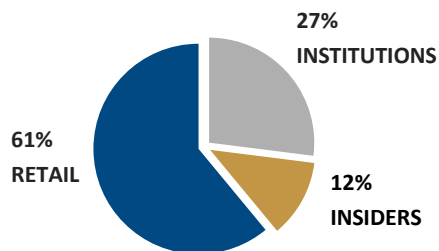
Capital

SHARE STRUCTURE

Issued & Outstanding:	61.6 M
Options:	1.4 M
Avg. Option Price:	\$0.94
DSUs:	1.8 M
RSUs:	1.1 M
Warrants (C\$0.50):	2.4 M
(C\$0.65):	3.3 M
Fully Diluted:	71.6 M

MANAGEMENT & KEY SHAREHOLDERS

Eric Sprott
 Sprott Asset Management
 Dundee Corporation
 Notae Investments
 Blackrock Global Silver Miners ETF



ANALYST COVERAGE

Cormark Securities - Graeme Jennings

*As at May 9, 2016

TRADING SUMMARY*

90-Day Av. Daily Vol:	252,435	TSXN:EXN	OTC:EXLLF
52-Week Range:	\$1.40-0.195		43,941
Market Cap:	CAD\$83M		\$1.13-0.14
			US\$63M




Treasury (Q1-2016):	\$5.5M
Net Working Capital (Q1-2016):	\$5.4M
Production (YE-2015):	0.8M oz Ag (in con.) 1.4M oz Ag equivalent

Recent financings include:

C\$6.6 M - C\$5.61M 3.75% convertible debentures (4 year, C\$0.50 conversion) and sale of 1.25% NSR for C\$0.99M

C\$3.0M private placement by Eric Sprott



**Our vision is to be a
premier silver producer by**

**capitalizing on generational opportunities and striving to always do better
for our shareholders, employees and neighbouring communities**

Nisha Hasan
Director, Investor Relations
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