

EXCELLON REPORTS 2017 ANNUAL AND FOURTH QUARTER FINANCIAL RESULTS

Toronto, Ontario – March 22, 2018 – Excellon Resources Inc. (TSX:EXN, EXN.WT, EXN.WT.A; OTC:EXLLF) ("Excellon" or the "Company") is pleased to report financial results for the three- and twelve-month periods ended December 31, 2017.

2017 Financial and Operational Highlights (compared to 2016)

- Completion of Optimization Plan resulting in dry mining conditions with two consecutive quarters of increased production and lower costs
- Underground drilling successfully added near-term mineable mineralization
- Commenced surface exploration program to define new targets surrounding Platosa; initial drilling program at Miguel Auza to commence in Q2
- Revenue increased 25% to \$21.2 million (2016 – \$17.0 million)
- Silver equivalent ("AgEq") production increased 14% to 1.5 million ounces (2016 – 1.3 million AgEq ounces)
- AgEq ounces payable increased 18% to 1.3 million ounces (2016 – 1.1 million AgEq ounces payable)
- Gross profit decreased 42% to \$0.4 million (2016 – \$0.7 million), but totaled \$2.6 million in the second half of the year following completion of the Optimization Plan
- Total cash cost per Ag oz payable decreased 23% to \$10.38 (2016 – \$13.42)
- Adjusted all-in sustaining cost per Ag oz payable ("AISC") decreased 15% to \$21.89 (2016 – \$25.83), excluding the one-time sustaining capital expenditures associated with the Optimization Plan, with Adjusted AISC per Ag oz payable of \$13.73 in the second half of the year
- Adjusted net loss of \$3.7 million or \$0.05/share (2016 – adjusted net loss of \$3.4 million or \$0.05/share), excluding non-cash financing loss associated with convertible debentures ("Debentures") issued in November 2015 and accelerated to conversion in December 2017
- Net working capital totaled \$13.8 million at December 31, 2017 (December 31, 2016 – \$8.6 million), following successful equity financing to advance exploration

Q4 Financial Highlights (compared to Q4 2016)

- Continued improvement in operations post-Optimization Plan, revenue increased 112% to \$7.1 million (Q4 2016 – \$3.4 million)
- Production increased 55% to 475,007 AgEq ounces (Q4 2016 – 305,934 AgEq ounces)
- Sales increased 80% to 435,924 AgEq ounces payable (Q4 2016 – 241,867 AgEq ounces payable)
- Gross profit of \$1.1 million (Q4 2016 – loss of \$0.9 million)
- Adjusted net income of \$0.9 million (Q4 2016 – adjusted loss of \$2.5 million)
- Total cash cost per Ag oz payable reduced by 66% to \$6.27 (Q4 2016 – \$18.48)
- Adjusted AISC per Ag oz payable reduced by 67% to \$15.84 (Q4 2016 – \$48.49)

"During 2017, we achieved dry mining conditions for the first time since the earliest days of Platosa," stated Brendan Cahill, President and Chief Executive Officer. "The stage is now set to ramp production up

to optimal levels and begin realizing Platosa’s full potential. During Q4 2017 and into Q1 2018, we resolved a few of the outstanding challenges to increased production. Most importantly, we drove the 730 and 725 ramps below Rodilla and 623 mineralization to set up more productive cut-and-fill mining of those mantos in the coming weeks. We expect first quarter production to be 410,000 - 440,000 AgEq ounces, but the work done during the quarter prepares for stronger production through the remainder of the year. We expect to publish an updated mineral resource statement and technical report in April, along with a production outlook for the remainder of 2018.”

Financial Results

Financial results for the three- and twelve-month periods ended December 31, 2017 and 2016 as follows:

('000s of USD, except amounts per share and per ounce)	Q4 2017	Q4 2016	2017	2016
Revenue ⁽¹⁾	7,123	3,354	21,208	16,994
Production costs	(4,796)	(3,620)	(16,978)	(13,906)
Depletion and amortization	(1,277)	(696)	(3,831)	(2,435)
Cost of sales	(6,073)	(4,316)	(20,809)	(16,341)
Gross profit (loss)	1,050	(961)	399	653
Corporate administration	(1,159)	(1,214)	(4,228)	(3,477)
Exploration	(345)	(809)	(1,909)	(1,345)
Other	(415)	(1,112)	1,840	(971)
Write-down of inventories	(568)	-	(568)	-
Impairment reversal of mineral rights	-	-	-	156
Net finance cost	820	2,367	(2,262)	(11,288)
Income tax recovery	2,170	1,674	1,037	2,201
Net income (loss)	1,553	(55)	(5,691)	(14,071)
Adjusted net income (loss) ⁽²⁾⁽³⁾	850	(2,489)	(3,652)	(3,408)
Income (loss) per share – basic	0.02	(0.00)	(0.07)	(0.21)
Adjusted profit (loss) per share – basic	0.01	(0.03)	(0.05)	(0.05)
Cash flow from (used in) operations ⁽⁴⁾	571	(3,147)	(699)	(3,291)
Cash flow from (used in) operations per share – basic	0.01	(0.04)	(0.01)	(0.05)
Production cost per tonne ⁽⁵⁾	267	251	266	250
Cash cost per payable silver ounce (\$/Ag oz)	6.27	18.48	10.38	13.42
All-in sustaining cost (“AISC”) per silver ounce payable (\$/Ag oz)	18.42	71.17	27.97	33.04
Adjusted AISC per silver ounce payable ⁽⁶⁾	15.84	48.49	21.89	25.83

(1) Revenues are net of treatment and refining charges.

(2) Adjusted net income (loss) reflects results before fair value adjustments on embedded derivatives and warrants related to the Debentures (2017 – \$1.5 million loss; 2016 – \$10.8 million loss; Q4 2017 – \$1.3 million gain; Q4 2016 – \$2.4 million gain). The fair value adjustment derives from the performance of the Company’s stock during each period (2017 – C\$1.64 to C\$1.84; 2016 – C\$0.31 to C\$1.64; Q4 2017 – C\$2.03 to C\$1.84; Q4 2016 – C\$1.88 to C\$1.64), resulting in significant variances in valuation/cost upon the potential conversion or exercise of the Debentures or associated warrants, respectively. The Debentures were settled via accelerated conversion in December 2017 and there will be no further fair value adjustment in the future associated with these Debentures.

(3) Adjusted net loss for 2016 reflects results \$0.2 million reversal of impairment on DeSantis Property sold in the period.

(4) Cash flow from operations before changes in working capital.

(5) Production cost per tonne includes mining and milling costs excluding depletion and amortization.

(6) Adjusted AISC per payable silver ounce excludes the relatively one-time sustaining capital expenditures associated with the Optimization Plan Phase 1 completed in early July 2017 and ongoing optimization work, comprising additional pump stations and production wells (“Optimization Plan Phase 2”) in Q4 2017. Associated cash expenditures for Phase 1 were \$3.5 million in 2017; \$2.9 million in Q4 2016; and \$4.8 million during 2016, and for Phase 2 were \$0.5 million in Q4 2017.

Operating conditions during 2017 transitioned from wet to dry mining following the completion of the Optimization Plan in early Q3 2017, improving production and facilitating accelerated development. Stronger production during the second half of the year resulted in 1,470,650 AgEq ounces mined in 2017, a 14% improvement over 2016. During Q4 2017, production improved 55% to 475,007 AgEq (Q4 2016 – 305,934) as multiple operating faces were accessed in the Rodilla, Guadalupe South, Pierna and 623 mantos. As the ramp up in production continues, the Company is strengthening its ground control program of bolting and screening to support on-going production and development activities. During the year, the Company continued to process low-grade historical stockpiles and sump material, with minimal associated mining costs. This mineralized material is blended with mined ore to improve recoveries (in the case of high-grade lead and/or zinc ore) and payability, as well as being cash flow generative.

In 2017, net revenues increased by 25% to \$21.2 million (2016 – \$17.0 million) due to a 19% increase in AgEq payable ounces produced to 1,345,500 oz (2016 – 1,133,789 oz). A lower realized silver price of \$16.73 in 2017 (2016 – \$17.38) impacted net revenues, but was offset by higher base metal prices and improved treatment and refining charges (“TC/RC”) under the 2017 offtake sales agreements (\$1.7 million in 2017 compared to \$3.5 million in 2016). Net revenues increased by 112% in Q4 2017 compared to Q4 2016, primarily due to an 80% increase in AgEq ounces payable.

Cost of sales, including depletion and amortization, increased 27% in 2017 compared to 2016 and 41% in Q4 2017 compared to Q4 2016. The primary contributor to increased cost of sales, apart from increased tonnage mined and processed, was the amortization of capital costs associated with the Optimization Plan. Increased pumping rates and an increase in electricity prices from \$0.06/kwh to \$0.08/kwh in 2017 and \$0.07/kwh to \$0.08/kwh in Q4 also resulted in nominal increases in electrical expense, although pumping efficiency increased by 36%. Due to pumping requirements, electrical consumption will continue to be a key driver of mining costs at Platosa. The Company is currently monitoring the nascent private market for electricity under the recent energy reforms in Mexico and will become a “qualified user” when an opportunity for more competitive electricity prices arises.

The Company recorded a net loss of \$5.7 million in 2017 (2016 – net loss of \$14.1 million). The Company’s adjusted net loss of \$3.7 million in 2017 reflects the period’s results before recording a \$1.5 million fair value adjustment loss (2016 – \$10.8 million loss) on embedded derivative and warrants related to the Debentures in accordance with IFRS. Components of adjusted net loss included:

- (i) 57% increase in depletion and amortization as amortization of capitalized costs of the Optimization Plan commenced in Q3 2017;
- (ii) 22% increase in electricity usage and rate charges;
- (iii) 22% increase in general and administrative cost due to new appointments and marginally higher cash board and share-based compensation;
- (iv) 42% increase in exploration costs as drilling continued at Platosa throughout 2017, though was negligible in H1 2016; and
- (v) \$1.8 million realized gain on marketable securities (2016 – \$1.0 million unrealized gain).

The Company recorded adjusted net income of \$0.9 million in Q4 2017 compared to adjusted net loss of \$2.5 million in Q4 2016. Components of adjusted net income included:

- (i) 112% increase in revenues;

- (ii) 83% increase in depletion and amortization over Q4 2016 due to amortization of capitalized costs of the Optimization Plan;
- (iii) 33% increase in cash cost of sales, primarily due to increased tonnage produced, increased electricity usage and rate charges required for the increased pumping of the Optimization Plan; and
- (iv) Income tax recovery of \$2.2 million.

Increased electricity consumption related to the Optimization Plan also impacted production cost per tonne with higher costs in 2017 of \$266/t (2016 – \$250/t), particularly as lower tonnage was produced in H1 2017, prior to the completion of the Optimization Plan. The production cost per tonne in Q4 2017 of \$267/t (Q4 2016 – \$251/t) is expected to continue to improve into 2018 as production rates further increase and electricity unit costs improve.

Cash costs net of by-products per silver ounce payable (or Total Cash Costs) were lower in 2017 and considerably lower in the third and fourth quarters due to an increase in metal sold and a 102% increase in byproduct credits due to significantly higher lead and zinc production and prices. In 2017, costs improved to \$10.38 (2016 – \$13.42) and \$6.27 in Q4 2017 (Q4 2016 – \$18.48).

The Company's adjusted AISC per silver ounce payable of \$21.89 in 2017 (2016 – adjusted AISC of \$25.83) improved due to lower net cash costs and sustaining capital expenditures in 2017. AISC per silver ounce payable of \$27.97 in 2017 includes (i) significant one-time capital and development costs of \$3.5 million associated with the Optimization Plan Phase 1 (completed in July 2017), primarily relating to the purchase of pumping equipment, along with well-drilling and engineering costs and (ii) the commencement of Optimization Plan Phase 2 for \$0.5 million. In Q4 2017, adjusted AISC of \$15.84 (Q4 2016 – \$48.49) continued to show improvement from H1 2017 and 2016, with increased metal produced following the successful completion of the Optimization Plan, but was higher than Q3 2017 due to (i) lower AgEq oz produced, (ii) increased total cash costs and (iii) increased general and administrative cost, as mentioned above.

Excellon defines AISC per silver ounce as the sum of total cash costs (including treatment charges and net of by-product 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 audited consolidated financial statements for the year ended December 31, 2017 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 silver ounce payable", "AISC per payable AgEq ounce", "adjusted AISC cost per silver ounce payable" and "adjusted net income (loss)" 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 twelve-month periods ended December 31, 2017, for a reconciliation of these measures to reported IFRS results.

Production Highlights

Mine production for the periods indicated below were as follows:

	Q4 2017	Q4 2016	2017	2016
Tonnes of ore produced	16,114	15,320	57,165	53,234
Tonnes of ore processed	17,978⁽⁵⁾	14,417 ⁽⁵⁾	63,742⁽⁵⁾	55,593 ⁽⁵⁾
Ore grades:				
Silver (g/t)	424	375	393	456
Lead (%)	3.81	3.52	3.75	4.40
Zinc (%)	5.81	4.80	5.30	5.70
Recoveries:				
Silver (%)	90.3	90.0	89.3	90.5
Lead (%)	80.0	81.1	80.9	82.1
Zinc (%)	82.2	81.3	81.4	80.1
Production: ⁽¹⁾				
Silver – (oz)	223,349	159,524	718,460	752,689
AgEq ounces (oz) ⁽²⁾	475,007	305,934	1,470,650	1,293,815
Lead – (lb)	1,198,286	903,763	4,241,225	4,427,300
Zinc – (lb)	1,897,894	1,248,022	6,059,922	5,581,060
Payable: ⁽³⁾				
Silver ounces – (oz)	206,400	126,773	667,370	668,181
AgEq ounces (oz) ⁽²⁾	435,924	241,867	1,345,500	1,133,789
Lead – (lb)	1,170,595	740,812	4,134,184	4,092,790
Zinc – (lb)	1,669,739	955,415	5,219,258	4,602,386
Realized prices: ⁽⁴⁾				
Silver – (\$US/oz)	16.32	16.70	16.73	17.38
Lead – (\$US/lb)	1.14	1.03	1.08	0.85
Zinc – (\$US/lb)	1.45	1.22	1.37	0.98

- (1) Period deliveries remain subject to assay and price adjustments on final settlement with concentrate purchaser(s). Data has been adjusted to reflect final assay and price adjustments for prior period deliveries settled during the period.
- (2) AgEq ounces established using average realized metal prices during the period indicated applied to the recovered metal content of the concentrates.
- (3) Payable metal is based on the metals shipped and sold during the period and may differ from production due to these reasons.
- (4) Average realized price is calculated on current period sale deliveries and does not include the impact of prior period provisional adjustments in the period.
- (5) During the periods, the Company milled low grade stockpile totaling 9,316 tonnes at 340 g/t AgEq in 2017 (2,775 tonnes at 400 g/t AgEq in Q4 2017) and 4,518 tonnes at 255 g/t AgEq in 2016 (nil tonnes at Q4 2016).

During Q4 2017, pumping rates were lower than planned because of on-going maintenance, which impacted overall drawdown. Drawdown was also impacted by infiltration from certain surface water facilities, which has now been addressed. The Company continues to monitor and eliminate other sources of surface water infiltration that have the potential to impact drawdown rates in the ordinary course. Partially due to the foregoing, development rates were lower than in the previous quarter with 151 metres in ore (44% decrease over Q3 2017 – 269 metres) and 227 metres in waste (22% decrease over Q3 2017 – 292 metres). Planned development was also proactively reduced as underground drilling identified a connector zone of mineralization between the Rodilla and Pierna mantos, which eliminated the need for a dedicated Pierna ramp (685), as both mantos will now be accessed via the 730 ramp.

Development is now focused on driving a ramp deeper on Rodilla and Pierna and a second ramp below 623 to allow for cut-and-fill mining going forward on all three mantos, which will improve productivity. As drawdown rates were lower in Q4 2017, development of these ramps was slower than planned, though improved during Q1 2018. As a result, production during Q1 2018 is expected to be 410,000 -

440,000 AgEq ounces and is expected to increase from both ramps in Q2 2018. The Company expects to publish an updated mineral resource estimate and technical report in April, along with an associated production outlook for the remainder of 2018.

The Company has commenced Optimization Plan Phase 2 as part of the ordinary course of mining operations going forward. Phase 2 will consist of the periodic development of new well bays and the drilling of new wells, with existing submersible pumps being moved to the new wells as those at higher elevation begin to lose pumping efficiency. During Q4 2017, the Company completed the development of two new well bays and the drilling of four new production wells. One of these wells has been commissioned and the other is on standby pending capacity reorganization of vertical turbine pumps. The other two will be commissioned early in Q2 2018. Capital expenditures on Phase 2 are considered sustaining and are expected to total approximately \$2 million over the course of 2018 and into 2019.

During Q1 2018, the Company announced that it entered into an agreement with Hecla to toll mill sulphide ore from the San Sebastian mine in Durango at Excellon's mill facility in Miguel Auza. The toll milling arrangement is expected to commence in 2019 following successful completion of a 4,000-tonne bulk sample testing program at the Miguel Auza mill facility in Q3 2018. Preparation for the bulk sample testing program is ongoing in collaboration with Hecla.

Annual and Special Meeting

The annual and special meeting (the "Meeting") of Excellon shareholders will be held at 4:00 p.m. (ET) on May 10, 2018 at the Albany Club (Presidents' Room) 91 King Street East, Toronto, Ontario M5C 1G3. Shareholders as of March 23, 2018 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 days pursuant to Notice and Access rules.

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.

For Further Information, Please Contact:

Excellon Resources Inc.
Brendan Cahill, President & Chief Executive Officer or
Rupy Dhadwar, Chief Financial Officer
(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.