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EXCELLON REPORTS FIRST QUARTER 2017 FINANCIAL RESULTS AND UPDATE ON OPTIMIZATION PLAN

Toronto, Ontario – May 10, 2017 – Excellon Resources Inc. (TSX:EXN; TSX:EXN.WT; OTC:EXLLF) ("Excellon" or the "Company") is pleased to report financial results for the three-month period ended March 31, 2017 and provide an update on the ongoing mine optimization plan (the "Optimization Plan") at the Company's Platosa Mine.

Q1 2017 Financial Highlights

- **Revenue of $3.4 million (Q1 2016 – $4.3 million)**
- **Production of 205,314 silver equivalent ("AgEq") ounces (Q1 2016 – 363,552 AgEq ounces)**
- **Mine operating loss of $1.2 million (Q1 2016 – earnings of $0.4 million)**
- **Adjusted net loss of $1.9 million or $0.03/share (Q1 2016 – adjusted net loss of $0.7 million or $0.01/share), excluding non-cash financing costs associated with outstanding convertible debentures (the "Debentures") issued in November 2015**
- **Cash, current accounts receivable and marketable securities totaled $5.7 million at March 31, 2017 (December 31, 2016 – $7.6 million)**
- **Net working capital totaled $6.2 million at March 31, 2017 (December 31, 2016 – $8.6 million)**
- **Sale of Osisko Mining Corporation ("Osisko") common shares at CDN$5.29/share in early April 2017 for net proceeds of $3.3 million, realizing 350% gain since DeSantis Property sale transaction was announced in December 2015**

Q1 2017 Operational Highlights

- **Optimization Plan nearing completion, with 90% of project completed to date**
- **Continued positive results from Optimization Plan, with drawdown since April 1st of 2.83 metres, higher than forecast at current pumping rates, with pumping rates increasing**
- **Six of 12 submersible pumps operating, with well-cleaning and pump installation ongoing and four additional submersibles to be installed in coming week**
- **Primary booster station running at full capacity, with second booster station at 66% capacity and moving to full capacity next week**
- **Higher grade ore now being accessed in Rodilla and Guadalupe South, with improved production results expected in Q2**

"During the first quarter, we completed material spending on our Optimization Plan and we are now seeing rapid improvements in mining conditions day-by-day at Platosa," stated Brendan Cahill, President and Chief Executive Officer. "Production was difficult during the quarter as we were producing from mineralization outside of the Rodilla manto, but development was completed to position us well for the remainder of the year. We also made key investments during the quarter to support dewatering infrastructure and additional equipment purchases. During the second quarter, we expect improved tonnage and grades relative to recent quarters as we have now regained access to the main body of Rodilla and the next level of the high grade Guadalupe South Manto, with the 623 Manto targeted for production by early June. The second quarter will be a transitional quarter for production as we move to dry mining conditions for the remainder of the year."

Financial Results

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

('000s of USD, except amounts per share and per ounce)	Q1 2017	Q4 2016	Q1 2016
Revenue (1)	**3,413**	3,354	4,261
Production costs	**(4,025)**	(3,620)	(3,269)
Depletion and amortization	**(546)**	(696)	(605)
Cost of sales	**(4,571)**	(4,316)	(3,874)
Earnings (loss) from mining operations	**(1,158)**	(962)	387
Corporate administration	**(1,335)**	(1,214)	(654)
Exploration	**(564)**	(809)	(137)
Other	**1,713**	(1,112)	367
Impairment of mineral rights	**-**	-	-
Royalty Income	**-**	-	-
Net finance cost	**1,263**	2,367	(1,980)
Income tax recovery	**(754)**	1,674	125
Net loss	**(835)**	(56)	(2,626)
Adjusted net loss (2)	**(1,917)**	(2,489)	(736)
Loss per share – basic	**(0.01)**	(0.00)	(0.05)
Adjusted profit/loss per share – basic	**(0.03)**	(0.03)	(0.01)
Cash flow from (used in) operations (3)	**(1,437)**	(3,147)	261
Cash flow from (used in) operations per share – basic	**(0.02)**	(0.04)	0.00
Production cost per tonne (4)	**337**	251	222
Cash cost per payable silver ounce ($/Ag oz)	**22.44**	18.48	10.38
All-in sustaining cost ("AISC") per silver ounce payable ($/Ag oz)	**61.96**	71.17	16.98
Adjusted AISC per silver once payable (5)	**42.48**	48.49	16.98

(1) Revenues are net of treatment and refining charges.
(2) Adjusted net losses reflect results before fair value adjustments on embedded derivatives and warrants related to the Debentures (as defined below) (Q1 2017 – $1.1 million gain; Q4 2016 – $2.4 million gain; Q1 2016 – $1.9 million loss. The fair value adjustment derives from the performance of the Company's stock during each period (Q1 2017 – $1.64 to $1.60; Q4 2016 – $1.88 to $1.64; Q1 2016 - $0.31 to $0.61), resulting in significant variances 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 payable silver ounce excludes the relatively one-time sustaining capital expenditures associated with the "Platosa Optimization Plan", described below (associated cash expenditures were $2.3 million in Q1 2017, $2.8 million in Q4 2016).

During Q1 2017, net revenues decreased by 20% to $3.4 million (Q1 2016 – $4.3 million) due to 34% lower silver equivalent payable ounces produced of 215,922 oz compared to 329,200 in Q1 2016, somewhat offset by a 16% improvement in silver prices and improved offtake terms.

Cost of sales, including depletion and amortization, increased by 18% compared to Q1 2016. A primary contributor to the increased cost of sale was a general increase in electricity prices from $0.06/kwh to $0.09/kwh. Additionally, inventory adjustments were made for concentrate produced in December 2016 and delivered in Q1 2017. 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.

The Company recorded a net loss of $835,000 in Q1 2017 (Q1 2016 – net loss of $2.6 million). The Company's adjusted net loss of $1.9 million in Q1 2017 reflects the period's results before recording a $1.1 million fair value adjustment gain on embedded derivative and warrants relating to the Debentures in accordance with IFRS (Q1 2016 – $1.9 million loss) as the stock price decreased from $1.64 to $1.60 (Q1 2016 – an increase from $0.31 to $0.61). Further contributors to the adjusted net loss included: (i) the aforementioned decrease in revenues, (ii) a 17% increase in cost of sales, (iii) a 104% increase in corporate G&A, primarily relating to non-cash stock compensation granted during the period, with no similar grant in the comparable period, and (iv) increased exploration costs as drilling resumed at Platosa. Income during Q1 2017 included (i) a $1.5 million unrealized gain on marketable securities from the increased value of the Company's holding of 837,000 Osisko common shares (the "Osisko Shares"). The Osisko Shares were sold in April 2017 at CDN$5.29/share for net proceeds of $3.3 million, realizing a gain of over 350% since the announcement of the transaction to sell the DeSantis Property for the Osisko Shares in December 2015.

General and administrative expenses of $1.3 million increased by 104% during Q1 2017 compared to $0.6 million in Q1 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 Q1 2017 increased compared to $0.5 million in Q1 2016 as (i) three new officers and two new directors joined the company in the second half of 2016 and early 2017, (ii) increased cash board compensation and (iii) the Company upgraded IT infrastructure and communications systems.

The Company spent $0.5 million on exploration in Q1 2017 (Q1 2016 – $0.1 million) as it continued surface and underground drilling program at Platosa, with an additional 1,206 metres drilled from surface and 1,130 metres drilled from underground in the quarter. The Company has drilled a total of 6,900 metres since the commencement of the program in 2016.

The Company continued to incur elevated capital expenditures during the period, with $2.3 million relating to the Optimization Plan and $0.5 million relating to mine development and mining equipment. As the Optimization Plan continues to move towards completion, a continuous review of capital expenditure programs ensures the Company's capital resources are utilized in a responsible and sustainable manner to conserve cash in advance of a return to positive cash flow at Platosa. See "Optimization Plan Update", below, for a further discussion of advances on this project.

Cash costs net of byproducts (or Total Cash Costs) of $22.44/ounce (Q1 2016 – $10.38/oz) increased due to increased cost of sales and a 22% decrease in byproduct credits resulting from lower lead and zinc production. These factors were somewhat offset by lower treatment charges and refining charges ("TC/RC"), resulting from lower delivered tonnes and improved offtake terms relative to Q1 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 expected as the Optimization Plan takes effect.

The Company's adjusted AISC per silver ounce payable of $42.48 in Q1 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 share-based payments of $0.6 million, reflecting non-cash share based compensation issued to officers, directors and consultants in the period, and (iii) increased exploration expenses. Non-adjusted AISC of $61.96 in Q1 2017 (Q1 2016 – $16.98/oz) included significant one-time capital and development costs of $2.3 million associated with the Optimization Plan, primarily relating to the purchase of pumping equipment along with well-drilling and engineering costs. Over the coming periods, the Company expects to eliminate the "Adjusted AISC" metric as expenditures on the Optimization Plan are completed. Additionally, AISC is expected to decrease as drier 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 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 financial statements for the three month ended March 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", "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 year ended March 31, 2017, for a reconciliation of these measures to reported IFRS results.

Optimization Plan Update

As further described in the Company's annual information form (the "AIF"), the Company has developed an Optimization Plan to more effectively dewater Platosa through an enhanced well-pumping system. The Optimization Plan will maintain and increase a localized "cone of depression" of the water table around the mine workings, ultimately resulting in dry mining conditions at Platosa. Under dry mining conditions, the Company expects to achieve higher rates of production at lower costs relative to current and historical production at Platosa. Refer to the AIF for a summary estimates on Platosa production rates and costs subsequent to the completion of the Optimization Plan.

Since the beginning of 2017, the Company has completed the drilling of dewatering wells, completed the installation and commissioning of the primary and secondary booster stations and installed six of a planned 12 submersible pumps. Currently, the primary booster station is at full capacity, while the secondary booster station is at 66% capacity. The secondary booster station will reach full capacity as additional flow is directed to the station and additional submersible pumps come on line. Well cleaning and submersible pump installation is ongoing and the implementation phase is nearing completion. The Company expects to achieve dry mining conditions during Q2 2017.

Drawdown rates continue to exceed the Company's forecasts, with a local drawdown of the water table of 2.83 metres since April 1st at an average pumping rate of 18,500 gpm, with the Company's original forecast expecting a drawdown of 2.31 metres over such period at that pumping rate. Pumping rates will increase significantly as additional submersibles are installed. The deepest development heading (730 ramp at level 958) is now less than nine metres below the water table, with production headings now less than five metres below the water table.

Production Highlights

Mine production for the periods indicated below were as follows:

		Q1 2017[(1)]	Q4 2016[(1)]	Q1 2016[(1)]
Tonnes of ore produced		12,064	15,320	12,778
Tonnes of ore processed		11,934	14,417	14,720
Ore grades:				
	Silver (g/t)	317	375	483
	Lead (%)	2.89	3.52	4.80
	Zinc (%)	4.12	4.80	6.15
Recoveries:				
	Silver (%)	89.8	90.0	91.6
	Lead (%)	81.3	81.1	83.6
	Zinc (%)	81.8	81.3	79.3
Production:				
	Silver – (oz)	108,118	159,524	211,557
	Silver equivalent ounces (oz) [(2)]	205,314	305,934	363,552
	Lead – (lb)	610,033	903,763	1,318,916
	Zinc – (lb)	872,976	1,248,022	1,588,778
Payable: [(3)]				
	Silver ounces – (oz)	116,128	126,773	193,514
	Silver equivalent ounces (oz) [(2)]	215,922	241,867	329,200
	Lead – (lb)	698,023	740,812	1,251,340
	Zinc – (lb)	837,733	955,415	1,345,013
Realized prices: [(4)]				
	Silver – ($US/oz)	17.99	16.70	15.48
	Lead – ($US/lb)	1.04	1.03	0.81
	Zinc – ($US/lb)	1.28	1.22	0.81

(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.

Ore production during the first quarter was primarily from the Rodilla Manto, with minimal tonnage from the Guadalupe North and South Mantos. In Rodilla, primary working faces continued to be in the deepest parts of the mine where ore is below the water table. As a result, production was restricted, with approximately 90% of production from the 674 heading, outside of the Rodilla resource area. The Company extracted high-grade, narrow mineralization on this heading through much of the quarter with dry mining conditions. The narrow and somewhat erratic nature of the mineralization led to increased dilution on the heading, which negatively impacted grades.

During the quarter, development focused on accessing ore faces within the Rodilla block model and, by early April, operations were again accessing higher-grade ore on multiple faces from Rodilla in increasingly drier conditions. During the second quarter, the Company expects production will continue from Rodilla on multiple headings, access to the Guadalupe South Manto will be regained from the 892 heading in May and development will access the 623 Manto during June from the 892 heading.

Qualified Person

Michael Verreault, Ing., has acted as a Qualified Person as defined in NI 43-101 for disclosure in respect of the drawdown rates referenced in this release. Mr. Verreault has a Masters in Applied Science (Hydrogeology) and 15 years of relevant experience focused on hydrogeology. He is a certified professional engineer (OIQ 125243) by the Ordre des ingénieurs du Québec and is President of Hydro-Ressources Inc. Mr. Verreault is independent of the Company and visited Platosa several times during the preparation and ongoing implementation of the optimization plan referenced herein.

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.

For Further Information, Please Contact:

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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.