EXCELLON

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EXCELLON REPORTS THIRD QUARTER 2017 FINANCIAL RESULTS AND UPDATES TO BOARD AND MANAGEMENT

Toronto, Ontario – November 2, 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 nine-month periods ended September 30, 2017.

Q3 2017 Financial and Operational Highlights (compared to Q3 2016)

- Revenue increased 77% to $7.1 million (Q3 2016 – $4.0 million)
- Production increased 96% to 500,763 silver equivalent ("AgEq") ounces (Q3 2016 – 255,760 AgEq ounces)
- Sales increased 95% to 443,921 AgEq ounces payable (Q3 2016 – 228,172 AgEq ounces payable)
- Mine operating earnings of $1.5 million (Q3 2016 – loss of $0.1 million)
- Production cost per tonne reduced by 30% to $208 (Q3 2016 – $298)
- Total cash cost per silver ounce payable reduced by 80% to $2.46 (Q3 2016 – $17.95)
- Adjusted all-in sustaining cost per Ag oz payable ("AISC") reduced by 66% to $11.62 (Q3 2016 – $33.92), excluding the one-time sustaining capital expenditures associated with the Optimization Plan, with no adjustment in the current quarter
- Adjusted net loss of $0.4 million or $0.00/share (Q3 2016 – adjusted net loss of $1.0 million or $0.01/share), excluding non-cash financing loss associated with outstanding convertible debentures (the "Debentures") issued in November 2015
- Net working capital totaled $4.9 million at September 30, 2017 (December 31, 2016 – $8.6 million)
- Upsized C$13.25 million bought deal financing to accelerate exploration on the Platosa Property and Miguel Auza Project, announced on October 20, 2017
- Appointment of Jacques McMullen, P.Eng. to the Board of Directors, with the retirement of Ned Goodman, and appointment of Nisha Hasan to Vice President Investor Relations

"The third quarter marked a turning point for La Platosa as we resumed generating cash flow and slashed all-in sustaining costs and mining cost per tonne," stated Brendan Cahill, President and Chief Executive Officer. "We began amortizing the costs of the Optimization Plan completed in the second quarter resulting in increased depreciation expense, which has no impact on cash flow, but would otherwise have generated an adjusted net profit. With AISC below $12 at mining rates of 200 tonnes per day, we look forward to further improving results as we increase tonnage going into 2018. With our recently announced financing closing next week, we will also have a greatly improved balance sheet to pursue our exploration plans at Platosa and Miguel Auza."

Financial Results

Financial results for the three and nine-month periods ended September 30, 2017 and 2016 as follows:

('000s of USD, except amounts per share and per ounce)	Q3 2017	Q3 2016	9-Mos 2017	9-Mos 2016
Revenue (1)	**7,102**	4,009	**14,085**	13,640
Production costs	**(4,160)**	(3,577)	**(12,182)**	(10,287)
Depletion and amortization	**(1,426)**	(525)	**(2,554)**	(1,739)
Cost of sales	**(5,586)**	(4,102)	**(14,736)**	(12,026)
Earnings (loss) from mining operations	**1,516**	(93)	**(651)**	1,614
Corporate administration	**(892)**	(944)	**(3,069)**	(2,263)
Exploration	**(382)**	(228)	**(1,564)**	(536)
Other	**(88)**	440	**2,255**	141
Impairment of mineral rights	**-**	-	**-**	156
Net finance cost	**(5,974)**	(6,100)	**(3,082)**	(13,655)
Income tax recovery	**(87)**	(87)	**(1,133)**	527
Net loss	**(5,907)**	(7,012)	**(7,244)**	(14,016)
Adjusted net income (loss) (2)(3)	**(350)**	(1,035)	**(4,502)**	(919)
Loss per share – basic	**(0.08)**	(0.10)	**(0.10)**	(0.20)
Adjusted profit (loss) per share – basic	**(0.00)**	(0.01)	**(0.06)**	(0.01)
Cash flow from (used in) operations (3)	**1,464**	(887)	**(1,270)**	(144)
Cash flow from (used in) operations per share – basic	**0.02**	(0.01)	**(0.02)**	(0.00)
Production cost per tonne (4)	**208**	298	**266**	250
Cash cost per payable silver ounce ($/Ag oz)	**2.46**	17.95	**12.22**	12.24
All-in sustaining cost ("AISC") per silver ounce payable ($/Ag oz)	**11.62**	40.85	**32.24**	24.11
Adjusted AISC per silver once payable (5)	**11.62**	33.92	**24.59**	20.52

(1) Revenues are net of treatment and refining charges.
(2) Adjusted net loss reflects results before fair value adjustments on embedded derivatives and warrants related to the Debentures (Q3 2017 – $5.6 million loss; Q3 2016 – $6.0 million loss; 9-Mos 2017 – $2.7 million loss; 9-Mos 2016 – $13.3 million loss). The fair value adjustment derives from the performance of the Company's stock during each period (Q3 2017 – C$1.42 to C$2.03; Q3 2016 – C$1.23 to C$1.88; 9-Mos 2017 - C$1.64 to C$2.03; 9-Mos 2016 – C$0.31 to C$1.88), resulting in significant variances in valuation/cost upon the potential conversion or exercise of the Debentures or associated warrants, respectively.
(3) Adjusted net loss 9-Mos 2016 reflects results before a $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 (associated cash expenditures were $nil in Q3 2017; $3.5 million during 9-Mos 2017; $1.0 million in Q3 2016; and $1.9 million during 9-Mos 2016).

During Q3 2017, net revenues increased by 77% to $7.1 million (Q3 2016 – $4.0 million) due to a 95% increase in AgEq payable ounces produced of 443,921 oz compared to 228,172 oz in Q3 2016. A lower realized silver price of $17.06 compared to $19.52 in Q3 2016 was offset by improved treatment and refining charges ("TC/RC") under the 2017 offtake sales agreements.

Cost of sales, including depletion and amortization, increased by 36% compared to Q3 2016. The primary contributors to increased cost of sales were (i) depletion and amortization relating to the amortization of capital costs associated with the Optimization Plan and (ii) increased tonnage. Increased pumping rates associated with the Optimization Plan and an increase in electricity prices from $0.06/kwh to $0.08/kwh also resulted in nominal increases in electrical expense, though 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 applying to become a "qualified user" under the recent energy reforms in Mexico, which will allow access to the private market for electricity and competitive unit costs per kWh.

Production costs improved significantly in the quarter to $208/tonne (Q3 2016 – $298/tonne), due to a 66% increase in tonnes milled, lower maintenance costs, the elimination of grouting activities and more efficient electrical utilization.

The Company recorded a net loss of $5.9 million in Q3 2017 (Q3 2016 – net loss of $7.0 million). The Company's adjusted net loss of $0.4 million in Q3 2017 reflects the period's results before recording a $5.6 million fair value adjustment loss (Q3 2016 – $6.0 million loss) on embedded derivative and warrants relating to the Debentures in accordance with IFRS as the Company's stock price increased from C$1.42 to C$2.03 (Q3 2016 – an increase from C$1.23 to C$1.88). Further contributors to the adjusted net loss included: (i) 172% increase in depletion and amortization as monthly amortization of capitalized costs of the Optimization Plan commenced during the quarter, and will continue to be amortized over the life of mine, (ii) 16% increase in cash cost of sales due to higher tonnage milled and (iii) increased exploration costs as drilling resumed at Platosa.

The Company spent $0.4 million on exploration in Q3 2017 (Q3 2016 – $0.2 million) as it continued the drilling programs at Platosa, with 732 metres drilled from underground.

Cash costs net of byproducts per silver ounce payable (or Total Cash Costs) of $2.46 significantly improved from $17.95 in Q3 2016, due to the increase in metal sold during the quarter following successful completion of the Optimization Plan in early July.

The Company's AISC per silver ounce payable of $11.62 (Q3 2016 – $40.85 and adjusted AISC of $33.92) in Q3 2017 resulted from higher tonnage and metal produced with the successful completion of the Optimization Plan. As the Optimization Plan is now complete, the Company has eliminated the "Adjusted AISC" metric in Q3 2017, which excludes one-time costs related to the Optimization Plan, but continues to report it for previous periods for comparative purposes. AISC is expected to continue to decrease as drier mining conditions are expected to allow for increased production at lower costs in the fourth quarter and going forward.

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 nine months ended September 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 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 nine month periods ended September 30, 2017, for a reconciliation of these measures to reported IFRS results.

Production Highlights

Mine production for the periods indicated below were as follows:

		Q3 2017[1]	Q3 2016[1]	9-Mos 2017[1]	9-Mos 2016[1]
Tonnes of ore produced		18,147	11,207	41,051	37,914
Tonnes of ore processed		19,953[5]	12,003[5]	45,764[5]	41,176[5]
Ore grades:					
	Silver (g/t)	409	427	381	485
	Lead (%)	4.39	4.14	3.72	4.71
	Zinc (%)	6.10	5.49	5.10	6.01
Recoveries:					
	Silver (%)	87.6	90.4	88.9	90.7
	Lead (%)	81.8	82.1	81.2	82.4
	Zinc (%)	81.1	81.3	81.2	79.7
Production:					
	Silver – (oz)	226,173	153,783	495,111	593,165
	AgEq ounces (oz) [2]	500,763	255,760	995,643	987,880
	Lead – (lb)	1,582,794	891,424	3,042,938	3,523,537
	Zinc – (lb)	2,172,685	1,169,029	4,162,027	4,333,038
Payable: [3]					
	Silver ounces – (oz)	205,414	138,472	460,969	541,408
	AgEq ounces (oz) [2]	443,921	228,172	909,576	891,922
	Lead – (lb)	1,498,421	839,967	2,963,589	3,351,979
	Zinc – (lb)	1,788,834	980,621	3,549,519	3,646,971
Realized prices: [4]					
	Silver – ($US/oz)	17.06	19.52	16.96	17.76
	Lead – ($US/lb)	1.09	0.88	1.05	0.82
	Zinc – ($US/lb)	1.37	1.03	1.31	0.92

(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) 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) Low grade stockpile milled in recent periods were Q3 2017 – 2,582 tonnes; Q3 2016 – 760 tonnes; 9-Mos 2017 – 5,555 tonnes; and 9-Mos 2016 – 4,930 tonnes.

The Company completed the Optimization Plan in early Q2 2017 to comprehensively manage water at Platosa through an enhanced pumping system. Mining conditions began to improve materially in mid-May and particularly by late June as dry mining conditions were achieved allowing increased access to high-grade ore.

Development rates increased significantly during the quarter with 269 metres of ore development (an

84% increase over Q2 2017 – 146 metres) and 292 metres of waste development (a 39% increase over Q2 2017 – 210 metres). Development rates are expected to continue to increase going forward.

Production during July was particularly strong in Q3 2017, with a weaker August as increased development was necessary to set up a strong September. A primary ongoing goal of the operation is to ensure development is advanced expeditiously to enable consistent month-to-month production, which should improve quarterly production and financial results going forward.

The Company is currently producing from multiple headings on the Rodilla Manto, Pierna Manto and the connection between the Guadalupe South and 623 mantos. Development is currently driving towards the next levels of the Rodilla, Pierna, Guadalupe South and 623 mantos, all of which are expected to yield production during Q4 2017.

Board of Directors and Management Changes

The Company is pleased to announce the appointment of Jacques McMullen to its Board of Directors. Mr. McMullen is a Professional Engineer with over 35 years of senior leadership experience in the mining industry and has been directly involved with major capital projects including roles in operations, evaluations, corporate development for several mining companies. He spent the majority of his career working with Barrick Gold Corporation in various senior roles from 1994 to 2012, as well as serving as Director of Highland Gold Mining Ltd., IGE Resources AB, Fire River Gold Corp., Minera S.A., Orvana Minerals. He was also a Principal, Partner and non-executive Director of Mines and Metals with BBA, a private engineering firm. Mr. McMullen currently serves on the Board of Newcastle Gold Ltd., Cardinal Resources Ltd. and is an advisor to management at Detour Gold Corp. He is also the Principal of J. McMullen & Associates, a privately held consulting company. Mr. McMullen holds Master's Degree of Applied Sciences in Mineral Processing from Laval University.

The Company is also pleased to announce the promotion of Nisha Hasan to Vice President Investor Relations. Ms. Hasan held the position of Director Investor Relations from June 2013. She has 10 years of experience in the resource industry, most recently with Continental Gold Ltd. Over the course of her career, she has provided strategic counsel to several public and private companies of varying size and jurisdictions including, exploration to production stages and managed programs targeting institutional and retail investors, financial media and community and stakeholder engagement to develop increased visibility and sustainable liquidity. She sits on the Board of the Canadian Investor Relations Institute (CIRI) and the Board of the Down Syndrome Association of Toronto. Ms. Hasan holds a Bachelor of Arts Degree from Trent University.

Additionally, Mr. Ned Goodman has retired from the Board of Directors of the Company. Mr. Goodman has served on the board from April 2013 to February 2014 and rejoined following his resignation from Barrick Gold's board in July 2015. Mr. Goodman is a leading financier and company builder in the mining industry and has served on Excellon's board with distinction.

"We are privileged to welcome Jacques to the board," stated André Fortier, Chairman. "Jacques brings a wealth of experience including, technical and strategic insights that are key during this transformational phase of growth at Excellon. His appointment complements the diverse nature of our board with now finance, operational, geological, and engineering capabilities.

Mr. Fortier continued, “With great regret we note the retirement of Ned Goodman from the Board of Directors. There is no greater champion of the mining industry and he has done more to ignite companies and discoveries than virtually any investor in the space. It has been a distinct honour and pleasure for us all to serve with him over the past years.”

“We are delighted to appoint Nisha Hasan as Vice President Investor Relations,” stated Brendan Cahill, President and Chief Executive Officer. “She has been an integral part of our team since joining us in 2013 and has been the key contributor in enhancing Excellon’s public image in recent years.”

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 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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