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EXCELLON REPORTS SECOND QUARTER 2017 FINANCIAL RESULTS

Toronto, Ontario – July 31, 2017 – Excellon Resources Inc. (TSX:EXN and EXN.WT; OTC:EXLLF) ("Excellon" or the "Company") is pleased to report financial results for the three and six-month periods ended June 30, 2017.

Q2 2017 Operational Highlights

- Dry mining conditions achieved with completion of Optimization Plan
- Immediate benefits realized with materially improved development rates, maintenance and electrical efficiency gains
- Mine production materially increased to 215 tonnes per day ("tpd") in July-to-date, an increase of 47% relative to 2016, with access to high-grade ore within the Platosa resource
- Continued success of ongoing drilling program with multiple intersections of high grade mineralization potentially expanding existing mantos including, 886 g/t Ag, 8.8% Pb and 20.5% Zn or 2,318 g/t silver equivalent ("AgEq") over 6.76 metres in EX17UG323
- Miguel Auza Mill awarded Certification of Clean Industry, Level 1 from Mexican environmental regulator

Q2 2017 Financial Highlights

- Revenue of $3.6 million (Q2 2016 – $5.4 million)
- Production of 289,566 AgEq ounces (Q2 2016 – 368,568 AgEq ounces)
- Sales of 249,733 AgEq ounces payable (Q2 2016 – 334,549 AgEq ounces payable)
- Mine operating loss of $1.0 million (Q2 2016 – earnings of $1.3 million)
- Adjusted net loss of $2.2 million or $0.03/share (Q2 2016 – adjusted net income of $0.9 million or $0.01/share), excluding non-cash financing gain associated with outstanding convertible debentures (the "Debentures") issued in November 2015
- Cash and current accounts receivable totaled $5.3 million at July 31, 2017 (June 30, 2017 – $3.2 million; December 31, 2016 – $7.7 million – including marketable securities)
- Net working capital totaled $4.0 million at June 30, 2017 (December 31, 2016 – $8.6 million), increasing to $6.1 million at July 31, 2017.

"During the second quarter, we realized on our plan to resume high-grade and cash flowing production from Platosa," stated Brendan Cahill, President and Chief Executive Officer. "We certainly faced challenges over the first half of 2017, with access to ore limited by water inflows, but our team executed and, by the end of the second quarter, we had achieved dry mining conditions and were mining fresh, high-grade manto mineralization. Looking forward, our goal is to steadily increase production over the remainder of 2017 to 300 tpd by year-end. We have also began driving further reductions in key cost centres, most importantly electricity usage, where incremental savings can result in material additional cash flow. We remain focused on our target of doubling production and halving costs at Platosa over the coming quarters and we are already pleased with the improvements in cash flow we see at 200+ tpd."

Mr. Cahill continued, "We also congratulate the team at our Miguel Auza mill for recently achieving Level 1 Certification of Clean Industry from PROFEPA. Hector Lira, Erik Polanco and Santos Salas, deserve credit for this achievement and they now have their sights set on Level 2 certification."

Financial Results

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

('000s of USD, except amounts per share and per ounce)	Q2 2017	Q2 2016	6-Mos 2017	6-Mos 2016
Revenue [1]	**3,570**	5,370	**6,983**	9,631
Production costs	**(3,997)**	(3,441)	**(8,022)**	(6,710)
Depletion and amortization	**(582)**	(609)	**(1,128)**	(1,214)
Cost of sales	**(4,579)**	(4,050)	**(9,150)**	(7,924)
Earnings (loss) from mining operations	**(1,009)**	1,320	**(2,167)**	1,707
Corporate administration	**(842)**	(665)	**(2,177)**	(1,319)
Exploration	**(618)**	(171)	**(1,182)**	(308)
Other	**630**	68	**2,343**	(299)
Impairment of mineral rights	**-**	156	**-**	156
Net finance cost	**1,629**	(5,575)	**2,892**	(7,555)
Income tax recovery	**(292)**	489	**(1,046)**	614
Net loss	**(502)**	(4,378)	**(1,337)**	(7,004)
Adjusted net income (loss) [2][3]	**(2,235)**	852	**(4,152)**	116
Loss per share – basic	**(0.01)**	(0.07)	**(0.02)**	(0.12)
Adjusted profit (loss) per share – basic	**(0.03)**	0.01	**(0.05)**	0.00
Cash flow from (used in) operations [3]	**(1,297)**	482	**(2,734)**	743
Cash flow from (used in) operations per share – basic	**(0.02)**	(0.01)	**(0.04)**	0.01
Production cost per tonne [4]	**288**	238	**311**	230
Cash cost per payable silver ounce ($/Ag oz)	**18.10**	9.81	**20.07**	10.27
All-in sustaining cost ("AISC") per silver ounce payable ($/Ag oz)	**37.87**	19.27	**48.82**	18.35
Adjusted AISC per silver once payable [5]	**28.80**	15.27	**35.02**	15.90

(1) Revenues are net of treatment and refining charges.
(2) Adjusted net income (loss) reflect results before fair value adjustments on embedded derivatives and warrants related to the Debentures (Q2 2017 – $1.7 million gain; Q2 2016 – $5.4 million loss; 6-Mos 2017 – $2.8 million gain; 6-Mos 2016 – $7.3 million loss). The fair value adjustment derives from the performance of the Company's stock during each period (Q2 2017 – $1.60 to $1.42; Q2 2016 – $0.61 to $1.23; 6-Mos 2017 - $1.64 to $1.42; 6-Mos 2016 – 0.31 to $1.23), resulting in significant variances in valuation/cost upon the potential conversion or exercise of the Debentures or associated warrants, respectively.
(3) Adjusted net income (loss) for Q2 2016 and 6-Mos 2016 reflects results before a $0.2 million reversal of impairment on DeSantis exploration 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, described below (associated cash expenditures were $1.2 million in Q2 2017; $3.5 million during 6-Mos 2017; $0.2 million in Q2 2016; and $1.0 million during 6-Mos 2016).

Operations during the second quarter focused on the completion of the Optimization Plan, leading to dry mining conditions by mid-June. As production primarily came from outside of the Rodilla resource area earlier in the quarter, metal grades improved in May and more materially in the last days of June and into July, as higher-grade areas were accessed within the Platosa resource. The Company also 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 positive cash flow generative.

During Q2 2017, net revenues decreased by 34% to $3.6 million (Q2 2016 – $5.4 million) due to 25% lower silver equivalent payable ounces produced of 249,733 oz compared to 334,549 in Q2 2016, largely the product of lower tonnage mined at lower grades during period as water limited access to resources until the end of the quarter.

Cost of sales, including depletion and amortization, increased by 13% compared to Q2 2016. A primary contributor to the increased cost of sales was a general increase in electricity prices from $0.06/kwh to $0.09/kwh. This increase resulted from (i) a Mexico-wide increase in fuel costs, which resulted in higher electricity costs and (ii) the appreciation in the Mexican peso, as electricity tariffs are denominated in pesos. The Company also increased electrical installation and supportive development more generally during the period compared to prior quarters as a new electrical line allowed increased electrical installation at the project. Increased pumping rates associated with mine optimization also resulted in nominal increases in electrical expense, though pumping efficiency increased by 36%. Due to pumping requirements, electricity has been, and will be going forward, a key input on mining costs at Platosa. The Company is currently applying to become a “qualified user” under the recent energy reforms in Mexico, which will allow it to access the private market for electricity and achieve lower costs per kWh.

General and administrative expenses of $0.8 million increased by 27% during Q2 2017 compared to $0.7 million in Q2 2016, primarily resulting from the grant and vesting of stock-based compensation to officers, directors and consultants. Cash corporate administrative expenses of $0.7 million in Q2 2017 increased compared to $0.5 million in Q2 2016, with the difference primarily resulting from three new officers and two new directors joining the Company and increased cash board compensation.

The Company spent $0.6 million on exploration in Q2 2017 (Q2 2016 – $0.2 million) as it continued the surface and underground drilling program at Platosa, with an additional 1,210 metres or surface and 2,725 metres of underground drilling. The Company has drilled a total of approximately 15,000 metres since the commencement of a 25,000 metre program in Q3 2016.

The Company recorded a net loss of $502,000 in Q2 2017 (Q2 2016 – net loss of $4.4 million). The Company’s adjusted net loss of $2.2 million in Q2 2017 reflects the period’s results before recording a $1.7 million fair value adjustment gain (Q2 2016 – $5.4 million loss) on embedded derivative and warrants relating to the Debentures in accordance with IFRS as the stock price decreased from $1.60 to $1.42 (Q2 2016 – an increase from $0.61 to $1.23). Further contributors to the adjusted net loss included: (i) decrease in revenues of 34%, (ii) 13% increase in cost of sales, (iii) 27% increase in corporate G&A, and (iv) increased exploration costs as drilling resumed at Platosa, all as further described above.

Cash costs net of byproducts per ounce payable (or Total Cash Costs) of $18.10 per ounce payable (Q2 2016 – $9.81/oz) increased due to increased cost of sales and a 29% decrease in by-product credits resulting from lower lead and zinc production, but improved from $22.44 per ounce payable in Q1 2017. These factors were partially offset by lower treatment charges and refining charges (“TC/RC”), resulting from lower delivered tonnes and materially improved offtake terms relative to Q2 2016. The Company expects total cash costs net of by-product revenues to vary from period to period as planned production and development accesses different areas of the mine with different ore grades and characteristics, with material improvements now expected as mine optimizations are now complete.

The Company’s adjusted AISC per silver ounce payable of $28.80/ounce (Q2 2016 – $15.27) in Q2 2017 (excluding the one-time costs associated with the Optimization Plan), resulted from (i) lower metal grades and, consequently, metal produced, (ii) an increase in electricity costs and increased electrical consumption for pumping associated with the Optimization Plan, and (iii) increased exploration expenses. Non-adjusted AISC of $37.87/ounce in Q2 2017 (Q2 2016 – $19.27/oz) included significant one-time capital and development costs of $1.2 million associated with the Optimization Plan, primarily relating to the purchase of pumping equipment along with well-drilling and engineering costs. Adjusted and unadjusted AISC per ounce payable improved materially from Q1 2017 ($42.48 and $61.96, respectively) as Optimization Plan cap-ex decreased and mine production generally improved from May onward. With the completion of the Optimization Plan, the Company will eliminate the "Adjusted AISC" metric. Additionally, AISC is expected to decrease as dry mining conditions will allow for increased production at lower costs.

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 unaudited condensed interim financial statements for the three and six months ended June 30, 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 silver equivalent 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 six month periods ended June 30, 2017, for a reconciliation of these measures to reported IFRS results.

Production Highlights

Mine production for the periods indicated below were as follows:

		Q2 2017[(1)]	Q2 2016[(1)]	6-Mos 2017[(1)]	6-Mos 2016[(1)]
Tonnes of ore produced		10,840	13,929	22,904	26,706
Tonnes of ore processed		13,877	14,453	25,810	29,173
Ore grades:					
	Silver (g/t)	394	536	358	509
	Lead (%)	3.48	5.09	3.21	4.94
	Zinc (%)	4.51	6.31	4.33	6.23
Recoveries:					
	Silver (%)	89.8	90.0	89.8	90.9
	Lead (%)	80.4	81.2	80.8	82.5
	Zinc (%)	80.7	78.7	81.3	79.0
Production:					
	Silver – (oz)	160,820	227,826	268,938	439,382

		Q2 2017[1]	Q2 2016[1]	6-Mos 2017[1]	6-Mos 2016[1]
	Silver equivalent ounces (oz) [2]	289,566	368,568	494,880	732,120
	Lead – (lb)	850,111	1,313,197	1,460,144	2,632,113
	Zinc – (lb)	1,116,367	1,575,231	1,989,343	3,164,009
Payable: [3]					
	Silver ounces – (oz)	139,428	209,422	255,555	402,936
	Silver equivalent ounces (oz) [2]	249,733	334,549	465,655	663,750
	Lead – (lb)	767,145	1,260,672	1,465,168	2,512,012
	Zinc – (lb)	922,953	1,321,337	1,760,686	2,666,350
Realized prices: [4]					
	Silver – ($US/oz)	16.67	17.43	17.06	16.76
	Lead – ($US/lb)	1.00	0.77	1.01	0.78
	Zinc – ($US/lb)	1.16	0.91	1.20	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.

Refer to the Company's press release dated July 20, 2017 for further discussion of Q2 2017 production.

During the third quarter, the Company expects to produce from the Rodilla Manto, increase production from the Guadalupe South Manto and commence production from the 623 Manto. Development is now driving towards the high grade 623 Manto directly from the Guadalupe South Manto along a recently identified connector zone of mineralization between the two mantos, targeting the area of drill holes EX16UG274, which intersected 662 g/t Ag, 4.9% Pb, 25.5% Zn and 0.57 g/t Au or 1,886 g/t AgEq over 13.00 metres, and EX17UG323, which intersected 886 g/t Ag, 8.8% Pb and 20.5% Zn or 2,318 g/t AgEq over 6.76 metres (see press releases dated October 27, 2016 and July 26, 2017, respectively).

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 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.

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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.