EXCELLON

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EXCELLON REPORTS SECOND QUARTER 2014 FINANCIAL RESULTS

Toronto, Ontario – July 30, 2014 – 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, 2014.

Q2 2014 Financial Highlights (Compared to Q2 2013)

- **110% increase in revenue to $8.8 million (Q2 2013 – $4.2 million)**
- **45% increase in payable ounces produced to 545,343 AgEq ounces (Q2 2013 – 374,207 AgEq ounces), the best quarter of AgEq production since Q1 2010**
- **Mine operating earnings of $2.1 million (Q2 2013 – net loss of $1.8 million)**
- **Net loss of $0.7 million or $0.01/share (Q2 2013 – net loss of $5.0 million or $0.09/share)**
- **Improved cash flow from operations to $1.6 million or $0.03/share before changes in working capital (Q2 2013 – out flow of $3.3 million or $0.06/share)**
- **Total cash cost per Ag ounce payable of $9.03 (Q2 2013 – $13.69) and $10.44 year-to-date**
- **All-in sustaining cost (“AISC”) per Ag ounce payable decreased to $14.59 (Q2 2013 – $30.64) and $15.98 year-to-date**
- **20% increase in cash, receivables and marketable securities during the quarter to $10.9 million at June 30, 2014 ($9.1 million at March 31, 2014)**
- **19% increase in working capital to $14 million at June 30, 2014 ($11.8 million at March 31, 2014)**

“We continued to generate positive cash flow during Q2 despite another period of low silver prices,” stated Brendan Cahill, President and Chief Executive Officer. “Our all-in sustaining costs continued to improve this quarter and, with improved silver prices and higher grade mineralization ahead, we expect to continue building our cash position through the rest of the year. We are also encouraged by the ongoing strengthening of zinc and lead prices, which currently contribute approximately 40% of our revenue and ensure low per ounce production costs on a byproduct basis.”

Financial and Operating Highlights

Financial results for the three and six-month periods ended June 30, 2014 and 2013 are as follows:

(‘000’s of USD, except amounts per share and per ounce)	**Q2 2014**	**Q2 2013**	**6-Mos 2014**	**6-Mos 2013**
Revenue	**8,792**	4,187	**19,328**	14,242
Production costs	(5,615)	(5,171)	(12,149)	(10,247)
Depletion and amortization	(1,047)	(832)	(2,040)	(1,719)
Cost of sales	(6,662)	(6,003)	(14,459)	(11,966)
Gross profit (loss)	**2,130**	(1,816)	**4,869**	2,276

('000's of USD, except amounts per share and per ounce)	**Q2 2014**	**Q2 2013**	**6-Mos 2014**	**6-Mos 2013**
Corporate administration	(1,142)	(1,547)	(2,327)	(3,330)
Exploration	(181)	(1,368)	(518)	(6,207)
Other (incl. finance cost)	(903)	(1,789)	175	304
Income tax recovery (expense)	(615)	1,485	(1,035)	1,321
Net income (loss)	**(711)**	(5,035)	**1,164**	(5,636)
Earnings per share – basic	**(0.01)**	(0.09)	**0.02**	(0.10)
Cash flow from operations (1)	**1,620**	(3,280)	**3,758**	(3,856)
Cash flow from operations per share – basic	**0.03**	(0.06)	**0.07**	(0.07)
Total cash cost per silver ounce payable ($/Ag oz)	**9.03**	13.69	**10.44**	11.20
AISC per silver ounce payable ($/Ag oz)	**14.59**	30.64	**15.98**	27.08
Average realized prices:(2)				
Silver – ($US/oz)	19.81	21.07	19.92	22.15
Lead – ($US/lb)	0.95	0.92	0.95	0.93
Zinc – ($US/lb)	0.97	0.83	0.95	0.86

(1) Cash flow from operations before changes in working capital
(2) Average realized price is calculated on current period sale deliveries and does not include prior period provisional adjustments in the period.

The Company's net loss during the second quarter was primarily the result of currency adjustments relating to lower U.S. dollar exchange rates and silver prices averaging $19.81, versus $21.07 in the second quarter of 2013 and $20.60 in the first quarter of 2014. Components of the net loss included (i) $0.9 million in finance costs relating to a weaker U.S. dollar relative to the Canadian dollar and Mexican peso (non-cash), (ii) $0.6 million in income tax expenses, including $0.2 million accrued in respect of royalties payable under the new Mexican mining tax reforms (non-cash), (iii) a reduction in revenues of $0.1 million upon the final settlement of prior period sales and (iv) an unrealized gain of $0.4 million from an increase in the fair value of Sprott Physical Silver Trust units held by the Company, representing an underlying investment in 134,732 ounces of silver. Revenues and production costs during the quarter were higher relative to the second quarter of 2013 as the Company produced and processed significantly more ore during the current period, primarily due to increased mine development resulting in lower rates of production for the comparable quarter in 2013. Revenue was lower relative to the first quarter of 2014 due to lower silver prices and the sale in early January of a significant amount of inventory produced in December 2013.

Working capital increased 19% during the quarter to $14 million at June 30, 2014 ($11.8 million at March 31, 2014). Cash, marketable securities and current accounts receivable increased 20% to $10.9 million ($9.1 million at March 31, 2014).

Cash corporate administration expenses decreased by 30% or approximately $0.4 million during the second quarter of 2014 relative to the same period in 2013 and remained stable relative to the first quarter of 2014 as the Company maintained cost reduction measures in the corporate head office in Toronto.

Exploration expenses were limited during the quarter, though the Company resumed exploration late in the second quarter of 2014. The Company expects to incur more significant exploration expenses in the third and fourth quarters of 2014, assuming continued stable or increasing silver prices and a consistent production profile.

Excellon has adopted the "all-in sustaining cost" ("AISC") per payable silver ounce measure to provide further transparency into the costs associated with producing silver and to assist stakeholders of the Company to assess operating performance, ability to generate free cash flow from current operations and overall value. The AISC measure is a non-GAAP measure based on guidance announced by the World Gold Council in June 2013.

Excellon defines AISC per silver ounce as the sum of total cash costs (including treatment charges and net of byproduct 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.

Total cash cost per silver ounce payable was $9.03 during the quarter versus $13.69 in the second quarter of 2013 and $11.76 in the first quarter of 2014. AISC per silver ounce payable was $14.59 during the quarter versus $30.64 in the second quarter of 2013 and $17.28 in the first quarter of 2014. Excluding non-cash components of AISC (share based compensation and amortized reclamation costs), all-in costs during the second quarter of 2014 were $13.81 per silver ounce payable and $15.14 per silver ounce payable year-to-date.

Relative to the first quarter of 2014, total cash costs and AISC per silver ounce payable were reduced due to lower electrical consumption relating to water management, significantly increased by-product credits due to higher lead and zinc grades and improved metal recoveries. The Company believes that further decreases in production costs per ounce remain attainable in the near term as the Company continues to reduce water inflows into the mine, manage electricity usage and access higher grade mantos through the remainder of the year and into 2015. The Company plans to increase capital expenditure in the second half of 2014 as it conducts development into higher grade mantos and also intends to conduct further exploration, both of which may contribute to increases in AISC per ounce depending on tonnages processed, grades mined and commodity prices during the remainder of the year.

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 unaudited consolidated financial statements for the three- and six-month periods ended June 30, 2014 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", "total cash costs per silver ounce payable" and "all-in sustaining cost (AISC) per silver ounce payable," 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, 2014, for a reconciliation of these measures to reported IFRS results.

Production Highlights

Mine production for the three and six-month periods ended June 30, 2014 and 2013 was as follows:

	Q2 2014 (1)	Q2 2013	6-Mos 2014 (1)	6-Mos 2013
Tonnes Mined	19,152	13,456	38,354	31,739
Tonnes Milled	19,567	13,608	38,457	31,969
Ore grades:				
Silver (g/t)	594	627	607	609
Lead (%)	6.49	6.62	6.58	6.47
Zinc (%)	8.88	10.44	8.51	10.20
Recoveries:				
Silver (%)	93.0	95.7	92.4	94.1
Lead (%)	84.8	84.7	84.5	84.7
Zinc (%)	82.8	84.6	81.7	84.1
Metal Production:				
Silver (oz)	374,266	252,789	740,207	544,002
Lead (lb)	2,304,958	1,514,465	4,651,724	3,700,257
Zinc (lb)	3,102,239	2,460,728	5,731,921	5,870,006
AgEq (oz) (2)	636,713	401,858	1,226,594	897,387
Payable:				
Silver (oz)	327,631	231,069	677,343	503,118
Lead (lb)	2,091,405	1,560,712	4,449,588	3,545,897
Zinc (lb)	2,396,469	2,256,300	4,825,350	5,006,697
AgEq (oz) (2)	545,343	374,207	1,110,472	800,067

(1) Q2 2014 deliveries remain subject to assay and price adjustments on final settlement with concentrate purchaser. Data has been adjusted to reflect final assay and price adjustments for Q4 2013 and Q1 2014 deliveries settled during the period.

(2) Silver equivalent ounces established for each period using average silver prices during the period applied to the recovered metal content of the concentrates.

Note: "t"= tonne

Ore production during the second quarter was primarily from the 6A and Guadalupe (North, Main and South) mantos. Grades during the quarter were generally in line with estimates for the Platosa mineral resources mined during the period. The Company expects to develop into the higher grade 623 and Rodilla mantos later in 2014.

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 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 profitable silver production and near-term mineable resources.

Additional details on the La Platosa Mine and 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. 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 March 25, 2014 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.