

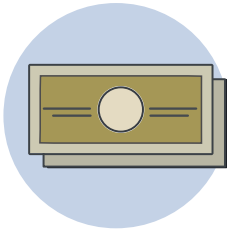
2017



**CORPORATE RESPONSIBILITY REPORT:**  
EMBARKING ON THE JOURNEY

# EXCELLON

RESOURCES INC.



REVENUE  
**\$21.2 Million**

### PRODUCTION



**667,370**  
payable oz Ag



**5,219,258**  
payable lb Zn



**4,134,184**  
payable lb Pb

**320**  
EMPLOYEES



### TOTAL RECORDABLE INJURY FREQUENCY

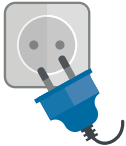
**-59%**  
YEAR OVER YEAR



### LOST-TIME INJURY FREQUENCY

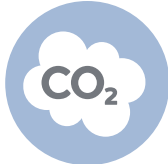
**-35%**  
YEAR OVER YEAR

### TOTAL ENERGY CONSUMPTION



**139,567 GJ**

### TOTAL GHG EMISSIONS SCOPE 1, 2



**21,098**  
TONNES CO<sub>2</sub> EQ.



### TOTAL WATER RECYCLED

**44,835,256 m<sup>3</sup>**

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Top: Commissioning of new bolters at Platosa that increase efficiency and enhance workers safety

Bottom: Miguel Auza staff with elementary school students demonstrating the types of household waste and how they should be handled.

## WHO WE ARE

Excellon Resources Inc. is a TSX-listed silver and base metals producer headquartered in Toronto, Canada. We mine Ag-Pb-Zn ore from our Platosa underground mine located near the town of Bermejillo, Durango, Mexico. Ore is crushed at Platosa and then trucked approximately 230 km to our wholly-owned concentrator facility located in the town of Miguel Auza, Zacatecas, Mexico. Following flotation separation, we produce lead-silver and zinc-silver concentrates consisting of sulphide minerals; tailings from the process are stored in an engineered tailings management facility (TMF) located 1 km from the concentrator facilities. Concentrate is trucked to third-party customer port facilities at Manzanillo, Colima, Mexico. Our customers produce metals by processing the concentrate using pyrometallurgical (smelting) processes. We are paid on payable metals, defined as the contained metals in the concentrates, net of payable metals deductions. We are also charged treatment and refining charges at agreed rates as determined in the offtake agreements with our customers. Our customers then sell these metals to end-use customers through commodity markets.

We report our financial results in United States dollars (US\$) and all financial information is in US\$ unless otherwise noted. Sales of metal in 2017 were 667,370 payable ounces of silver, 5,219,258 payable pounds of zinc and 4,134,184 payable pounds of lead. Revenues were \$21.2 million and net loss was \$5.7 million for the year. The total capitalization of the Company at December 31, 2017 was \$57,308,000, consisting of \$45,671,000 equity and \$11,637,000 liabilities. Our market capitalization at December 31, 2017 was C\$174.6 million. Our consolidated financial statements include financial results from the following entities:



1. Excellon Resources Inc. (Parent Company)
2. Excellon Holding Inc. (Ontario, Canada)
3. Excellon Resources Investments (Barbados) Inc. (Barbados)
4. Excellon Resources (Bahamas) Ltd. (Bahamas)
5. Silver Eagles Mines Inc. (Ontario, Canada)
6. Lateegra Gold Corp. (Ontario, Canada)
7. San Pedro Resources, S.A. de C.V. (Mexico)
8. Minera Excellon de Mexico S.A. de C.V. (Mexico)
9. Servicios Mineros San Pedro, S.A. de C.V. (Mexico)
10. Prestadora de Servicios Miguel Auza, S.A. de C.V. (Mexico)
11. Excellon New Mining Projects, S.A. de C.V. (Mexico)

There were no material changes to our size, structure, ownership, or supply chain during the period covered by this report.

## MESSAGE FROM BRENDAN CAHILL – EXCELLON’S PRESIDENT AND CHIEF EXECUTIVE OFFICER

Welcome to our 2017 Annual Corporate Responsibility Report – Embarking on the Journey, our first public reporting of our corporate responsibility (CR) performance. As you read this report we hope that our commitment to openness and transparency will be clear. We have made much progress on our journey but further work remains to achieve our expectations.

This report reflects our CR evolution and the significant changes made to improve our operational and financial performance and facilitate our growth plans. At our Platosa Mine, we addressed material operating challenges that long restricted our production. These improvements allowed us to achieve four consecutive quarters of improved production and costs, with more progress underway. Our team also evolved, with several key additions to our board, management, and business unit staff. We now have a strong, multi-disciplinary team that is poised to grow the company.

We are significantly ramping up our exploration efforts at both Platosa and Miguel Auza. We put boots back on the ground in 2017 and commenced an extensive surface exploration program at Platosa, with several high-priority targets identified and currently being drilled as part of a 30,000-metre program. We also commenced an exploration program at Miguel

Auza, located on the prolific Fresnillo silver belt, which has produced over four billion ounces of silver historically, and recently recommenced drilling on the project for the first time since 2010. We are excited to be drilling again on what we believe are two world-class projects.

We recognize that, to ensure privilege to operate, achieve our growth objectives and realize competitive advantage amongst our peer group, we must achieve CR excellence. We must address our material CR risks by bringing a more structured approach to the CR elements of our business, starting with the development of an operationally focused management framework, with our values at the apex. We are in the process of implementing this framework, along with standards, to address all material and emerging CR aspects and impacts based on experience and evolving international best practice.

Most importantly, we focused on improving our safety performance and culture through introducing a series of standards, hazard recognition, training, and workplace interactions, among other initiatives. As a result, our trailing safety performance improved considerably. Our progress was overshadowed by a serious injury to one of our employees in late 2017. This event redoubled our commitment and efforts to protect our people. We acknowledge there is much more

work to be done; in the remainder of this report you will read about our actions to achieve CR excellence.

In this report, we also begin the process of aligning our public reporting with the Global Reporting Initiative standards. We hope that the information contained here will help employees, local communities and other communities of interest have a clearer picture of our business and CR performance. We also trust that the report contains information that investors and the broader financial community can use to evaluate how we manage the CR-related aspects and impacts of our business. We believe that values and CR performance matter to investors, and reflect the quality of management.

2018 promises to be an exciting year in our growth story as we continue to see the results of our efforts, both operationally, exploration-wise and through our commitment to CR. These efforts are the result of much hard work by our employees – thank you to the entire Excellon team for your diligence and dedication in what we have achieved so far. We look forward to reporting on our continued progress in our next CR Report.



## ABOUT THIS REPORT

This report presents our corporate responsibility performance from January 1 through December 31, 2017. Corporate Responsibility (CR) at Excellon encompasses health and safety, environmental protection, community relations, community development/social investment, human rights and government relations. This report describes the material aspects and impacts and our performance against this scope.

This is our first annual CR report. The decision to begin reporting is an important step for us since we are at an early stage in our CR journey. Nevertheless, we believe that portraying our current status, presenting our material aspects and impacts and our future plans will help our employees and other communities of interest (COI) better understand our commitment to achieving CR excellence and our corporate values of openness and transparency. Since this is our first annual CR Report, there are no restatements or significant changes in the scope and boundaries of this report.

We are taking a measured approach to reporting with the expectation it will evolve, expand and improve over the coming years. This report was prepared considering the requirements of the Global Reporting Initiative (GRI) Standards (2018). We are not, however, “in accordance” with the GRI Standards at this time. We expect to evolve to an “in accordance” GRI reporting entity over time. Moreover, we have not sought external assurance for this inaugural annual CR Report.

The GRI indicators included in this inaugural report were selected on the basis of their materiality at both Platosa and Miguel Auza. We took a practical approach by asking “What are the most important safety, health, environmental and community aspects that we were focused on in 2017?” Largely, this meant focusing on the basics, including trailing injury statistics, environmental compliance and incident reporting and formalizing our community relations efforts. We report against all of the indicators contained

in the Mining and Metals Sector Disclosure supplement, regardless of their applicability – this means that we report several indicators involving aspects and impacts not present in our Company at the time of reporting, such as resettlement and impacts on traditional lands of indigenous peoples, among others.

If you have questions about this report, please contact Craig Ford, Vice-President, Corporate Responsibility. [cford@excellonresources.com](mailto:cford@excellonresources.com)



*A mural underground at Platosa reminding workers to care for their families and spouses*

## OUR WORKFORCE

We have 320 employees, most of whom are located at the Platosa mine (76 percent) and Miguel Auza concentrator (21 percent) operations. Our salaried staff at Platosa and Miguel Auza are non-unionized management staff consisting of management, supervisory and office administration employees. Our labour workforce includes our unionized hourly workers and third-party contractors who are engaged for specialized services (e.g. water management consulting, diamond drilling services) on an as-needed basis. At Platosa we have 72 non-unionized staff and 171 unionized workers. At Miguel Auza, there are 23 non-unionized staff and 45 unionized workers. Women constitute 8 percent and 18 percent of the workforce at Platosa and Miguel Auza respectively; overall our workforce in Mexico is 10 percent female. As of December 31, 2017 we had 51 contractors at Platosa and 4 contractors at Miguel Auza.

Overall, 69 percent of our workforce is covered by collective bargaining agreements. Our collective bargaining agreements have two-year terms; the current Platosa agreement is due for renewal in 2019. The agreement at Miguel Auza is under negotiation. We negotiate remuneration annually. There are 9 full-time employees in the Toronto head office and one contractor; four of these employees are women.

## OUR SUPPLY CHAINS

Our business, like many natural resource-related businesses, is characterized by having long upstream and downstream supply chains. We need many inputs to support both our mining and mineral concentrating processes, including diesel fuel, cement, steel support elements, drill bits, steel grinding balls and chemical reagents. Many inputs are available and sourced locally and regionally within Mexico; these are either fabricated locally and regionally or are fabricated outside of Mexico but procured from Mexican distributors. However, there are some specialty products that are not available locally or within Mexico, which we must procure and import, primarily software and specialty consulting expertise. The length of our supplier supply chains vary depending on how specialized the inputs into their products are and whether such inputs are available locally. The labour intensity associated with our inputs varies considerably, depending on the nature of the input.

Our downstream business relationships involve transportation companies who transport our ore from Platosa to Miguel Auza and the concentrate products from Miguel Auza to our customers. Ownership of the concentrate passes to our customers at the gates of their port facilities in Manzanillo, Mexico.

## VALUES, MISSION AND ORGANIZATIONAL ETHICS

In 2017, the executive management team sat down to align on our values and mission. Clearly articulating our values and mission provides a foundation for the company to help all employees and other COI understand what is important and to ensure that we are held accountable.

### MISSION

**To become a premier precious metals producer by capitalizing on generational opportunities and striving to always do better for our shareholders, employees and neighbouring communities.**

### VALUES

#### Responsibility and accountability

- The health and safety of our people is foremost. We continually improve working conditions. We will not operate if we cannot operate safely.
- We live in the communities and projects where we explore and operate. We respect the cultures we encounter and seek to increase our engagement. We continually strive to understand and reduce our environmental footprint, and act as stewards of air, land and water.
- Our business must generate returns for our stakeholders from smallest to largest for the long term.

#### People are our greatest asset

- We value people. Elevating people through respect, dialogue and collaborative development plants the roots of talented, creative and diverse operational teams and sustainable local communities.

#### We build and maintain trust

- We believe that honest, open and transparent communication with our stakeholders creates the most powerful currency of all: Trust.

#### We embrace collaboration

- We welcome innovation, ideas and perspectives from all stakeholders, both internal and external. We never say “no” without first evaluating “how”.

#### We are driven to evolve

- Our curiosity drives constant evolution. We do not accept that perfection exists. We can always be better.

#### We are resilient

- Our resilience through the challenges of mining generates new opportunities and value for all of our stakeholders.

#### We are committed to quality

- We are building a business that can thrive under any market condition, by focusing on exploration, development, production and acquisitions that enhance our profitability and cash flow on a per share basis.



## VALUES, MISSION AND ORGANIZATIONAL ETHICS

Our mission and values form a touchstone that is incorporated into our CR strategic objectives, targets and our management system. Our values are not prioritized; conceptually we see our values as components in a fabric that stretches and adjusts to the stresses placed upon it. This fabric is the link between our values and materiality; the magnitude of CR materiality determines how the fabric responds and which values take greater precedence in our decision-making. Regardless, CR-related values take precedence over others.

The mission and values were endorsed by the Board of Directors and are also incorporated into our Code of Business Conduct and Ethics (CBCE), which clearly articulates our expectations of all employees when confronted with potentially difficult decisions regarding how to conduct themselves in the course of business on behalf of Excellon. Our CBCE can be found [here](#).<sup>1</sup> The Audit Committee is responsible for overseeing the implementation and operation of the CBCE. We provide training on the requirements of our CBCE to all new employees and to existing directors, officers, and employees on an on-going basis. On an annual basis, all directors, officers and employees are required to certify that they have complied with the requirements of the Code. We also have a Whistleblower Policy that provides for the confidential reporting of unethical behaviour or business practices and protects those who report will be protected from retribution.

Employees who have concerns about organizational ethics, including conflicts of interest, sexual harassment, etc. are, in the first instance, encouraged to report concerns to their immediate supervisor. In the event that the employee is not comfortable doing so, we have established a confidential email address where such complaints can be lodged formally with the Chair of our Audit Committee who receives and organizes the investigation of all complaints and recommends actions to address complaints that are judged to be credible. There was one such complaint lodged via our confidential email address in 2017. The complaint addressed a number of topics; analysis indicated these were not ethics- or fraud-related and were instead management-related. Management was notified and the issues identified were addressed. The complainant was notified that the complaint was received and would be investigated. Our Anti-Bribery and Corruption Policy is being revised to incorporate a new reporting process.



*Leadership training for supervisors at Platosa*

1. [http://www.excellonresources.com/\\_resources/governance/Governance\\_-\\_2014-04-29\\_\\_\\_Amended\\_Code\\_of\\_Business\\_Conduct\\_and\\_Ethics.pdf](http://www.excellonresources.com/_resources/governance/Governance_-_2014-04-29___Amended_Code_of_Business_Conduct_and_Ethics.pdf)

## OUR CORPORATE RESPONSIBILITY JOURNEY AND APPROACH

The CR journey we have undertaken is one of an exploration company becoming an operating company, working to overcome material operating challenges that threatened our viability, largely moving past those and evolving into a stable producer with ambitious growth objectives. A big part of our growth has been the recognition that, to achieve our growth objectives, we had to commit to CR excellence to address our material risks, improve our operational performance, create opportunities, forge trust-based relationships with local communities and a broad range of other COI to obtain privilege to operate and build business value.

In 2012, our President and Chief Executive Officer (CEO), Brendan Cahill, was appointed to the role to address on-going operating challenges at our Platosa mine and in the aftermath of protests at the operation that shut down production for three months. The protests were triggered by a dispute between two rival unions, one of which was aligned with an advocacy non-governmental organization (NGO). The union and the NGO together blockaded Platosa to achieve objectives that could not be met through lawful means. The protests and blockades were ultimately resolved by local residents who valued the role

Platosa plays in their community. The experience confirmed that the CR aspects we faced were potentially material and a decision was made to begin addressing the safety, health, environmental and community challenges with more rigour.

As a first step, we joined the Mining Association of Canada (MAC) to demonstrate our commitment to CR excellence publicly and to begin the process of implementing MAC's Towards Sustainable Mining (TSM) program. Our President and CEO is a member of the MAC Board of Directors and our Vice-President, CR is a member of the TSM Governance Team and the International Social Responsibility Committee. A TSM gap analysis was performed in 2014 and confirmed a very basic level of alignment with TSM. Soon after we began to experience significant operating challenges at Platosa because of increased inflow of ground water into the underground workings. These challenges diverted all energy and available capital to solve the water-related issues, which adversely affected our profitability. Essentially, the water level underground could not be reduced sufficiently to allow us to consistently produce ore and develop the deeper parts of the mine.

In 2016, a comprehensive capital program was initiated to install the infrastructure required to address the water inflows, lower water levels in the mine and provide a long-term solution to the operating issues. At the same time, new executives were added to strengthen the operating, engineering and geology-related aspects of the company. These steps began to take effect by the end of 2016 which allowed us to begin to act to improve our CR systems and performance. We hired an experienced executive as Vice-President, CR in late 2016 to bring much-needed focus to our efforts to achieve CR excellence.

Our strategic approach is focused on bringing more structure and discipline to the elements that comprise CR to improve performance over time and enhance the conditions that create stability and trust-based relationships at Platosa and Miguel Auza. An underlying principle of our approach is to do no harm and to bring a net benefit to society as a result of our activities. Moreover, we know that CR excellence will position us as leaders within our peer group, leading to competitive advantage as we identify opportunities for growth.

## STRUCTURE AND GOVERNANCE

As a public company, we are governed by a Board of Directors composed of professionals with governance, financial, legal, executive and operating experience and expertise. Our CEO is a Board member; all other directors are independent, including the Board Chair. We have one female Board member; none of our Directors are members of under-represented groups or represent key COI. Profiles of our Board members are available [here](#)<sup>1</sup>.

Directors are selected by the Nominating and Corporate Governance Committee, which is responsible for identifying potential Board members based the expertise and experience required for an effective and high-performing Board. The Committee considers a wide range of criteria when selecting potential Board members, including diversity. Directors are proposed for election annually at the Annual General Meeting of the Company.

The following Board committees have been developed to review and report on specific matters:

- Audit Committee;
- Compensation Committee;
- Nominating and Corporate Governance Committee;
- Corporate Responsibility and Technical Committee; and
- Special Opportunities Committee.

Details of each committee, including their respective charters, are available [here](#)<sup>1</sup>. The Special Opportunities Committee was created in early 2018. Our Chief Financial Officer (CFO) reports to the CEO and has executive-level oversight for economic and financial aspects of the Company; this position is overseen by the Audit Committee. Executive management is responsible for developing and executing the values and mission, strategic objectives and direction of the Company; these are discussed and agreed with the Board.



*Top: Ore being trucked to surface from the ramp at Platosa*

*Bottom: Our Miguel Auza concentrator facility*

<sup>1</sup><http://www.excellonresources.com/company/board-of-directors/>

## STRUCTURE AND GOVERNANCE CONTINUED

Responsibility for oversight of CR issues has been delegated to the Corporate Responsibility and Technical Committee (CR&T Committee). As described in the committee charter, the CR&T Committee receives reports from management, evaluates CR performance and oversees our CR reporting. The CR&T Committee reviews the material aspects and impacts and management's approaches, actions and results in managing these. At present, the CR&T Committee does not incorporate direct feedback from COI in their oversights of CR matters. The Committee meets four times annually to discharge its oversight responsibilities. The Committee members reviewed and commented on a final draft of this report.

Responsibility for CR issues has been delegated to the Vice-President, Corporate Responsibility (VP, CR). This role is based in Toronto and is part of the executive leadership team. In this role, the VP, CR is responsible for developing and overseeing implementation of the CR management framework, including the CR Policy, strategic objectives and targets and management system, monitoring performance and working with executive and operational leaders to improve performance. The VP, CR has a dotted line reporting relationship with the business unit General Manager and to the business unit CR professionals.

Interaction with the Board is primarily managed by our CEO and this is the primary method for communicating important issues. Our CR Standard on incident classification also defines criteria for communicating high-severity CR incidents to the Board outside of regularly-scheduled Board and Committee meetings. The CR&T Committee reviews the CR-related incidents deemed important during regularly-scheduled meetings.

We have one General Manager who has overall responsibility for operations at both Platosa and Miguel Auza; this role also has direct responsibility for operational CR matters. In turn, business unit safety, health, environmental and community professionals have responsibility for ensuring compliance with applicable legal requirements, overseeing the implementation of our standards, coaching all workers, assisting in training and reporting. We expect all workers, both employees and contractors, to know and comply with our requirements.

## OUR COMMUNITIES OF INTEREST AND HOW WE ENGAGE

We have important communities of interest (COI) at both the corporate and business unit levels. Our most important COI are our employees. Much of our effort in CR and by our Human Resources staff is designed to ensure that all workers operate within a culture where they work safely and have opportunities to establish productive and enjoyable work careers.

Since we began operating at Platosa and Miguel Auza we have engaged with a broad range of people and groups who we interact with, who have an impact on our business and who our business impacts. Such engagement was typically infrequent and spontaneous, in response to specific issues that could negatively affect us and related to our community-related philanthropic activities.

## COMMUNITIES OF INTEREST CONTINUED

In 2017, we prioritized implementation of structured COI identification, mapping and dialogue processes to bring a consistent approach to engagement with our key COI, beginning at Platosa and then extending to Miguel Auza. We now have an objective register of our COI and have ranked them based on their impact on us and our impact on them. COI engagement plans are then established; these plans describe the way(s) we engage and the prioritization of individual COI. Engagement sessions are documented, and responses are provided on a timely basis to any issues raised during dialogue. These processes bring more discipline to our engagement activities to help ensure that we build resilient, trust-based relationships and maintain and enhance our privilege to operate.

Our COI identification and mapping reinforced that our most important external COI are influential individuals, groups and government representatives in the local communities closest to our Platosa and Miguel Auza business units.

At this stage, our COI engagement continues to progress and grow as we gain confidence that talking to people openly about our activities is not threatening, as we learn to listen, address questions about our activities and as we progress in our efforts to de-couple engagement from our on-going philanthropic activities.

As mentioned above, much of the engagement has historically been conducted in Bermejillo, the community closest to our Platosa mine. The primary issues that we have encountered in our business unit engagement have been concerns about employment, education and healthcare. Our dialogue at Miguel Auza has been informal and is in its infancy. As a result we have not identified specific community concerns beyond the general issues of employment, education and healthcare.

*The following are the general classes of COI engaged at both the corporate and business unit levels. For privacy reasons, we do not identify specific COI.*

*Corporate-level COI engagement on CR issues:*

- Canadian Office of the Extractive Sector Corporate Social Responsibility (CSR) Counsellor

*Business unit-level COI engagement:*

- Primary and secondary schools in Bermejillo;
- Ranchers in the area around Platosa;
- Ejidal groups in the area around Platosa and Miguel Auza; and
- Federal, state and local government representatives.

*The engagement with the Canadian CSR Counsellor focused on an update of our activities, following on from the appointment of the VP, CR.*

## RISK MANAGEMENT

The Board is responsible for overseeing our Enterprise Risk Management (ERM) program. In this role, the Board works with management to promote a “tone from the top” approach to promote a corporate culture and environment that understands the importance of implementing an enterprise-wide risk management system. We began development of a corporate-level ERM process in 2017 to formalize the identification, assessment and management of business risk. We developed a framework and an assessment methodology and began to identify and assess corporate-level risks. Following a review of the framework and assessment process we decided to revise these to ensure that they are fit-for-purpose at this point in our evolution and can be effectively implemented at Platosa and Miguel Auza. The revised process will be kicked off in the second half of 2018.

Since our initial corporate-level assessment is not yet complete, the risks and impacts listed below are primarily based on a knowledge of our business amongst the executive team and our operations leadership.

## OUR MATERIAL RISKS, ASPECTS AND IMPACTS

In identifying our material risks, aspects and impacts for this report we have relied on our knowledge of our business, our activities at Platosa and Miguel Auza and our exploration program, coupled with the knowledge we have of the impacts we have on workers, the environment, in our communities and on certain other external COI (e.g. governments). We expect our systems to mature to the point where we can engage more effectively with external COI in conversations about the material aspects of our business from their perspectives. To be effective, such a process requires that those being engaged have an understanding of us, our business and our impacts. This has not been a focus historically and we are actively working to build such understandings, especially amongst those located closest to our business units in Mexico. We expect to be able to include these important perspectives in future CR reports. For the time being, these material risks, aspects and impacts are strictly from our perspective.



*Top photo: A miner inspecting a working face underground at Platosa*

*Bottom photo: Participation in a mining analysis table for the strategic plan of Durango state government*



## OUR MATERIAL RISKS AND IMPACTS CONTINUED

Despite the fact that no specific engagement with COI was undertaken for this report to, among other things, help identify our material risks, aspects and impacts, we nevertheless feel that we have an understanding of the primary issues of concern to our local community stakeholders and government representatives. We base this knowledge on the fact that we have regular interaction with our COI and our employees are resident in these local communities.

### MATERIAL CR RISKS, ASPECTS AND IMPACTS – PLATOSA INTERNAL

- Compliance with safety and environmental legal requirements
- Worker safety, especially in relation to high consequence hazards underground
- Managing water quality and quantity
- Solid and hazardous waste management
- Management of hydrocarbons and chemicals

### MATERIAL CR RISKS, ASPECTS AND IMPACTS – IMPACTS BY US ON PEOPLE AND THE ENVIRONMENT AT PLATOSA

- Reliance on the water we pump from underground mine workings by local agricultural users
- Land use impacts, especially lands of local ejidal groups
- Water quality
- Air quality
- Employment provided in the community of Bermejillo
- Pay inequality in Bermejillo
- Reliance on Excellon for employment, philanthropic giving and tax base

### MATERIAL CR RISKS, ASPECTS AND IMPACTS – MIGUEL AUZA INTERNAL

- Compliance with safety and environmental legal requirements
- Worker safety, especially in relation to high consequence hazards
- Tailings management
- Managing water quality and quantity
- Solid and hazardous waste management
- Management of hydrocarbons and chemicals

### MATERIAL CR RISKS, ASPECTS AND IMPACTS – IMPACTS BY US ON PEOPLE AND THE ENVIRONMENT AT MIGUEL AUZA

- Water quality
- Air quality
- Noise
- Employment provided in the community of Miguel Auza
- Pay inequality created in Miguel Auza
- Reliance on Excellon for employment, philanthropic giving and tax base

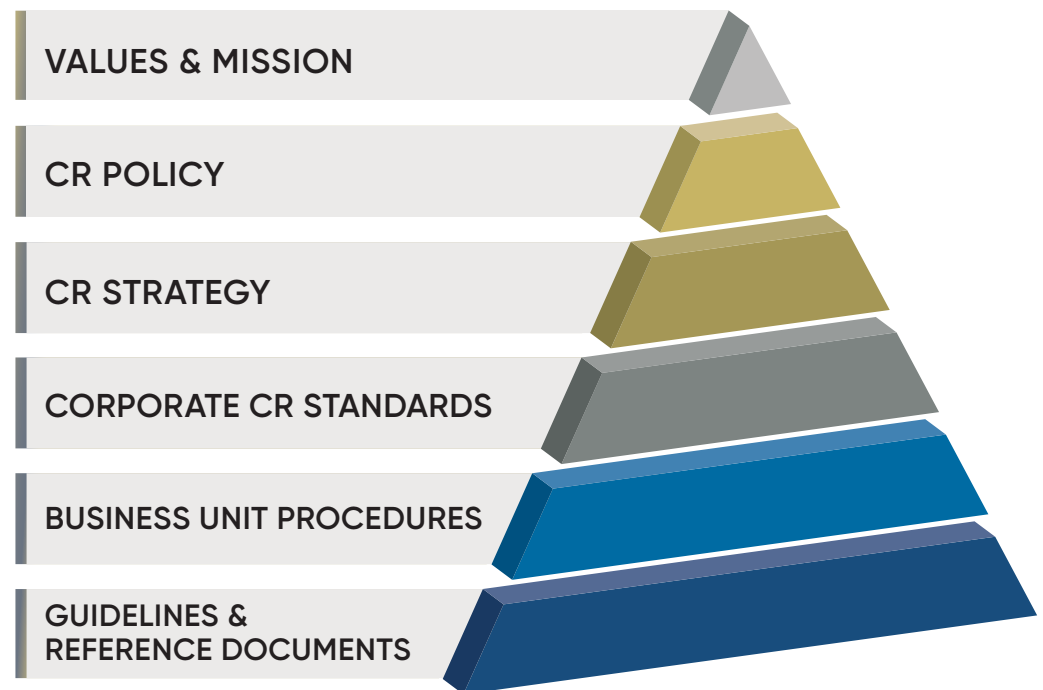
*Ejido: An area of communal land primarily used for agriculture and which are registered under Mexico's National Agrarian Registry. The ejidal system was established as an important element of Mexican agrarian land reform. Members of the ejido are referred to as ejidatarios; ejidatarios do not individually own land within the ejido.*

## OUR CORPORATE RESPONSIBILITY MANAGEMENT FRAMEWORK

In 2017, we made significant progress in our CR journey by establishing a practical, hierarchical and business unit-focused management framework (Figure 1). Our values are at the apex of our framework. The hierarchical nature of the framework means that the elements of each preceding component of the framework cascade down to each successive framework component. For instance, our corporate CR Standards incorporate our values and all elements articulated in our CR Policy and our strategic objectives and targets.

Our CR management framework is best-in-class, fit for purpose at this stage of our evolution and incorporates elements of evolving international best practice. In this way, we can demonstrate CR leadership and excellence, despite our relatively small size. The management framework is the link between our material CR risks and impacts and on-the-ground performance.

Our CR Policy was approved by our Board of Directors in mid-2017. This is our first such policy and incorporates our statements of principle and commitments regarding Corporate Responsibility. We have not yet finalized our strategic objectives and targets, as we felt that our immediate priorities were developing our CR Policy and developing and starting implementation of the priority CR management system standards.



*Figure 1. The EXN Corporate Responsibility management framework.*

## CORPORATE RESPONSIBILITY POLICY

Excellon Resources Inc. is an emerging silver producer focused on responsible growth. Responsible growth means that we will pursue and achieve excellence in health and safety, environmental protection, community relations and development, human rights and government relations. We refer to these increasingly material functional elements of our business as Corporate Responsibility.

Corporate Responsibility excellence is one of the pillars of our company; a pillar that helps deliver exceptional operational performance and build trust-based relationships with local communities and other stakeholders. These attributes build and enhance privilege to operate and our reputation and create opportunity; ultimately, these drive business value.

### TO ACHIEVE CORPORATE RESPONSIBILITY EXCELLENCE, WE WILL:

1. Eliminate fatalities and progress in reducing harm to worker safety and health;
2. Incorporate evolving international best practice by committing to relevant international standards to ensure responsible risk management across the business life cycle;
3. Forge relationships based on trust with a broad range of stakeholders by openly, transparently and continually engaging about our business, listening to concerns and incorporating these into our plans;
4. Respect human rights by developing and implementing policy, due diligence tools, and feedback and monitoring mechanisms;
5. Deliver net positive environmental benefit, to the greatest extent feasible, through strong operational execution, sound science and innovative operational approaches;
6. Locate, design, construct, operate and decommission mine waste management facilities according to requirements of the Mining Association of Canada requirements and other evolving international best practice;
7. Work with local communities to achieve their development aspirations by catalyzing the development of human and institutional capacity and by ensuring our presence maximizes local employment and procurement opportunities;
8. Establish partnerships with civil society organizations that nurture the missions of our respective organizations, help us to further evolve and to bring expertise to the implementation of our commitments;
9. Build open and constructive relationships with all levels of government to facilitate on-going engagement on issues of mutual interest and concern;
10. Establish practical, achievable and operationally-focused strategic plans and objectives that lead to continuous CR improvement in our business;
11. Implement practical, operationally-focused systems to ensure effective management of our business;
12. Measure our performance to ensure that we are meeting our strategy and objectives, to evaluate the success of our approaches and systems, and to identify and execute on opportunities for improvement;
13. Participate with our industry peers in establishing leadership positions and promoting best practice in all aspects of CR;
14. Report transparently and openly on our performance, our challenges and our successes with a wide range of stakeholders; and
15. Assure our reporting and performance against international standards through auditing and external oversight.

#### THIS POLICY APPLIES TO:

- The Company;
- All business units of the Company;
- All directors, officers and employees of the Company and its subsidiaries;
- All agents or authorized representatives of the Company and its subsidiaries; and
- All contractors of the Company and its subsidiaries.

## CORPORATE RESPONSIBILITY CONTINUED

The CR management system is a series of standards that address all material and evolving CR aspects based on experience and evolving international best practice. The standards describe how we expect all material aspects to be managed by describing the “what” and the “how” for each aspect. The requirements of all standards are mandatory, and we expect them to be incorporated into business unit standard operating procedures. Common standards apply across all CR functional areas and address topics such as leadership and understanding legal requirements. Functional standards address specific safety, health, environmental and community aspects. We further decided that eleven of the standards involved topics that have higher-than-normal inherent risk to workers (e.g. energy isolation and working at height); these were designated High Consequence Hazard (HCH) standards and include a higher level of technical detail and prescription, helping us ensure that such hazards are managed 100 percent right and 100 percent of the time to protect workers.

Once the list of CR management system standards was developed, the executive team engaged business unit leadership in a review of these and in prioritizing the standards for development and implementation. We are working on a three-year implementation schedule, prioritizing the most material standards for early action.

For such standards to be effectively implemented, they must be practical to ensure they are supported by business unit management and can be effectively implemented and tracked. The development of our standards involved review of drafts by executives at head office and by business unit leadership. Comments were reviewed, and changes made before the standards were finalized. At this point a standard is considered final and is then provided to the business units for implementation.

A real concern and consideration in our 2017 CR work was not overloading Platosa and Miguel Auza with too many new requirements. We

therefore made a concerted effort to balance our desire to move forward quickly bringing more structure to our efforts with taking the time necessary to ensure proper uptake and development of competence to execute the requirements. We developed and rolled out 16 of our 51 corporate CR Standards in 2017.

### INTERNAL INDICATOR #1: NUMBER OF JOB HAZARD ANALYSES PERFORMED AND DOCUMENTED

Location	Number of job hazard analyses performed and documented 2017
Miguel Auza	36
Platosa	6

### INTERNAL INDICATOR #2: NUMBER OF DOCUMENTED WORKPLACE INTERACTIONS

Location	Number of documented workplace interactions 2017
Miguel Auza	778
Platosa	1,226

### INTERNAL INDICATOR #3: NUMBER OF FORMAL SAFETY MEETINGS 2017

Location	Number of safety meetings
Miguel Auza	464
Platosa	789

## OUR 2017 PRIORITIES

Our priorities in 2017 involved establishing foundational elements of our CR program, including:

1. The CR management framework;
2. Our CR Policy;
3. Components of the CR management system; and
4. The high priority CR standards, focusing particularly on the HCH standards.

Apart from the corporate-level program, our overarching priority in 2017 was improving safety performance, as measured by trailing injury statistics. We took several steps to achieve this objective and to set the stage for longer-term enhancements to workplace culture, including:

1. Improving hazard recognition, particularly involving HCHs;
2. Developing and implementing a training program to help ensure our requirements were understood by all workers;
3. Establishing and implementing a classification, reporting and investigation process to facilitate the identification of root causes and contributing factors for all CR incidents; and
4. Establishing and implementing elements of visible felt leadership (VFL).

## OUR 2017 PERFORMANCE

In this section, we present our 2017 CR performance, broken down by functional area – safety and health, environment and community.

### SAFETY AND HEALTH PERFORMANCE

As mentioned above, our priority for 2017 was to bring more structure and discipline to our CR efforts. Information about past injury performance indicated that there were elevated lost-time injury and injury severity rates at Platosa, and workplace hazard recognition and culture required material improvements. These challenges were compounded by a general lack of documented standard operating procedures (SOP) and training programs. SOPs describe the step-by-step actions that guide work, incorporate the most common hazards that can be encountered and the actions that can be taken to protect workers from the hazards. SOPs are further used as a basis for training, so the general absence of SOPs and training we encountered at the beginning of 2017 were significant deficiencies, especially considering that we have a relatively young and inexperienced workforce.

We started to address the challenges in an orderly way by developing and implementing our HCH standards, starting to clearly communicate our expectations and initiating design of a training program. Because the HCHs address workplace hazards that can have severe injury potential, we felt that starting with these would have the biggest impact on the safety of our workers. The HCHs are supported by a series of ten Life Saving Rules – clear statements of practical steps to protect people from severe hazards. Site-level champions were appointed for each HCH – these senior operational leaders, experienced in the work associated with their respective HCH, are responsible for operationalizing the requirements of each HCH, including the design and delivery of training. By the end of 2017 we had rolled out 8 of the 11 HCHs and had made significant progress in classroom training.

We also introduced an incident classification, investigation and reporting process to ensure that all incidents are recorded and investigated to identify root causes and corrective actions. We worked hard to improve our incident investigation skills to ensure we are properly identifying root causes and contributing factors. Investigations are performed based on the potential severity of an incident, rather than on actual severity. This ensures that we understand the root causes of incidents even if they do not result in actual injury. We also introduced processes to improve our statistical tracking of incidents.

#### INTERNAL INDICATOR #4 NUMBER OF WORKPLACE INSPECTIONS 2017

Location	Number of workplace inspections
Miguel Auza	312
Platosa	240



## SAFETY AND HEALTH PERFORMANCE (CONTINUED)

Our early analysis of safety performance and culture showed that workers were not effectively identifying hazards or taking action to address the hazards. We also discovered that effective conversations were not taking place between workers within teams and between supervisors and workers. To start improving workplace culture, we adopted a visible felt leadership (VFL) program that incorporates practical actions to demonstrate caring and concern about the safety and well-being of workers. Although VFL actions are designed to be practiced by workers at all levels of the organization, the involvement of senior management is essential to the success of VFL. To begin improving hazard identification and increasing workplace conversations, we focused on workplace interactions as the first VFL element to be implemented.

Workplace interactions are open-ended and positive conversations between workers at any level of the organization to observe and interact on work practices to confirm if people are working safely and in accordance with our requirements. We introduced workplace interactions in May and encouraged senior operational leaders to begin the process. Things began slowly and gained momentum over the summer. We have not required formal documentation of the interactions so that we did not divert focus from actually having the conversations. Beginning at the end of the third quarter 2017 both Platosa and Miguel Auza began reporting the number of interactions during regular weekly meetings. Over the final three months of 2017 both business units demonstrated a real commitment to performing interactions and driving the cultural change through all levels of the operational organization. The total number of such interactions reported for 2017 was 1,226 at Platosa and 778 at Miguel Auza. We remain focused on ensuring that the interactions are of high quality.

## LIFE-SAVING RULES

### EXCELLON EMPLOYEES AND CONTRACTORS NEVER:

1. Work on equipment and installations unless all energy sources have been effectively isolated and locked out;
2. Work in water more than 1 m deep without wearing an approved personal flotation device;
3. Work in confined spaces without a work permit and an attendant;
4. Work under ground that has not been properly scaled and supported;
5. Work at heights without fall restraint and/or fall arrest personal protective equipment;
6. Perform hot work without an approved permit and appropriate preventive measures or generate hot spots, flames or smoke in areas of high risk of fire;
7. Handle or use explosives unless trained and authorised to do so, and breach blasting clearance procedures;
8. Operate equipment unless trained, competent and authorised to do so;
9. Work under suspended loads or conduct lifting or rigging activities unless trained and authorised to do so; and
10. Remove or disable machine guarding.

We will provide competency-based training so that all workers understand these Life Saving Rules.

**EMPLOYEES AND CONTRACTORS WHO BREACH A LIFE SAVING RULE SHALL BE TERMINATED AND REMOVED FROM EXCELLON PROPERTY.**

## SAFETY AND HEALTH PERFORMANCE (CONTINUED)

Despite the good progress we made in developing and implementing Life Saving Rules, HCH standards, incident classification processes and workplace interactions and training, our trailing safety performance was overshadowed by a serious workplace injury near the end of the year. While assisting with survey work, a new employee suffered severe electrical shock when an instrument he was using contacted an overhead electrical line. The employee suffered severe injuries and we arranged for him to be transferred to a specialist burn centre in the U.S. for further treatment. The incident investigation showed that proper work planning and hazard recognition would have eliminated the potential for such an injury. Following the incident we conducted a series of safety workshops with 163 employees which explored the organizational, behavioural and cultural barriers that prevent us from taking the next step in our safety journey. We learned that many employees were motivated, often by pay incentives, to perform work to achieve production targets regardless of hazards. We also learned that there was a need to improve the tools to allow workers to perform their work safely.

We obtained a pledge from all employees on the following six safety commitments:

1. Know the rules
2. Follow the rules
3. Identify hazards
4. Fix hazards before performing work
5. Do not do or allow unsafe work
6. Look after each other

This tragic injury reinforced our view that much work remains to be done to implement basic workplace safety elements, including hazard recognition; we hope that we can turn the incident into a turning point for Platosa.

On a consolidated basis, there were 17 lost time injuries reported across the company in 2017. There were two broad types of injuries; minor injuries, often low-energy, that qualify for time off from work when workers are assessed by local hospitals and higher-energy injuries, often related to falls of ground. The first type of injury affects our injury statistics and we are taking steps to eliminate them. However, these low energy incidents have much less potential to result in serious injury to workers. We therefore focused on

the root causes of higher-energy incidents, since these reflect instances where workers are either not effectively recognizing hazards or are taking unacceptable risks.

Statistically, our total recordable injury frequency and lost time injury frequency declined 59 percent and 35 percent, respectively, over the comparable 2016 results. Despite these significant improvements, our results remain elevated compared to industry benchmarks. Our injury severity results increased materially as a result of the tragic electrical shock injury. Our Miguel Auza business unit established 435 days without an injury before a lost-time injury was recorded in November.

We are proud of the significant steps that our business unit leaders and all workers took during the year to adopt our enhanced requirements. We can sense a new level of energy and acceptance that we care and that each worker has the ability to have a positive influence on their personal safety and that of their colleagues. We have a long way to go to achieve the culture we desire but we are seeing the positive effects of our hard work.

## ENVIRONMENTAL PERFORMANCE

The significance of our environmental aspects and impacts at both Platosa and Miguel Auza are comparatively small because of the small size of our operations and associated footprints, coupled with the relative lack of sensitive environmental receptors. In prioritizing our environmental improvements, our primary concern has been ensuring that we understand, document and meet our legal compliance obligations. Our primary environmental aspects are water quantity and quality, solid and hazardous waste management, management of hydrocarbons and chemicals, land use matters relating to our regional exploration program and tailings management at Miguel Auza.

Water is pumped from underground wells that extend below the orebody at Platosa. We dewater the mine to facilitate operations; historically significant inflows of ground water into the underground workings at Platosa have hindered production. Platosa has transitioned from pumping water that flowed from the geologic formations into mine workings to pumping water from wells below the ore to create

a cone of depression that improves working conditions by removing water from work areas before mining commences. Water pumped from Platosa is of generally high quality, meeting Mexican agricultural quality standards. Thus, effective pumping of significant water volumes is necessary to ensure our viability. Water is a valued resource in the Platosa area because of the relatively dry climate and we have reached agreement with local landowners to effectively manage the water and to facilitate its use in agricultural activities. This is an excellent example of the nexus between operational, environmental and community development aspects that can lead to optimal outcomes for all three.

We had a total of seven environmental incidents combined in 2017 at Platosa and Miguel Auza. Two of these were rated as CR3 on our five-point incident severity scale, with CR5 being the most severe. These were Notices of Violation (NOV), one at each business unit, pertaining to documentation of hazardous waste at Platosa and relating to a scrubber at our laboratory at Miguel Auza. The NOV at Platosa

was accompanied by a fine of MXP 18,495 (approximately C\$1,250) which was partially offset by a community waste management program in Bermejillo. In the Miguel Auza lab scrubber issue, a fine of MXP 30,196 (approximately C\$2,105) was levied and a new scrubber was installed to address the matter.

Four of the five remaining environmental incidents were CR1 or CR2 severity and were related to failures of water pipelines at Platosa. The final incident was the rescue of a protected species of deer that fell into a canal at Platosa. The deer was removed safely from the canal and released.

INTERNAL INDICATOR #5 ENVIRONMENTAL REGULATORY INSPECTIONS 2017		
Location	Jurisdiction	Number of inspections
Miguel Auza	PROFEPA	2
Platosa	N/A	0

**ENVIRONMENTAL PERFORMANCE (CONTINUED)**

Although the development and implementation of environment-related CR Standards was not a high priority in 2017, we introduced two CR Standards during the year that touch on our environmental activities. The first was a standard establishing requirements to know and document our legal requirements and to ensure compliance. The second describes expectations involving environmental monitoring. Implementation of these continues and we expect to perform an environmental compliance audit in 2018 to establish a baseline condition vis-à-vis compliance.

After several months of effort from our team, Miguel Auza was rewarded by receiving the Clean Industry Certification Level I from PROFEPA (Procuraduría Federal de Protección al Ambiente; the agency in charge of the care and preservation of the environment throughout the country, as well as the inspection and monitoring of compliance with laws for environmental protection) in July, 2017. The Clean Industry Certification is a voluntary process that requires a systematic and thorough review of procedures and practices by a third party to evaluate the degree of compliance with both regulated and non-regulated aspects. The objective is to ensure that potential risk situations are identified and that preventive and corrective actions are undertaken. Level 1 focuses on compliance with environmental requirements and Level 2 evaluates performance against specific results. Miguel Auza has now turned its attention to achieving the Level 2 certification.



*Miguel Auza staff receiving the PROFEPA Level 1 Clean Industry Certification*



**ENVIRONMENTAL PERFORMANCE (CONTINUED)**

Platosa implemented a "Sábado Ecológico" ("Ecological Saturday") initiative that identifies areas at the operation that need improved housekeeping. These efforts help clean up items that can be recycled or disposed of and aids in building an improved environmental ethic amongst the workforce.

**SÁBADO ECOLÓGICO**



*Entrance road before*



*Entrance road after*



*Work yard before*



*Work yard after*

## COMMUNITY RELATIONS AND DEVELOPMENT PERFORMANCE

Our experience with the blockade of our Platosa business unit in 2012 and the positive effect that local community residents played in its successful resolution affirmed the importance of community relations to our business. Following the blockade, we hired a full-time Community Relations Manager and opened a community liaison office in Bermejillo to provide a focal point for our presence and, more importantly, be more accessible and responsive to the community. Since then, most of our community-related efforts have been directed at supporting local charitable and humanitarian priorities, primarily those involving education and health. Such efforts have been well-received by the community and have raised the profile and reputation of Excellon. Furthermore, our Community Relations Manager has maintained excellent relationships with neighbouring ejidos and officials at various levels of government.

Despite these positive outcomes, in 2017 we embarked on a journey to broaden, deepen and reorient our community activities to ensure that our local COI better understand who we are, our business, our impacts and our benefits, and that we better understand them, their challenges, concerns, aspirations and our impact (and benefit)

on their lives. This begins to bring a social science focus to our approach to local COI that is less transactional and instead based on our shared values and realities. Such reorientation must be done with care to avoid creating concerns within local communities about the new approach. We must be sensitive to continue the valued charitable activities, while basing future activities on building human and institutional capacity, ensuring that basic human needs are being met and that we understand, and address impacts we have outside of our fence lines.

Historically, genuine COI engagement based on establishing a mutual understanding, was not a priority. To address this, we created two community-related standards; COI identification, mapping and engagement, and site-level grievance mechanism (GM). These establish a foundation for us to understand a broad range of COI, to conduct two-way dialogue, develop deeper understandings and provide a way for local residents to register concerns and incidents involving our business activities.

We completed the COI identification and mapping at Platosa in mid-2017 and then proceeded to develop COI engagement plans. We began dialogue at a measured pace to build comfort with both local residents and our internal staff with these new processes. At Miguel Auza, in conjunction with the start of a regional exploration program, we retained experienced external consultants to assist us in establishing our COI mapping and messages for both the regional exploration program and our Miguel Auza business unit. To their credit, our exploration group recognized the importance of getting community relations "right" from the start and requested assistance. The COI map for the regional exploration program was completed by the end of the year and good progress was made with the Miguel Auza COI mapping.

### INTERNAL INDICATOR #3 NUMBER OF FORMAL COMMUNITY MEETINGS 2017

Location	Number of community meetings
Miguel Auza	1
Platosa	24



## COMMUNITY RELATIONS AND DEVELOPMENT PERFORMANCE (CONTINUED)

Our second priority, creating site-level grievance mechanisms at both Platosa and Miguel Auza, progressed during the year. We began the process at Miguel Auza because we have both operational and exploration activities active in the area. Our GM standard and process incorporates evolving international best practice, including the United Nations Guiding Principles on Business and Human Rights and practical guidance developed by MAC. We held an internal workshop to identify the best way to design and implement the GM, since all employees at Miguel Auza are members of the community. We developed mechanisms for local residents to access the GM and began to design the public materials. Attention will then shift to design and implementation of the Platosa GM, using lessons learned at Miguel Auza. We expect GMs at both Miguel Auza and Platosa to be in place in Q3 2018. In 2017, one formal grievance was registered at Platosa by a local farmer for damage that was done to his property following the failure of a water pipeline. The water damaged a road and we are in the process of making the necessary repairs.

In addition to the new focus and activities, we continued to maintain our relationships in the local community and with local landowners at Platosa. As at Miguel Auza, we are conducting regional exploration activities in the Platosa area, necessitating meetings and agreements with local landowners and ejido for access to their lands for geological mapping and sampling. We take a very respectful approach to such activities, always seeking approval in advance and ensuring that we understand all requirements such access entails. We also ensure that local landowners have a contact person in the event of an issue that needs to be resolved. None of this is rocket science, it is simply respect for our neighbours.



*Top photo: Delivery of construction material for perimeter fence, Jose Vasconcelos School, Bermejillo*

*Bottom photo: Support for the celebration of Student's Day, technical secondary school #2, Bermejillo*

## COMMUNITY RELATIONS AND DEVELOPMENT PERFORMANCE (CONTINUED)

Our community development activities have historically been focused exclusively in Bermejillo and surrounding area at Platosa. In 2017, we helped organize and deliver the following community activities:

- Sessions focusing on vocational guidance for young people who are choosing a career and communicating the skills required for a career in mining.
- Contests with pre-school and primary schools to raise awareness of environmental care for children, drawing contests and ecological costumes.
- Free English courses for the primary schools of Bermejillo, granting this benefit to students who want to learn the language.
- A costume jewellery course aimed at women from Bermejillo who want to start a business which was also complemented with a course on business finance and associated costs to provide them the tools to start their business. We also provided grants to start businesses, in conjunction with the Secretary of Labour of the State of Durango.
- We conducted a vaccination campaign and detection of chronic degenerative diseases aimed at the community in general and also delivered supplies for oral health.
- One of our most significant sessions involved domestic violence awareness to improve the quality of life and detect behaviors in the family dynamic that might require attention.
- We conducted a cancer event with informative talks and with preventive exams for breast and cervical cancer.
- We supported the ejido Puerto de Jaboncillo with infrastructure repairs to help protect the safety of residents during the rainy season.
- We supported the community of Ceballos, which suffered flooding that affected many families. We helped the community by providing construction material, in conjunction with the President of the Mapimi Municipality.



*Top: Delivery of support to elderly and vulnerable people for Christmas*

*Middle: Delivery of gifts for the celebration of Mother's Day in Bermejillo schools*

*Bottom: Presentation of awards for a drawing contest on water conservation in Bermejillo schools*

## GRI INDEX

GRI STANDARD	DESCRIPTION	PRESENT?	LOCATION
<b>GRI 102: ORGANIZATIONAL PROFILE</b>			
102-1	Name of the organization	Yes	1
102-2	Activities, brands, products, and services	Yes	1
102-3	Location of headquarters	Yes	1
102-4	Location of operations	Yes	1
102-5	Ownership and legal form	Yes	1
102-6	Markets served	Yes	1
102-7	Scale of the organization	Yes	1, 4
102-8	Information on employees and other workers	Yes	4
102-9	Supply chain	Yes	4
102-10	Significant changes to the organization and its supply chain	Yes	1
102-11	Precautionary Principle or approach	Yes	7
102-12	External initiatives	Yes	7
102-13	Membership of associations	Yes	7
<b>GRI 102: STRATEGY</b>			
102-14	Statement from senior decision-maker	Yes	2
102-15	Key impacts, risks, and opportunities	Yes	7, 11-12
<b>GRI 102: ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behavior	Yes	5-6
102-17	Mechanisms for advice and concerns about ethics	Yes	6

GRI STANDARD	DESCRIPTION	PRESENT?	LOCATION
<b>GRI 102: GOVERNANCE</b>			
102-18	Governance structure	Yes	8-9
102-19	Delegating authority	Yes	8-9
102-20	Executive-level responsibility for economic, environmental, and social topics	Yes	8-9
102-21	Consulting stakeholders on economic, environmental, and social topics	Yes	9-10
102-22	Composition of the highest governance body and its committees	Yes	8-9
102-23	Chair of the highest governance body	Yes	8
102-24	Nominating and selecting the highest governance body	Yes	8
102-25	Conflicts of interest	No	
102-26	Role of highest governance body in setting purpose, values, and strategy	Yes	8-9
102-27	Collective knowledge of highest governance body	No	
102-28	Evaluating the highest governance body's performance	No	
102-29	Identifying and managing economic, environmental, and social impacts	Yes	11-12
102-30	Effectiveness of risk management processes	Yes	11
102-31	Review of economic, environmental, and social topics	Yes	11-12
102-32	Highest governance body's role in sustainability reporting	Yes	9
102-33	Communicating critical concerns	Yes	9
102-34	Nature and total number of critical concerns	No	
102-35	Remuneration policies	No	
102-36	Process for determining remuneration	No	
102-37	Stakeholders' involvement in remuneration	No	
102-38	Annual total compensation ratio	No	
102-39	Percentage increase in annual total compensation ratio	No	

## GRI INDEX

GRI STANDARD	DESCRIPTION	PRESENT?	LOCATION
<b>GRI 102: STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	Yes	10
102-41	Collective bargaining agreements	Yes	4
102-42	Identifying and selecting stakeholders	Yes	9-10
102-43	Approach to stakeholder engagement	Yes	9-10
102-44	Key topics and concerns raised	Yes	10
<b>GRI 102: REPORTING PRACTICE</b>			
102-45	Entities included in the consolidated financial statements	Yes	1
102-46	Defining report content and topic Boundaries	Yes	1
102-47	List of material topics	Yes	11-12
102-48	Restatements of information	N/A	3
102-49	Changes in reporting	N/A	3
102-50	Reporting period	Yes	3
102-51	Date of most recent report	Yes	3
102-52	Reporting cycle	Yes	3
102-53	Contact point for questions regarding the report	Yes	3
102-54	Claims of reporting in accordance with the GRI Standards	Yes	3
102-55	GRI content index	Yes	26-29
102-56	External assurance	Yes	3
<b>GRI 201: ECONOMIC PERFORMANCE</b>			
201-1	Direct economic value generated and distributed	Yes	33
201-2	Financial implications and other risks and opportunities due to climate change	No	
201-3	Defined benefit plan obligations and other retirement plans	N/A	
201-4	Financial assistance received from government	Yes	33

GRI STANDARD	DESCRIPTION	PRESENT?	LOCATION
<b>GRI 202: MARKET PRESENCE</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	No	
202-2	Proportion of senior management hired from the local community	No	
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>			
203-1	Infrastructure investments and services supported	No	
203-2	Significant indirect economic impacts	No	
<b>GRI 204: PROCUREMENT PRACTICES</b>			
204-1	Proportion of spending on local suppliers	No	
<b>GRI 205: ANTI-CORRUPTION</b>			
205-1	Operations assessed for risks related to corruption	No	
205-2	Communication and training about anti-corruption policies and procedures	No	
205-3	Confirmed incidents of corruption and actions taken	No	
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No	
<b>GRI 301: MATERIALS</b>			
301-1	Materials used by weight or volume	Yes	34-35
301-2	Recycled input materials used	No	
301-3	Reclaimed products and their packaging materials	No	
<b>GRI 302: ENERGY</b>			
302-1	Energy consumption within the organization	Yes	36
302-2	Energy consumption outside of the organization	No	
302-3	Energy intensity	Yes	36
302-4	Reduction of energy consumption	No	
302-5	Reduction in energy requirements of products and services	No	

## GRI INDEX

GRI STANDARD	DESCRIPTION	PRESENT?	LOCATION
<b>GRI 303: WATER</b>			
303-1	Water withdrawal by source	Yes	37
303-2	Water sources significantly affected by withdrawal of water	No	
303-3	Water recycled and reused	Yes	37
<b>GRI 304: BIODIVERSITY</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No	
304-2	Significant impacts of activities, products, and services on biodiversity	No	
304-3	Habitats protected or restored	No	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	No	
<b>GRI 305: EMISSIONS</b>			
305-1	Direct (Scope 1) GHG emissions	Yes	38
305-2	Energy indirect (Scope 2) GHG emissions	Yes	38
305-3	Other indirect (Scope 3) GHG emissions	No	
305-4	GHG emissions intensity	Yes	38
305-5	Reduction of GHG emissions	No	
305-6	Emissions of ozone-depleting substances (ODS)	No	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	No	
<b>GRI 306: EFFLUENTS AND WASTE</b>			
306-1	Water discharge by quality and destination	Yes	39-41
306-2	Waste by type and disposal method	Yes	39-41
306-3	Significant spills	Yes	39-41
306-4	Transport of hazardous waste	No	
306-5	Water bodies affected by water discharges and/or runoff	No	

GRI STANDARD	DESCRIPTION	PRESENT?	LOCATION
<b>GRI 307: ENVIRONMENTAL COMPLIANCE</b>			
307-1	Non-compliance with environmental laws and regulations	Yes	42
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
308-1	New suppliers that were screened using environmental criteria	No	
308-2	Negative environmental impacts in the supply chain and actions taken	No	
<b>GRI 401: EMPLOYMENT</b>			
401-1	New employee hires and employee turnover	No	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	No	
401-3	Parental leave	No	
<b>GRI 402: LABOUR/MANAGEMENT RELATIONS</b>			
402-1	Minimum notice periods regarding operational changes	No	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>			
403-1	Workers representation in formal joint management-worker health and safety committees	Yes	43-44
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Yes	43-44
403-3	Workers with high incidence or high risk of diseases related to their occupation	No	
403-4	Health and safety topics covered in formal agreements with trade unions	No	
<b>GRI 404: TRAINING AND EDUCATION</b>			
404-1	Average hours of training per year per employee	No	
404-2	Programs for upgrading employee skills and transition assistance programs	No	
404-3	Percentage of employees receiving regular performance and career development reviews	No	

## GRI INDEX

GRI STANDARD	DESCRIPTION	PRESENT?	LOCATION
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>			
405-1	Diversity of governance bodies and employees	No	
405-2	Ratio of basic salary and remuneration of women to men	No	
<b>GRI 406: NON-DISCRIMINATION</b>			
406-1	Incidents of discrimination and corrective actions taken	No	
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No	
<b>GRI 408: CHILD LABOUR</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour	No	
<b>GRI 409: FORCED OR COMPULSORY LABOUR</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No	
<b>GRI 410: SECURITY PRACTICES</b>			
410-1	Security personnel trained in human rights policies or procedures	Yes	46
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES</b>			
411-1	Incidents of violations involving rights of indigenous peoples	Yes	46
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>			
412-1	Operations that have been subject to human rights reviews or impact assessments	No	
412-2	Employee training on human rights policies or procedures	No	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No	
<b>GRI 413: LOCAL COMMUNITIES</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	Yes	47
413-2	Operations with significant actual and potential negative impacts on local communities	No	

GRI STANDARD	DESCRIPTION	PRESENT?	LOCATION
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT</b>			
414-1	New suppliers that were screened using social criteria	No	
414-2	Negative social impacts in the supply chain and actions taken	No	
<b>GRI 415: PUBLIC POLICY</b>			
415-1	Political contributions	No	
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>			
416-1	Assessment of the health and safety impacts of product and service categories	No	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No	
<b>GRI 417: MARKETING AND LABELING</b>			
417-1	Requirements for product and service information and labeling	No	
417-2	Incidents of non-compliance concerning product and service information and labeling	No	
417-3	Incidents of non-compliance concerning marketing communications	No	
<b>GRI 418: CUSTOMER PRIVACY</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No	
<b>GRI 419: SOCIOECONOMIC COMPLIANCE</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	No	



## PERFORMANCE AGAINST THE MINING ASSOCIATION OF CANADA TOWARDS SUSTAINABLE MINING INDICATORS

The Mining Association of Canada's Towards Sustainable Mining (TSM) program features seven current performance areas with a total of 25 discrete indicators. Three of the indicators apply separately at head office, Platosa and Miguel Auza, meaning that we report against 31 total indicators. This is our first reporting of our TSM performance – as a MAC member with no Canadian operating locations we are not required to report our TSM performance. However, we report because we believe that these indicators drive CR excellence and because openness and transparency are core values.

A third-party TSM gap assessment undertaken for Excellon at Platosa in 2014 demonstrated that 7 of the 23 assessed indicators in the six performance areas that were active within the TSM program at the time were assessed at "B" level; the remaining 16 indicators were assessed as "C" or "no".

The TSM performance presented below is based on a self-assessment performed by our VP, CR on June 20, 2018. Our VP, CR has considerable experience with TSM and with the degree of implementation of our management system elements. The self-assessment has not been subjected to TSM verification.

The self-assessment indicates that 16 of the 31 indicators are scored as "B"/"yes" or higher. We have more work to do to improve our performance to achieve at least a level "A" across all 31 indicators. The narrative below describes details associated with the performance of each TSM performance area.

### ABORIGINAL AND COMMUNITY OUTREACH

As discussed above, improving our community relations systems and performance was a high priority for us in 2017. Processes to identify and map COI at both Platosa and Miguel Auza were implemented; these are at a level greater than the baseline "A" level. Our community dialogue is evolving. Our COI response (grievance) mechanism has been designed at both Miguel Auza and Platosa and we expect these to be in place by mid-year 2018. Our reporting to COI is in its infancy; as we grow our engagement, our reporting will also improve.

### ENERGY AND GREENHOUSE GAS MANAGEMENT

The energy and greenhouse gas (GHG) management performance area is at a "C" level because we do not feel that this is a priority for us at this stage in our growth. We have, for the first time, collected energy consumption data and reported our GHG emissions and intensity in this report.

TSM PERFORMANCE AREA: ABORIGINAL AND COMMUNITY OUTREACH		
Indicator	Description	Self-assessed level
Indicator #1	Community of Interest (COI) identification	AA
Indicator #2	Effective COI engagement and dialogue	A
Indicator #3	COI response mechanism	B
Indicator #4	Reporting	B

TSM PERFORMANCE AREA: ENERGY AND GHG MANAGEMENT		
Indicator	Description	Self-assessed level
Indicator #1	Energy use and GHG emissions management systems	C
Indicator #2	Energy use and GHG emissions reporting	C
Indicator #3	Energy use and GHG emissions performance targets	C



## TOWARDS SUSTAINABLE MINING INDICATORS

### TAILINGS MANAGEMENT

We began the process of bringing more structure and discipline to our tailings management practices. We developed a CR Policy that includes aspects related to tailings management. We developed Corporate Responsibility Standard CRS.34 on Mine Waste Management that establishes executive- and business unit-level accountability for tailings management and codifies our commitment to implementing the MAC Tailings Guide and OMS Manual. We will be progressing important aspects of tailings management in 2018.

### BIODIVERSITY CONSERVATION MANAGEMENT

Like the energy and GHG management protocol, biodiversity conservation management was not rated as a priority performance area for us in 2017. Our business unit footprints are small and we do not have significant biodiversity considerations or impacts. Nevertheless, biodiversity will be the subject of a future CR Standard to ensure that we are achieving a minimum level of performance in this area.

### SAFETY AND HEALTH

Improving our operational safety culture and performance was a top priority in 2017. This was reflected in the development and implementation of our Life Saving Rules, HCH Standards and the first element of visible felt leadership. Our gaps include developing a structured occupational health program, fully embedding competence assessments into our nascent training programs and developing a broader set of performance metrics.

TSM PERFORMANCE AREA: TAILINGS MANAGEMENT		
Indicator	Description	Self-assessed level
Indicator #1	Tailings management policy and commitment	B
Indicator #2	Tailings management system	C
Indicator #3	Assigned accountability and for tailings management	B
Indicator #4	Annual tailings management review	C
Indicator #5	OMS Manual	C

TSM PERFORMANCE AREA: BIODIVERSITY CONSERVATION MANAGEMENT		
Indicator	Description	Self-assessed level
Indicator #1	Corporate biodiversity conservation commitment, accountability and communication	C
Indicator #2	Facility-level biodiversity conservation planning and implementation	C
Indicator #3	Biodiversity conservation reporting	C

TSM PERFORMANCE AREA: SAFETY AND HEALTH		
Indicator	Description	Self-assessed level
Indicator #1	Commitment and accountability	A
Indicator #2	Planning and implementation	B
Indicator #3	Training, behaviour and culture	B
Indicator #4	Monitoring and reporting	B
Indicator #5	Performance	A

## TOWARDS SUSTAINABLE MINING INDICATORS

### CRISIS MANAGEMENT AND COMMUNICATIONS PLANNING

We made considerable progress in 2017 by creating a corporate-level crisis management and communications plan and performing a tabletop simulation. Nevertheless, we did not achieve a “Yes” for our corporate crisis planning because we did not meet a few of the administrative requirements. Platosa and Miguel Auza have developed emergency preparedness and response plans but do not yet meet all of the TSM criteria.

TSM PERFORMANCE AREA: CRISIS MANAGEMENT AND COMMUNICATIONS PLANNING - CORPORATE		
Indicator	Description	Self-assessed level
Indicator #1	Crisis management and communications preparedness	No
Indicator #2	Review	Yes
Indicator #3	Training	Yes

TSM PERFORMANCE AREA: CRISIS MANAGEMENT AND COMMUNICATIONS PLANNING - MIGUEL AUZA		
Indicator	Description	Self-assessed level
Indicator #1	Crisis management and communications preparedness	No
Indicator #2	Review	No
Indicator #3	Training	No

TSM PERFORMANCE AREA: CRISIS MANAGEMENT AND COMMUNICATIONS PLANNING - PLATOSA		
Indicator	Description	Self-assessed level
Indicator #1	Crisis management and communications preparedness	No
Indicator #2	Review	No
Indicator #3	Training	No

### PREVENTING CHILD AND FORCED LABOUR

Mexican labour laws prohibit anyone less than 18 years of age from working in a mine. We reviewed our processes to ensure that we do not employ persons less than 18 years of age at both Platosa and Miguel Auza. To ensure that we do not facilitate forced (compulsory) labour in our workforce, we confirmed that when workers join the company we only retain copies of identity documentation.

TSM PERFORMANCE AREA: PREVENTING CHILD AND FORCED LABOUR		
Indicator	Description	Self-assessed level
Indicator #1	Preventing forced labour	Yes
Indicator #2	Preventing child labour	Yes

## GRI DISCLOSURE OF MANAGEMENT APPROACH

As discussed above, we are in the process of bringing more structure and discipline to the management of our material corporate responsibility aspects and impacts. The following narrative discloses our management approach for several of these material aspects and impacts. We expect to expand our disclosures of our management approaches in the future as we continue to progress with our improvement efforts.

### DISCLOSURE 201: ECONOMIC PERFORMANCE

GRI 201-1: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED US\$ ('000) 2017	
Direct economic value generated:	
Revenues	\$21,208
Economic value distributed:	
Operating costs	\$11,890
Employee wages and benefits	\$4,970
Payments to providers of capital	\$280
Payments to government (by country)	
Mexico	\$1,700
Canada	\$650
Community investments	\$10
Economic value retained (Direct economic value generated - Economic value distributed)	\$1,708

GRI 201-4: FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT	
Element	MXP ('000)
Tax relief and tax credits	0
Subsidies	0
Investment grants, research and development grants, and other relevant types of grants	0
Awards	0
Royalty holidays	0
Financial assistance from Export Credit Agencies (ECAs)	0
Financial incentives	0
Other financial benefits received or receivable from any government for any operation	0



Top photo: Teaching first aid in a Bermejillo school

Bottom photo: Delivery of support to elderly and vulnerable people for Christmas

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 301: MATERIALS

We require materials produced by others to conduct our business. These materials are used both at the Platosa Mine and at the Miguel Auza concentrator. The mineral concentration processes at Miguel Auza use chemicals (reagents that react with the ground up rock to help create the physical and chemical conditions that concentrate the valuable minerals) and physical elements, such as steel grinding balls.

Whenever possible, we buy these materials from local suppliers. These local suppliers, in turn, may purchase these materials from international suppliers or they may be local distributors for these products.

GRI 301-1: MATERIALS USED BY WEIGHT OR VOLUME 2017						
Type of material	Location	Renewable (R) or Non-renewable (NR)	Units	Total material used		Comments/analysis
				Miguel Auza	Platosa	
ammonium acetate	MAZ	NR	kg	45		Laboratory
ethyl alcohol	MAZ	NR	mL	1,000		Laboratory
bromothymol blue	MAZ	NR	gr	0		Laboratory
borax	MAZ	NR	kg	125		Laboratory
sodium thiosulphate	MAZ	NR	kg	21,078		Laboratory (3) and plant (21,075)
ascorbic acid	MAZ	NR	gr	1,000		Laboratory
sodium carbonate	MAZ	NR	kg	310		Laboratory
ammonium chloride	MAZ	NR	kg	10		Laboratory
litharge	MAZ	NR	kg	4		Laboratory
ammonium fluoride	MAZ	NR	kg	825		Laboratory
xylene orange	MAZ	NR	gr	40		Laboratory
potassium nitrate	MAZ	NR	kg	75		Laboratory
hydrogen peroxide	MAZ	NR	L	6		Laboratory
hydrochloric acid	MAZ	NR	L	450		Laboratory
nitric acid	MAZ	NR	L	120		Laboratory
sulphuric acid	MAZ	NR	L	40		Laboratory
ammonium hydroxide	MAZ	NR	L	76		Laboratory
perchloric acid	MAZ	NR	L	20		Laboratory
acetic acid (undiluted)	MAZ	NR	L	60		Laboratory
acetone	MAZ	NR	L	8		Laboratory
acetylene gas AA	MAZ	NR	kg	184		Laboratory
Liquid petroleum gas	MAZ	NR	L	20,700		Laboratory

CONTINUED NEXT PAGE

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 301: MATERIALS (CONTINUED)

We store materials in dedicated warehouses and storage areas. We take special measures with chemicals to ensure that they are stored, handled and disposed of in ways that protect workers and minimize the risks to the environment. These special requirements are contained in our High Consequence Hazard Corporate Responsibility Standard CRS.37 Chemical Handling and Storage. These requirements are incorporated into SOPs at Platosa and Miguel Auza.



Steel grinding balls used at Miguel Auza

GRI 301-1: MATERIALS USED BY WEIGHT OR VOLUME 2017 CONT.						
Type of material	Location	Renewable (R) or Non-renewable (NR)	Units	Total material used		Comments/analysis
				Miguel Auza	Platosa	
copper sulphate	MAZ	NR	kg	35,725		Concentrator
sodium cyanide	MAZ	NR	kg	950		Concentrator
metabisulphate	MAZ	NR	kg	21,075		Concentrator
sodium sulphide	MAZ	NR	kg	125		Concentrator
calcium oxide	MAZ	NR	kg	32,300		Concentrator
Aerofina 3407	MAZ	NR	kg	8,165		Concentrator
SIPX	MAZ	NR	kg	9,740		Concentrator
MIBC	MAZ	NR	kg	2,610		Concentrator
lubricant oil	Platosa	NR	L	39,715		Mine/Maintenance
diesel fuel	Platosa	NR	L	297,849		Mine
cement	Platosa	NR	kg	324,400		Mine
explosives	Platosa	NR	kg	409,089		Mine



The Miguel Auza concentrator

## GRI DISCLOSURE OF MANAGEMENT APPROACH



### DISCLOSURE 302: ENERGY

GRI 302-1: ENERGY CONSUMPTION WITHIN THE ORGANIZATION 2017				
Indicator	Renewable (R) or Non-renewable (NR)	Units	Total consumed/sold	
			Miguel Auza	Platosa
Total energy consumption	NR	GJ	19,434	120,133

GRI 302-3: ENERGY INTENSITY 2017					
Indicator	Denominator used in ratio (tonnes AgEq produced)	Types of fuel included	Within (W), Outside (O) or Both (B)	Result (GJ/tonne AgEq produced)	
				Miguel Auza	Platosa
Energy intensity	41.69	Fuels, electricity	W	466	2,881



Top: Crushed ore at Platosa

Bottom: Sunset over the Platosa Mine facilities

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 303: WATER

Water is material to our business because we both produce and consume water. At Platosa, we pump water contained within the rocks that host the mine; as we create underground tunnels the water flows into these openings from the surrounding rock. To prevent the mine openings from flooding, facilitate the effective operation of equipment and protect the safety of our workers, we have to remove water from the underground mine openings and from the surrounding rock. We do this through a series of water wells and with pumps in the openings. At Platosa we consume water in underground drilling to cool equipment and remove the rock cuttings from the drill bit.

At Miguel Auza, we pump water from a shaft at a closed underground mine on our property. Most of the water is used by local farmers for crop irrigation. We use water in the flotation process that recovers valuable metal-containing minerals. We also use water to transport tailings (small particles of ground up rock) to the storage area at Miguel Auza; we recycle approximately 70 percent of this water and use underground water from the closed underground mine shaft to make up the remaining 30 percent that is retained in the tailings.

Water is important to our COI, especially in the arid climatic conditions prevalent in central Mexico. We provide the water pumped from Platosa and Miguel Auza to nearby farmers to facilitate the production of alfalfa, corn, oats and triticale. The relationship between these farmers and Excellon is symbiotic; to facilitate our operations we must distribute water we pump at Platosa and Miguel Auza and the farmers have become reliant on the provision of this water to increase crop yields.

We monitor the quantity and quality of water at both Platosa and Miguel Auza. Neither business unit has industrial water discharges; we monitor water voluntarily at Platosa and compare the water quality to the Mexican agricultural water quality standards; the water meets these standards.

Water will be the subject of a future Corporate Responsibility Standard that will be developed and rolled out later in 2018.

GRI 303-1: TOTAL WATER WITHDRAWAL BY SOURCE 2017		
Water Source	Total water withdrawn (m <sup>3</sup> )	
	Miguel Auza	Platosa
Surface water	0	0
Ground water	1,165,857	44,671,734
Rainwater	0	0
Waste water	0	0
Municipal water	2,903	5,370
<b>Total</b>	<b>1,168,760</b>	<b>44,677,104</b>

GRI 303-3: PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED 2017	
Volume of water recycled (m <sup>3</sup> )	
Miguel Auza	Platosa
163,522	44,671,734
Percentage of total water withdrawn	
Miguel Auza	Platosa
14%	100%



## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 305: EMISSIONS



Overview of the Platosa Mine site

#### GRI 305-1: DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) 2017

Location	Total (tonnes CO <sub>2</sub> equivalent)	Gases included					
		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	SF <sub>6</sub>	NF <sub>3</sub>
Platosa	1,014	989	2	23	0	0	0
Miguel Auza	198	195	0	0	0	0	0

#### GRI 305-2: INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) 2017

Location	Indirect GHG emissions (tonnes CO <sub>2</sub> equivalent)			Gases included					
	Explanation	Total (tonnes CO <sub>2</sub> equivalent)		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	SF <sub>6</sub>	NF <sub>3</sub>
Platosa	Purchased grid electricity. All emissions calculated using the GHG Inventory Worksheet from the Mining Association of Canada. The grid emission factor is 0.582 kg CO <sub>2</sub> equivalent/kWh from SEMARNAT for the grid in Mexico for 2017.	17,108		17,108	0	0	0	0	0
Miguel Auza	Purchased grid electricity. All emissions calculated using the GHG Inventory Worksheet from the Mining Association of Canada. The grid emission factor is 0.582 kg CO <sub>2</sub> equivalent/kWh from SEMARNAT for the grid in Mexico for 2017.	2,778		2,778	0	0	0	0	0

#### GRI 305-4 : GREENHOUSE GAS (GHG) EMISSIONS INTENSITY 2017

Indicator	Denominator used in ratio (tonnes AgEq produced)	Types of GHG emissions included (Scope 1, 2)	Within (W), Outside (O) or Both (B)	GHG EMISSIONS INTENSITY (tonnes CO <sub>2</sub> equivalent/tonne AgEq produced)	
				MIGUEL AUZA	PLATOSA
GHG intensity	41.69	Scope 1, 2	W	71	435

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 306: EFFLUENTS AND WASTE

GRI 306-1: WATER DISCHARGE BY QUALITY AND DESTINATION 2017							
Discharge name/number	Location	Destination	Treated? If so, what method?	Water reused by another organization?	Water Quality		
					Parameter	Units	Value
TANQUES AMARILLOS, DESCARGA #1	MAZ	ARROYO EL BUEY	Water is not treated as it never enters the process and is unimpacted by EXN	Yes - local farmers	As total	mg/L	0.012075
					Cd total	mg/L	0.0255
					CN total	mg/L	0.015
					Cu total	mg/L	0.075
					fecal coliform	NPM/100 mL	144.75
					Cr total	mg/L	0.15
					biological O <sub>2</sub> demand	mg/L	8.4875
					P total	mg/L	0.45
					grease and oil	mg/L	5.175
					floating material		absent
					Hg total	mg/L	0.0007625
					N total	mg/L as N	3.86125
					Ni total	mg/L	0.15
					Pb total	mg/L	0.14875
					total suspended solids	mg/L	5.25
					sedimentable solids	mL/L	0.375
					Zn total	mg/L	0.7825
					pH average	units	7.6
					nitrate	mg/L as N	1.9325
					nitrite	mg/L as N	0.0065625
total Kjeldahl nitrogen	mg/L as N	1.8125					
Helminth eggs	Org/L	0.15					
temperature	°C	24.36875					
chemical O <sub>2</sub> demand	mg/L	14.56					

There are no liquid effluent discharges at Platosa or Miguel Auza.

We produce different kinds of waste as workers perform their jobs. There is a well-developed waste management legal framework in Mexico and many of our management actions are designed to ensure that we comply with these requirements. The primary principle underlying waste management legislation is ensuring the proper handling and disposal of different forms of waste to protect the environment.

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## GRI DISCLOSURE OF MANAGEMENT APPROACH

GRI 306-1: WATER DISCHARGE BY QUALITY AND DESTINATION 2017 CONT.							
Discharge name/number	Location	Destination	Treated? If so, what method?	Water reused by another organization?	Water Quality		
					Parameter	Units	Value
795 Pump Station	Platosa	agricultural use	No	Yes - local farmers	As total	mg/L	<0.0010
					Cd total	mg/L	<0.05
					CN total	mg/L	<0.02
					Cu total	mg/L	<0.10
					fecal coliform	NPM/100 mL	<30
					nitrate	mg/L as N	0.42
					nitrite	mg/L as N	<0.01
					Zn total	mg/L	<0.05
					Hg total	mg/L	<0.0010
					Pb total	mg/L	<0.20
623 Pump Station	Platosa	agricultural use	No	Yes - local farmers	As total	mg/L	<0.0010
					Cd total	mg/L	<0.05
					CN total	mg/L	<0.02
					Cu total	mg/L	<0.10
					fecal coliform	NPM/100 mL	<30
					nitrate	mg/L as N	1.17
					nitrite	mg/L as N	0.02
					Zn total	mg/L	0.06
					Hg total	mg/L	<0.0010
					Pb total	mg/L	<0.20

We categorize all forms of waste that we generate to determine how it must be handled. In general, we segregate the following types of waste:

- Organic waste;
- Recyclable waste;
- Solid, non-hazardous waste;
- Solid and liquid, hazardous waste; and
- Mine waste, including waste rock and tailings.

GRI 306-3: SIGNIFICANT SPILLS 2017			
Location	Number of spills	Volume spilled	
		Units	Volume
Miguel Auza	0	N/A	N/A
Platosa	0	N/A	N/A

GRI DISCLOSURE 306-2: WASTE BY TYPE AND DISPOSAL METHOD								
Type of waste	Miguel Auza				Platosa			
	Units	Disposal method	How is disposal confirmed?	Mass	Units	Disposal method	How is disposal confirmed?	Mass
Hazardous	L	recycled	Issuance of transport manifest, cargo and final disposal	1,472	L	recycled	Issuance of transport manifest, cargo and final disposal	9,200
	kg	landfill	Issuance of transport manifest, cargo and final disposal	1,480	kg	incineration	Issuance of transport manifest, cargo and final disposal	21,270
Non-hazardous	kg	landfill		4,698	kg	landfill	Service invoice	30,000

## GRI DISCLOSURE OF MANAGEMENT APPROACH

We train all workers about the different types of waste and where these are to be placed so that they are handled properly. Organic wastes are composted whenever possible to produce new soil resources. Recyclables are sent to various recycling facilities, depending on the material. The primary materials we recycle are steel and fibers (paper, cardboard, etc.). Solid, non-hazardous waste is sent to local municipal landfills. Solid and liquid wastes that are determined to be hazardous according to Mexican regulations are stored in special facilities and are then carried by licensed transport contractors to approved hazardous waste treatment, storage and disposal facilities. There is a formal chain-of-custody process for such waste so that we can document the responsible handling, transport and ultimate disposal of these wastes.

Mine waste is generated in the course of our mining and mineral processing activities. Waste rock is produced at Platosa; most of this rock is retained underground. A small volume of waste rock is stored in a stockpile on surface. We have analyzed this material to evaluate its potential to generate acid drainage (AD); these tests demonstrate that the AD risk is low. Tailings are the by-product waste stream of mineral processing at Miguel Auza, consisting of finely ground rock particles. Tailings are sent in a water slurry to an engineered tailings management facility (TMF), a dedicated final storage area enclosed by a dam. Tailings are retained behind the dam and 70 percent of the water is recycled back to the concentrator. The TMF dam was designed by a qualified engineer and constructed by qualified contractors. We operate the TMF according to SOPs to ensure the stability of the dam and we regularly inspect the facility.

Since the management of waste is tightly regulated and our operations are focused on meeting legal requirements, we did not feel that the development of a solid and hazardous waste management CR Standard was the highest priority. We expect this standard to be introduced in 2019.

We developed and rolled out a mine waste management CR Standard (CRS.34) that describes our requirements to ensure the responsible management of waste rock and tailings. Most importantly, this standard incorporates requirements to implement the Mining Association of Canada (MAC) tailings guides. This will help ensure that our mine waste management facilities are physically and chemically stable for the long term and that we meet the MAC Towards Sustainable Mining (TSM) requirements.



*Household waste awareness sessions in Miguel Auza schools*

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 307: ENVIRONMENTAL COMPLIANCE

We developed and rolled out CR Standard CRS.02 – Legal Requirements and Compliance Management in 2017. This standard describes the requirements to identify and document our compliance obligations, the actions necessary to comply and provide assurance of compliance at both the business units and at head office.

Responsibility for environmental compliance, and compliance with all other legal requirements, is vested at the business unit level, with oversight from head office executives. Thus, the business unit General Manager is responsible for ensuring compliance with all environmental legal requirements; this responsibility has been delegated at both Platosa and Miguel Auza to business unit environmental staff, who are responsible for knowing the legal requirements, and developing and implementing the tools to ensure that we comply.

Staff at both Platosa and Miguel Auza have developed registers that identify the legal obligations we have, compliance requirements and a schedule to ensure that we know when compliance obligations are due.

Our CR Standard CRS.02 also defines the responsibilities of head office executive staff to oversee and provide assurance to the company that we comply. This responsibility is discharged in two ways; ongoing interaction between head office executive staff and business unit management and environmental staff and third-party environmental compliance audits. The interactions between head office and business unit staff occur on a regular basis in a number of formal and informal settings.

Third-party compliance audits provide external assurance of our compliance status. We plan to perform our first third-party environmental compliance audit at Platosa in 2018.

GRI 307-1 : NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS 2017		
Type of incident	Miguel Auza	Platosa
Convictions		
Fines	1	1
Notices of violation	1	1
Monetary value of fines (MXP)	30,196	18,495

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 401: EMPLOYMENT

We have a range of informal policies relating to employment and we are in the process of formalizing these, primarily at Platosa and Miguel Auza. We have a number of training programs, ranging from induction training to task- and hazard-specific training. We introduced a disciplinary decision tree to deal with situations where a worker violates a Life Saving Rule or procedure. For such a process to work and to be equitable, all workers must first understand the steps to comply with the LSRs and procedures and be competent. We have delayed formal implementation of the disciplinary process until mid-2018 to ensure our workers have the knowledge and awareness required to meet our requirements.

### DISCLOSURE 402: LABOUR-MANAGEMENT RELATIONS

Our workforce at Platosa and Miguel Auza consists of a mixture of non-unionized management staff and unionized hourly workers. The unions at both business units are local branches of a national union that represent workers and negotiate with Excellon's Mexican subsidiaries to establish collective agreements. The frame collective agreements have a two-year term with wages and benefits negotiated annually. The collective agreements also contain bonus clauses; these are being revised to better align the bonus elements with our safety and business objectives. Unions elect local leaders at each business unit to represent unionized workers. We have a formal labour-related grievance process and maintain cooperative and productive relationships with the union locals and the national union leadership.

### DISCLOSURE 403: OCCUPATIONAL HEALTH AND SAFETY

As mentioned throughout this report, improving workplace safety was our highest priority as we began our stepped-up CR journey in 2017. At this stage we have basic occupational health checks in place which are organized by the company doctor, who is stationed at Platosa. We also have a company doctor stationed at Miguel Auza.



*Training session for miners at Platosa*

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 403: OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

The company-wide requirements vis-à-vis health and safety are described in a series of 15 CR Standards that also encompass security and community health. Ten of the 15 standards address HCH; eight of these were formally rolled out in 2017 and adopted at Platosa. Six of the eight were adopted at Miguel Auza; the two other standards address activities that are not undertaken at Miguel Auza.

In addition to the eight specific workplace safety standards rolled out in 2017, four common standards addressing leadership, legal requirements, culture and behaviour, and incident classification, reporting and investigation also touch on important elements of workplace safety. In particular, CRS.06 Culture and Behaviour describes requirements for our visible felt leadership program of which workplace interactions is the first element implemented.

Recognizing that our workplace hazard recognition and management needed to be improved, we formalized job hazard analysis (JHA) as an integral part of effective work planning. JHA is embedded in Mexican occupational health and safety regulations and we are working to ensure that it is regularly performed in advance of work that is new, where no SOP exists or when the task has not been performed recently. We saw a dramatic improvement in the number and quality of JHAs throughout 2017.

Our business unit CR staff at Platosa includes four people who are responsible for interacting in the workplace with all workers on an on-going basis. Our emphasis is on having coaches in the field, where work is occurring to ensure that we are maximizing opportunities to build our desired interdependent culture.

GRI 403-1: WORKERS REPRESENTATION IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES 2017		
Location	Description of JHSC	Percentage of workforce covered by JHSC
Miguel Auza	A general secretary and three members.	66
Platosa	One secretary and three members	70

GRI 403-2 : TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES 2017 (NOT BROKEN DOWN BY GENDER)													
Location	Total work hours			LTIF			Severity (LDR)			TRIR	DIR	ODR	AR
	Employee	Contractor	Total	Employee	Contractor	Total	Employee	Contractor	Total	Total	Total	Total	Total
Miguel Auza	134,189	0	134,189	1.5	0.0	1.5	21	0	21	1.5	1.5	NR	NR
Platosa	544,973	120,603	665,576	5.1	3.3	4.8	2,438	63	2,007	5.4	4.8	NR	NR

LTIF = lost time injury frequency = lost time injuries\*200,000/work hours

Severity (LDR) = lost days rate = lost days due to injury\*200,000/work hours

TRIR = total recordable injury rate = medical aid injuries + modified work injuries + lost time injuries\*200,000/work hours

DIR = disabling injury rate = modified work injuries + lost time injuries\*200,000/work hours

ODR = occupational disease rate = number of occupational diseases modified work injuries + lost time injuries\*200,000/work hours

AR = absenteeism rate = absentee days lost as a percentage of the total number of days scheduled to be worked

NR = not reported



## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 408: CHILD LABOUR

Our operations take place exclusively in Mexico, a jurisdiction with concerns regarding the use of child labour. Mexican labour law specifies that all workers in hazardous industrial settings, such as mining and mineral processing, must be 18 years of age. Our Human Resources processes at Platosa and Miguel Auza confirm that all workers have attained a minimum of 18 years of age.

Our efforts to analyze our supply chain for CR-related aspects is in its infancy. Some of our supply chain involves procurement of goods and products that are manufactured internationally, rather than in Mexico. We have work to do to evaluate our supply chain to identify which aspects of our products and services have the potential to employ adolescents.

### DISCLOSURE 409: FORCED OR COMPULSORY LABOUR

Our operations are confined to two states in Mexico; Zacatecas and Durango. Mexico, according to international studies, has an elevated risk of forced labour. According to the Prevention of Child and Forced Labour protocol of the MAC TSM program we ensure that our Platosa and Miguel Auza business units do not use forced labour in our operations.

Our Human Resources processes ensure that we only retain copies of identity and employment-related documentation; this helps ensure that compulsory labour is not employed. Our efforts to analyze our supply chain for forced labour and human trafficking are in their infancy and we have work to do to identify which aspects of our products and services have the potential to have a higher risk of forced labour and human trafficking. This is a considerable undertaking.



*New safety messages at Platosa*

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 410: SECURITY PRACTICES

We have basic security processes and personnel in place at Platosa and Miguel Auza. Our security activities primarily involve ensuring that access to our properties is controlled to protect both people and hard assets from unauthorized entry. Security is provided by third-party contractors. The responses to routine questions indicate that human rights training has not been provided to these persons by their company. We intend to fill this training gap. Security personnel are not armed.

At Platosa, there is a perimeter gate at the property boundary and a guard post closer to our administrative offices and operational facilities. Hourly workers are bussed to Platosa and are checked through the guard post. We perform routine and random screening for intoxication. Upon exiting the property, workers are checked to confirm that they are not removing company property since we experience theft of company property. Management travels to work in company vehicles and are checked through the guard post.

At Miguel Auza, our administrative offices are separate from the concentrator facilities. Both areas are secured with gates and security personnel.

Both the Platosa and Miguel Auza areas are considered high-risk for personal security because of drug cartel-related activity. We are reviewing our security processes to ensure that we are taking the steps necessary to protect our people.



*Leadership training for Platosa and Miguel Auza employees*

### DISCLOSURE 411: RIGHTS OF INDIGENOUS PEOPLES

Our Platosa and Miguel Auza business units are not located on traditional lands of indigenous peoples and we do not have any on-going or significant interaction with indigenous peoples.

GRI 410-1: SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES		
Location	Percentage of security personnel trained in the organization's human rights policies or procedures	Training applicable to contract security personnel?
Miguel Auza	0	N/A
Platosa	0	N/A

## GRI DISCLOSURE OF MANAGEMENT APPROACH

### DISCLOSURE 413: LOCAL COMMUNITIES

As discussed earlier in this report, we began working to formalize our approaches to the communities in proximity to Platosa and Miguel Auza. Bermejillo is located 6 km from Platosa and our concentrator is within the town limits of Miguel Auza.

Two CR Standards pertaining to our interaction with local communities, CRS.43 COI Identification, Mapping and Dialogue and CRS.44 Site-level Grievance Mechanism, were introduced in 2017.

Our overall approach is to identify all COI, especially those in the local communities. We then develop and implement COI engagement plans. Our COI mapping was completed at Platosa during 2017 and we began to have more formalized dialogue. The values we incorporate into dialogue are to be open and transparent, to share information about our business, listen and respond to questions and concerns and understand how we can contribute to helping local communities achieve their aspirations.

The site-level grievance mechanism describes the process we will follow in the event a formal grievance is lodged. Community-related concerns and incidents that do not rise to the level of a formal grievance are logged and handled according to the requirements of our incident classification, reporting and investigation standard. In this way we capture all manner of incidents and concerns that could result in friction between us and our local communities. We expect grievance mechanisms to be formally implemented at Platosa and Miguel Auza in 2018.

Our community development activities have historically focused on the perceived priorities in Bermejillo, specifically health, education and assisting vulnerable people. We will continue these efforts while at the same time we identify other fundamental priorities through our on-going dialogue.

Our community relations and development efforts at Miguel Auza are not as mature. We began COI mapping at Miguel Auza and development of the grievance mechanism in 2017.



*Presentation of the Platosa grievance mechanism to our COI, including the local Mapimi government, the mayor and her directors*

GRI 413-1: OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS 2017										
Location	Social Impact Assessment	Environmental Impact Assessment	On-going EIS monitoring?	Stakeholder mapping?	Stakeholder engagement plans?	Local community development programs?	Broad-based CCCs <sup>1</sup> ?	Do CCCs <sup>1</sup> include vulnerable groups?	OHS committees and other bodies?	Formal community grievance mechanism?
Miguel Auza	No	No	No	No	No	No	No	N/A	Yes	No
Platosa	No	No	No	Yes	Yes	Yes	No	N/A	Yes	No

1. CCC: Community Consultation Committee

## MINING AND METALS SECTOR SUPPLEMENT

The Mining and Metals Sector Supplement (MMSS) provides organizations in the sector with a tailored version of GRI's Sustainability Reporting Guidelines. It includes the original Guidelines, which set out the Reporting Principles, Disclosures on Management Approach and Performance Indicators for economic, environmental and social issues. The Supplement's additional commentaries and Performance Indicators, developed especially for the sector, capture the issues that matter most for companies in the mining and metals sector.

The Mining and Metals Supplement covers key sector-specific issues, including:

- Biodiversity management and ecosystem services
- Community consultation
- Indigenous People's rights in exploration phase
- Number and handling of disputes related to land
- Resettlement of local communities
- Closure plans of mines
- Programs and progress relating to materials stewardship

MM1: AMOUNT OF LAND OWNED OR CONTROLLED (HA)				
Location	Total land disturbed and not yet rehabilitated at beginning of year	Total land newly disturbed during the year	Total land newly rehabilitated during the year	Total disturbed and not yet rehabilitated at year-end
Miguel Auza	32.1	10.0	1.0	41.1
Platosa	17.8	0.2	0.2	17.8

MM2: NUMBER AND PERCENTAGE OF TOTAL SITES IDENTIFIED AS REQUIRING BIODIVERSITY MANAGEMENT PLANS AND NUMBER (PERCENTAGE) OF THOSE SITES WITH PLANS IN PLACE			
Location	Total sites requiring BMPs <sup>1</sup>	Percentage of sites requiring BMPs <sup>1</sup>	Sites with required BMPs <sup>1</sup> in place
Miguel Auza	0	N/A	N/A
Platosa	0	N/A	N/A

1. Biodiversity Management Program

MM3: TOTAL AMOUNTS OF OVERBURDEN, WASTE ROCK, TAILINGS, SLUDGES AND THEIR ASSOCIATED RISKS								
Location	Overburden produced		Tailings produced		Waste rock produced		Other mine waste produced	
	Tonnes	Risks identified	Tonnes	Risks identified	Tonnes	Risks identified	Tonnes	Risks identified
Miguel Auza	0	N/A	55,270	Acid drainage and metal leaching, stability of the tailings management facility	0	N/A	0	N/A
Platosa	0	N/A	0	N/A	38,828	Acid drainage and metal leaching	0	N/A

## MINING AND METALS SECTOR SUPPLEMENT

### MM4: NUMBER OF STRIKES AND LOCK-OUTS EXCEEDING ONE WEEK'S DURATION

Location	Strikes exceeding one week	Lock-outs exceeding one week	Total strikes and lock-outs exceeding one week
Miguel Auza	0	0	0
Platosa	0	0	0

### MM5: NUMBER OF OPERATIONS TAKING PLACE IN OR ADJACENT TO INDIGENOUS PEOPLES' TERRITORIES AND FORMAL AGREEMENTS

Location	Operating in or adjacent to IP territories	Formal agreements with IP communities	
		Number	Percentage
Miguel Auza	N/A	0	0
Platosa	N/A	0	0

### MM6: NUMBER AND DESCRIPTION OF SIGNIFICANT DISPUTES RELATING TO LAND USE, CUSTOMARY RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES

Location	Number of significant disputes relating to land use/customary rights	Nature of significant disputes
Miguel Auza	0	N/A
Platosa	0	N/A

### MM7: THE EXTENT TO WHICH GRIEVANCE MECHANISMS WERE USED TO RESOLVE DISPUTES RELATING TO LAND USE, CUSTOMARY RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES AND THE OUTCOMES

Location	Status of significant disputes reported in MM6	Use of grievance mechanism to resolve significant disputes reported in MM6	Outcome of grievance process used to resolve significant disputes reported in MM6
Miguel Auza	0	N/A	N/A
Platosa	0	N/A	N/A



Top photo: Participation in a mining analysis table for the strategic plan of the Durango state government

Bottom photo: Presentation of the Platosa grievance mechanism to one of the local ejido

## MINING AND METALS SECTOR SUPPLEMENT

### MM8: NUMBER AND PERCENTAGE OF OPERATIONS WHERE ASM <sup>1</sup> TAKES PLACE ON OR ADJACENT TO THE SITE, ASSOCIATED RISKS AND ACTIONS

Location	Are ASM <sup>1</sup> activities present?	Risks associated with ASM activities	Actions taken to address the risks of ASM <sup>1</sup> activities
Miguel Auza	No	N/A	N/A
Platosa	No	N/A	N/A
Total percentage of sites with ASM	0		

1. Artisanal and Small Scale Mining

### MM9: OPERATIONS WHERE RESETTLEMENTS TOOK PLACE, NUMBER OF HOUSEHOLDS AFFECTED AND HOW LIVELIHOODS WERE AFFECTED

Location	Have people been resettled?	Number of households resettled	How were livelihoods affected by resettlement?
Miguel Auza	0	0	N/A
Platosa	0	0	N/A

### MM10: NUMBER AND PERCENTAGE OF OPERATIONS WITH CLOSURE PLANS

Location	Closure plan components in place (Yes/No)			Financial provisions for closure	Review processes
	Economic	Environmental	Social	Amount (MXP)	
Miguel Auza	No	Yes	No	1,178,000	Reviewed and updated December, 2017; going forward will be reviewed and updated according to the requirements of the corporate CR standard.
Platosa	No	Yes	No	0	Reviewed and updated December, 2017; going forward will be reviewed and updated according to the requirements of the corporate CR standard.



Top photo: Presentation of the Platosa grievance mechanism to our local secondary school teachers



Bottom photo: Receiving recognition for participating in the tables of analysis of mining by the Secretary of Economic Development, State of Durango

**CORPORATE RESPONSIBILITY**  
**EMBARKING ON THE JOURNEY**

Questions about this report?  
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