

EXCELLON PROVIDES UPDATE ON OPTIMIZATION PROGRAM AND 2016 PRODUCTION RESULTS

Toronto, Ontario – January 31, 2017 – Excellon Resources Inc. (TSX:EXN and EXN.WT; OTC:EXLLF) ("Excellon" or the "Company"), Mexico's highest grade silver producer, is pleased to provide an update on the ongoing optimization program and announce fourth quarter and annual 2016 production results from the Platosa Mine in Durango, Mexico.

Highlights

- **Initial pumping results from ongoing optimization program exceeded expectation, well drilling on schedule and submersible pump calibration underway**
- **2016 Production (Compared to 2015)**
 - **Silver equivalent ("AgEq") production of 1.3 million oz (2015 – 1.4 million AgEq oz)**
 - **Silver production of 752,689 oz (2015 – 794,289 oz)**
 - **Lead production of 4.4 million lb (2015 – 4.4 million lb)**
 - **Zinc production of 5.6 million lb (2015 7.4 million lb)**
- **Q4 2016 Production (Compared to Q4 2015)**
 - **Silver equivalent ("AgEq") production of 305,934 oz (Q4 2015 – 259,885 AgEq oz)**
 - **Silver production of 159,524 oz (Q4 2015 – 152,628 oz)**
 - **Lead production of 0.9 million lb (Q4 2015 – 0.8 million lb)**
 - **Zinc production of 1.2 million lb (Q4 2015 – 1.3 million lb)**

"The Company's optimization program at Platosa is progressing well, with submersible pumps coming online by year-end 2016 and initial pumping results far exceeding our expectations," stated Brendan Cahill, President and Chief Executive Officer. "With the first two submersibles started, we achieved over one metre of drawdown in the first week of operation, far beyond forecast and yet further proof of the project's efficacy. Well drilling continues on schedule, with nine of fourteen wells now complete and ready for pump installation. We are currently calibrating the well set-up for installed submersibles to ensure sustained pumping operations going forward and remain on track to complete the implementation by the end of Q1 and attain dry mining conditions during Q2."

Mr. Cahill continued, "Production during Q4 improved over Q3 2016 and Q4 2015 from both tonnage and ounce perspectives. We are currently mining on the fringes of the Rodilla Manto as water management has resulted in slower progress through the deeper but higher-grade core of Rodilla, and development continues into the 623 Manto. Looking forward in 2017, we expect material improvement in production during Q2 and the ongoing optimization work to be fully reflected in the second half of the year."

Optimization Program Update

The Company is also pleased to provide an update on the ongoing optimization program at Platosa. As further described in the Company's annual information form (the "AIF"), the Company has developed an optimization program to proactively dewater Platosa through an enhanced well-pumping system. The optimization program aims to maintain and increase a localized "cone of depression" of the water table below mine workings, ultimately resulting in completely dry mining conditions at Platosa. Under dry mining conditions, the Company expects to achieve materially higher rates of production at materially lower costs relative to current and historical production at Platosa. Refer to the AIF for a summary of

www.excellonresources.com estimates on Platosa production rates and costs subsequent to the completion of the optimization program. Also refer to the Company's press release dated October 27, 2016 for a summary of the installation process for the dewatering system.

In December 2016, the Company completed the installation and testing of the primary booster station (comprising four 600hp pumps) in Guadalupe South. The Company also completed installation of two additional 250hp submersible pumps in Guadalupe South. The initial results from these wells far exceeded expectations, with the drawdown over the succeeding week in excess of one metre, approximately 150% greater than expected. The Company has encountered certain technical challenges with pump reliability and sustainable operation due to rock chips and drill cuttings in the wells. These challenges are currently being remedied through well-cleaning and pump screening, and the Company expects to continue pump installation and enhanced pumping operations in the coming days/weeks.

Well drilling remains on schedule, with nine of fourteen wells now ready for pump installation and drilling expected to be completed during March. The project remains on budget and the Company expects to complete installation by the end of Q1 2017, with dry mining conditions being achieved during Q2 2017. Further updates on the progress of this program will be provided regularly during the implementation period.

Q4 and 2016 Productions Results

	Q4 2016	Q4 2015	2016	2015
Tonnes Mined	15,320	13,145	53,234	54,485
Tonnes Milled	14,417	12,999	55,593	56,849
Grades				
Silver (g/t)	375	406	456	491
Lead (%)	3.52	3.65	4.40	4.56
Zinc (%)	4.80	5.33	5.70	7.20
Recoveries				
Silver (%)	90.0	88.9	90.5	89.0
Lead (%)	81.1	79.8	82.1	77.7
Zinc (%)	81.3	81.3	80.1	81.6
Metal Production*				
Silver (oz)	159,524	152,628	752,689	794,289
Lead (lb)	903,763	837,903	4,427,300	4,387,358
Zinc (lb)	1,248,022	1,261,072	5,581,060	7,362,938
AgEq (oz)**	305,934	259,885	1,293,815	1,429,539

* 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 fourth quarter was primarily from the Rodilla Manto and Guadalupe North and South Mantos. In Rodilla, primary working faces are in one of the deepest parts of the mine and ore is below the water table. Though these areas are effectively dry and water inflows are entirely under control, development and production conditions continue to be challenging. Significant production during the quarter came from the fringes or outside of the block model of the Rodilla Manto, resulting in higher dilution in some cases and lower grades. Mining conditions are expected to materially improve in the

coming months as the pending increase in drawdown rate more rapidly closes the gap between the water table and operating elevations.

During the period development was impacted by water conditions, but continues to be a priority for the Company as it moves into the higher grade areas of the mine including the 623 Manto, hosting mineral resources of 83,000 tonnes at 1,232 g/t Ag (1,777 g/t AgEq).

The Company expects to release fourth quarter and annual 2016 financial results prior to market open on March 23, 2017.

Qualified Person

Michael Verreault, Ing., has acted as a Qualified Person as defined in NI 43-101 for disclosure in respect of the drawdown rates referenced in this release. Mr. Verreault has a Masters in Applied Science (Hydrogeology) and 15 years of relevant experience focused on hydrogeology. He is a certified professional engineer (OIQ 125243) by the Ordre des ingénieurs du Québec and is President of Hydro-Ressources Inc. Mr. Verreault is independent of the Company and visited Platosa several times during the preparation and ongoing implementation of the optimization plan referenced herein.

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 CRD mineralization on the Platosa Project and capitalizing on the opportunity in current market conditions to acquire undervalued projects in Latin America.

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:

Excellon Resources Inc.
Brendan Cahill, President & CEO or
Nisha Hasan, Director, Investor Relations
(416) 364-1130
info@excellonresources.com
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 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.