EXCELLON

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EXCELLON REPORTS THIRD QUARTER 2016 FINANCIAL RESULTS

Toronto, Ontario – November 2, 2016 – Excellon Resources Inc. (TSX:EXN; TSX:EXN.WT; OTC:EXLLF) ("Excellon" or the "Company"), Mexico's highest grade silver producer, is pleased to report financial results for the three and nine-month periods ended September 30, 2016.

Q3 2016 Financial Highlights

- Revenue of $4.0 million (Q3 2015 – $4.6 million)
- Sales of 228,172 silver equivalent ounces ("AgEq oz") payable (Q3 2015 – 372,485 AgEq oz payable)
- Adjusted net loss of $1.0 million or $0.01/share (Q3 2015 – adjusted net loss of $1.3 million or $0.02/share)
- Adjusted all-in sustaining cost ("AISC") per silver ounce payable of $33.92, excluding the one-time sustaining capital expenditures associated with Company's ongoing optimization plan, with lower silver ounce production resulting in increased cost per ounce
- Preparation made for 150%+ increase in drawdown rate during Q4, with all material development now completed and the first primary booster array and wells coming online, as the Company's ongoing optimization program heads toward completion
- Cash, accounts receivable and marketable securities totaled $14.7 million at September 30, 2016 (December 31, 2015 – $4.7 million)
- Net working capital totaled $14.7 million at September 30, 2016 (December 31, 2015 – $5.5 million)

"During the third quarter, we completed much of the heavy lifting required to set our ongoing optimization plan on the home stretch," stated Brendan Cahill, President and Chief Executive Officer. "We completed all material development and prepared to accelerate finalization of the plan by resolving drilling issues and adding an additional rig. Increased development, both in respect of the optimization plan and to lower levels of the Rodilla Manto, was partially responsible for lower silver ounce production and an associated higher AISC per silver ounce payable. Over the next two quarters, however, we are focused on completing the remaining well drilling and pump installations, with the first primary booster station coming online in the next few weeks. Our financial position is strong, with ample funds available to complete the optimization plan and continue exploration as we pursue our goal of doubling production and more than halving costs at the highest grade silver mine in Mexico."

Mr. Cahill continued, "As in the second quarter, our strong share performance during the quarter resulted in fair value adjustments on our outstanding convertible debentures and associated warrants, resulting in a significant non-cash loss on our income statement due to IFRS requirements. Shareholders should note that this is merely a required accounting treatment and is not reflective of the Company's actual financial situation."

Financial results for the three and nine-month periods ended September 30, 2016 and 2015 were as follows:

('000s of USD, except amounts per share and per ounce)	Q3 2016	Q3 2015	9-Mos 2016	9-Mos 2015
Revenues (1)	**4,009**	4,599	**13,640**	13,690
Production costs	**(3,577)**	(3,720)	**(10,287)**	(12,293)
Depletion and amortization	**(525)**	(743)	**(1,739)**	(2,405)
Cost of sales	**(4,102)**	(4,463)	**(12,026)**	(14,698)
Gross profit (loss)	**(93)**	136	**1,614**	(1,008)
Corporate administration	**(944)**	(679)	**(2,263)**	(2,333)
Exploration	**(228)**	(148)	**(536)**	(562)
Other (incl. royalty income and finance cost)	**440**	(606)	**141**	(778)
Impairment of mineral rights	**-**	-	**156**	-
Net finance cost	**(6,100)**	(21)	**(13,655)**	(65)
Income tax recovery	**(87)**	13	**527**	1,383
Net loss	**(7,012)**	(1,305)	**(14,016)**	(3,363)
Adjusted net profit/loss (2)	**(1,035)**	(1,305)	**(919)**	(3,363)
Loss per share – basic	**(0.10)**	(0.02)	**(0.20)**	(0.06)
Adjusted profit/Loss per share -basic	**(0.01)**	(0.02)	**(0.01)**	(0.06)
Cash flow from (used in) operations (3)	**(887)**	382	**(144)**	(375)
Cash flow from (used in) operations per share – basic	**(0.01)**	0.01	**(0.00)**	(0.01)
Production cost per tonne (4)	**298**	242	**250**	280
Cash cost per silver ounce payable ($/Ag oz)	**17.95**	11.58	**12.24**	14.01
All-in sustaining cost per silver ounce payable ($/Ag oz)	**40.85**	15.76	**24.11**	19.94
Adjusted All-in sustaining cost per silver ounce payable (5)	**33.92**	15.71	**20.52**	19.72

(1) Revenues are net of treatment and refining charges.
(2) Adjusted net losses for Q3 2016 and 9-mos 2016 reflect results before fair value adjustments on embedded derivatives and warrants related to convertible debentures issued in November 2015 (Q3 2016 – $6.0 million; 9-mos 2016 $13.3 million). The fair value adjustment derives from the strong performance of the Company's stock during each period (Q3 2016 – $1.23 to $1.88; 9-mos 2016 $0.31 to $1.88), resulting in significant increases in valuation/cost upon the potential conversion or exercise of the debentures or warrants, respectively.
(3) Cash flow from operations before changes in working capital.
(4) Production cost per tonne includes mining and milling costs excluding depletion and amortization.
(5) Adjusted AISC per silver ounce payable excludes the relatively one-time sustaining capital expenditures associated with the "Platosa Optimization Plan", described below (associated cash expenditures were $1.0 million in Q3 2016 and $1.9 million during 9-Mos 2016).

During Q3 2016, the Company generated lower net revenues of $4.0 million compared to $4.6 million in Q3 2015 as a result of lower production due to increased development relating to the ongoing optimization plan and development into lower levels of the Rodilla Manto. Although production was 39% lower compared to Q3 2015, average realized silver price improved by 32% to $19.62, generally offsetting the impact on revenues for the quarter.

Cost of sales decreased by 8% from $4.5 million in Q3 2015 to $4.1 million in Q3 2016. Production costs decreased to $3.6 million during the quarter from $3.7 million in Q3 2015 primarily due to continuous improved maintenance practices on pumps and mobile equipment and lower costs of consumables as fewer tonnes were mined. The Company expects costs to be further reduced on a per unit basis upon completion of the ongoing optimization plan.

During Q3 2016, the Company recorded a net loss of $7.0 million compared to a net loss of $1.3 million in Q3 2015. The Company's adjusted net loss of $1.0 million in Q3 2016 reflects the current period's results before recording a $6.0 million fair value adjustment loss on embedded derivative and warrants relating to convertible debentures and warrants issued in November 2015 in accordance with IFRS. The fair value adjustment derives primarily from the strong performance of the Company's stock during the period, with the market price increasing from $1.23 as of June 30, 2016 to $1.88 as of September 30, 2016, resulting in significant increases in valuation cost upon the potential conversion or exercise of the debentures and warrants. The Company recorded a foreign exchange loss of $0.1 million, which was offset by an unrealized gain of $0.6 million on the 837,000 common shares of Osisko Mining Corp. held by the Company.

General and administrative expenses of $0.9 million in Q3 2016 increased by 39% compared to Q3 2015, primarily resulting from the vesting of stock based compensation in the quarter. Cash corporate administrative expenses of $0.6 million in Q3 2016 reflect an increase from $0.5 million in Q3 2015, as the Company increased investor relations efforts during the quarter, but the Company continues to maintain cost discipline at the corporate head office in Toronto.

Exploration expenses of $0.2 million in Q3 2016 were comparable to Q3 2015. Exploration activity at Platosa recommenced in late Q3 2016 with 1,000 metres drilled as part of an initial 25,000 metre-drilling program. Drilling for Q4 2016 will continue to focus on expanding the current footprint of manto mineralization at Platosa, with a second rig planned for surface drilling in the coming months.

As a result of lower ounces produced during the quarter, cash cost per silver ounce payable increased to $17.95/oz in Q3 2016 compared to $11.58/oz during Q3 2015. AISC of $40.85 during Q3 2016 compared to $15.76 in Q3 2015 also increased as a result of lower silver production and increased capital investment into sustaining capital and the optimization plan. Total sustaining cost increased to $3.2 million in Q3 2016 as the Company invested $1.0 million in capital expenditures for the Optimization Plan and $1.1 million in sustaining capital expenditures, which primarily relate to the purchase of a new scoop tram, the development of a new ventilation raise, an electrical capacity expansion and increased mine development. Excluding the one-time capital expenditures associated with the optimization plan, adjusted AISC per silver ounce payable during the period was $33.92. The Company expects costs to improve considerably as the implementation of the optimization program continues to improve mining conditions.

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.

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 condensed interim consolidated financial statements for the quarter ended September 30, 2016 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", "all-in sustaining cost per payable silver equivalent ounce", "adjusted all-in sustaining cost per silver ounce payable" and "adjusted net income" 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 quarter ended September 30, 2016, for a reconciliation of these measures to reported IFRS results.

Production Highlights

Mine production for the periods indicated below were as follows:

		Q3 2016(1)	Q3 2015(1)	9-Mos 2016(1)	9-Mos 2015(1)
Tonnes of ore produced		11,207	13,711	37,914	41,339
Tonnes of ore processed		12,003	15,393	41,176	43,850
Ore grades:					
	Silver (g/t)	427	547	485	516
	Lead (%)	4.14	4.75	4.71	4.83
	Zinc (%)	5.49	7.66	6.01	7.76
Recoveries:					
	Silver (%)	90.4	90.9	90.7	89.0
	Lead (%)	82.1	79.9	82.4	77.1
	Zinc (%)	81.3	81.7	79.7	81.8
Production:					
	Silver – (oz)	153,783	241,872	593,165	641,660
	Silver equivalent ounces (oz) (2)	255,760	419,583	987,880	1,169,654
	Lead – (lb)	891,424	1,271,847	3,523,537	3,549,455
	Zinc – (lb)	1,169,029	2,117,874	4,333,038	6,101,866
Payable: (3)					
	Silver ounces – (oz)	138,472	217,138	541,408	585,140
	Silver equivalent ounces (oz) (2)	228,172	372,485	891,922	1,056,748
	Lead – (lb)	839,967	1,206,366	3,351,979	3,432,209
	Zinc – (lb)	980,621	1,759,871	3,646,971	5,213,110
Realized prices: (4)					
	Silver – ($US/oz)	19.52	14.80	17.76	15.45
	Lead – ($US/lb)	0.88	0.76	0.82	0.80
	Zinc – ($US/lb)	1.03	0.79	0.92	0.87

(1) Period 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 prior period deliveries settled during the period.
(2) Silver equivalent 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.

Operations during the third quarter continued to focus on progressing the optimization plan for Platosa and development into higher-grade areas of the mine. The Rodilla Manto was the primary source of production during the quarter with grades averaging 516 g/t Ag, 4.71% Pb and 6.59% Zn. Approximately 750 tonnes of ore milled during the quarter were extracted from historic stockpiles and settling ponds at Platosa at minimal cost with grades of approximately 150 g/t Ag and 1-2% Pb and Zn. High-grade ore produced during the quarter was blended with this lower-grade material to improve recoveries and concentrate payability.

The deepest areas of the mine, Rodilla, Guadalupe South and 623, are at approximately 960 elevation, with the water table at 975 elevation. As a result, productivity was limited during the quarter as the Company continued development into the lower levels of the Rodilla Manto. Though these areas are effectively dry and water inflows are entirely under control, development and production conditions are not optimal. Mining conditions are expected to materially improve as the pending increase in drawdown rate more rapidly closes the gap between the water table and operating elevations. During the quarter, development was also focused on further accessing the Guadalupe South Manto and driving development into the 623 Manto, hosting mineral resources of 83,000 tonnes at 1,231 g/t Ag (1,766 g/t AgEq). The Company currently expects to access 623 Manto mineralization late in Q4, including targeting the mineralization intersected in drill hole EX16UG274 (662 g/t Ag, 4.9% Pb, 25.5% Zn and 0.57 g/t Au over 13.00 metres), representing the westward extension of the manto.

About Excellon

Excellon's 100%-owned Platosa Mine in Durango is Mexico's highest grade silver mine, with lead and zinc by-products historically 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 the rest of 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 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.