TORONTO, ON--(Marketwired - March 24, 2016) - Excellon Resources Inc. (TSX: EXN) (OTC: EXLLF) ("Excellon" or the "Company"), Mexico's highest grade silver producer, is pleased to report financial results for the three- and twelve-month periods ended December 31, 2015.

2015 Financial, Operational and Corporate Highlights

- Revenue of $16.2 million (2014 - $30.8 million)
- Sales of 1.3 million silver equivalent ounce ("AgEq oz") payable (2014 - 1.9 million AgEq oz payable)
- Mine operating loss of $2.5 million (2014 - earnings of $2.4 million)
- Adjusted net loss of $4.4 million or $0.08/share (2014 - adjusted net loss of $3.8 million or $0.07/share)
- Optimization plan developed and commenced during 2015 to comprehensively dewater Platosa over the course of 2016, with financing for the program arranged in Q4 2015
- Production cost per tonne reduced by 28% relative to 2014
- Corporate G&A reduced by 23% relative to 2014 and at the lowest levels since production at Platosa commenced in 2005
- Arranged the sale of non-core DeSantis Property for 850,000 shares of Oban Mining Corp.
- Completed development of initial access to Rodilla Manto in late 2015/early 2016, with production commencing seven months ahead of schedule, in large part due to drier mining conditions
- Cash, marketable securities and current account receivable totaled $4.7 million at December 31, 2014 (December 31, 2014 - $5.2 million)
- Net working capital totaled $5.5 million at December 31, 2015 (December 31, 2014 - $6.2 million)

"During 2015, we laid the groundwork for a return to high grade and low cost production at Platosa," stated Brendan Cahill, President and Chief Executive Officer. "Despite challenging commodity and equity markets and operating conditions, we enhanced our board and management team, developed a plan to comprehensively solve Platosa's water issues and arranged the financing to commence this optimization program. Operating costs per tonne were reduced by almost 30% from 2014, even while mining less tonnage in 2015, and corporate G&A was reduced below 2005 pre-production levels. Additionally, we continued to see the benefits of long term dewatering efforts at Platosa, with 2015 development supporting access to the Rodilla Manto in late February 2016, seven months ahead of schedule. With access to Rodilla and the optimization program underway, we expect to see improving rates of production and ore grades through the course of this year."

Financial results for the three and twelve-month periods ended December 31, 2015 and 2014 are as follows:

('000s of USD, except amounts per share and per ounce)	Q4 2015	Q4 2014	2015	2014
Revenue [1]	2,477	4,234	16,167	30,767
Production costs	(3,318)	(5,702)	(15,611)	(24,526)
Depletion and amortization	(675)	(876)	(3,080)	(3,859)
Cost of sales	(3,993)	(6,578)	(18,691)	(28,385)
Gross profit (loss)	(1,516)	(2,344)	(2,524)	2,382
Corporate administration	(976)	(940)	(3,309)	(4,280)
Exploration	(123)	(269)	(685)	(2,069)
Other (incl. royalty income and finance cost)	769	(1,076)	(74)	(852)
Impairment of mineral rights	(662)	-	(662)	(15,463)
Income tax recovery (expense)	831	2,044	2,214	990
Net loss	(1,677)	(2,585)	(5,040)	(19,292)
Adjusted net loss [2][3]	(1,015)	(2,585)	(4,378)	(3,829)
Loss per share - basic	(0.03)	(0.05)	(0.09)	(0.35)
Loss per share - adjusted	(0.02)	(0.05)	(0.08)	(0.07)
Cash flow from (used in) operations [4]	(1,492)	(1,528)	(1,867)	1,153
Cash flow from (used in) operations per share - basic	(0.03)	(0.03)	(0.03)	0.02
Net cash cost per payable silver ounce ($/Ag oz)	19.86	24.40	15.11	13.76
All-in sustaining cost per payable silver ounce ($/Ag oz)	34.92	38.67	22.58	21.69

(1) Revenues are net of treatment and refining charges.
(2) Adjusted net loss for 2014 reflects results before $15.5 million impairment charge on exploration properties in Canada.
(3) Adjusted net loss for Q4 2015 and 2015 reflects results before $0.7 million impairment charge on DeSantis exploration property in Canada.
(4) Cash flow from operations before changes in working capital.

Production from Platosa was below the Company's original forecast as water management limited planned access to the Rodilla, 623 and Guadalupe South mantos and implementation of the optimization plan commenced later in the year than originally planned due to equity and credit market conditions. Production for the year was primarily from the 6A Manto, remnants of the Guadalupe Manto and the peripheries of the 623 and Guadalupe South Mantos, with production from the latter two

mantos being most impeded by water management during the year. Particularly, in November and December 2015, ore was primarily produced from remnant areas of the Guadalupe North Manto, accounting for the relatively lower grades. Tonnages mined and milled of 13,145 tonnes and 12,999 tonnes in Q4 2015 reflected a 22% increase and 11% increase, respectively, compared to Q4 2014. For 2015, tonnes mined and milled of 54,485 tonnes and 56,849 tonnes represented 15% and 11% decreases, respectively, compared to 2014.

Production costs in 2015 decreased by $8.9 million or 36%, relative to costs in 2014 despite 15% fewer tonnes mined during the year, a result of improved maintenance practices on pumps and mobile equipment.

The Company recorded a net loss of $1.7 million for Q4 2015 compared to a net loss of $2.6 million in Q4 2014. The Company's adjusted net loss of $1.0 million in Q4 2015 reflects the current period's results before recording an impairment of $0.7 million on the DeSantis exploration property in Canada, the sale of which was arranged with Oban Mining Corp. and is expected to close in the coming weeks following receipt of ordinary course mining lease transfer consents. The Company recorded an adjusted net loss of $4.4 million in 2015 compared to an adjusted net loss of $3.8 million in 2014.

During Q4 2015, the Company generated lower net revenues of $2.5 million compared to $4.2 million in Q4 2014, primarily due to lower silver, lead and zinc production and lower metal prices. Overall, in 2015, the Company's revenues were impacted by both metal production and prices. In 2015, the Company produced 1.3 million silver equivalent ounces payable compared to 1.9 million silver equivalent ounces payable in 2014; while silver prices averaged less than $16/oz in 2015 compared to $19/oz in 2014. In Q4 2015, the Company recorded income of $0.8 million comprising foreign exchange gains of $0.4 million and royalty income of $0.7 million, offsetting $0.4 million in financing costs primarily related to embedded derivative fair value adjustments, compared to a foreign exchange loss of $0.7 million and realized loss of $0.3 million on a sale of marketable securities in Q4 2014.

Cash corporate administrative expenses in Q4 2015 were comparable to Q4 2014 despite transactional costs incurred in Q4 2015 in respect of a convertible debenture and royalty financing, reflecting continued cost discipline at the corporate head office in Toronto during both periods. Cash general administrative expenses of $3.3 million in 2015 improved by 23% compared to 2014 and represented the Company's lowest G&A expenditures on an annual basis since production commenced at Platosa in 2005.

Exploration expenses incurred during the period were $0.1 million in Q4 2015 compared to $0.3 million in Q4 2014 and $0.7 million in 2015 compared to $2.1 million in 2014. Exploration during the quarter and the year was limited in an effort to conserve funds in the current silver price environment. Planning for additional drilling continues as significant potential remains for further new manto discoveries as the deposit area is open to the north, northeast, east and southeast of the known mantos.

The Company invested $0.9 million during Q4 2015 in capital expenditures for mine development compared to $1.4 million in Q4 2014. In 2015, the Company invested $1.6 million in capital expenditures, compared to $3.3 million in 2014. Mine development continues to be a priority for 2016 as the Company accesses the Rodilla and high-grade 623 mantos, the latter of which hosts mineral resources of 83,000 tonnes at 1,232 g/t Ag (1,777 g/t AgEq).

Total cash cost per silver ounce payable was $19.86/oz in Q4 2015 compared to $24.40 in Q4 2014. In both quarters, water management limited access to mineable ore, increasing costs on a per ounce basis. The Company's total cash cost in 2015 was $15.11, compared to $13.76 in 2014. AISC was $34.92 during Q4 2015 compared to $38.67 in Q4 2014, the result of significantly reduced silver ounces payable in both periods. AISC for 2015 of $22.55 was comparable to $21.69 in 2014.

Excellon defines AISC per silver ounce as the sum of total cash costs (including treatment charges and net of byproduct credits), capital expenditures that are sustaining in nature, corporate general and administrative costs (including non-cash share-based compensation), capitalized and expensed exploration that is sustaining in nature, and (non-cash) environmental reclamation costs, all divided by the total payable silver ounces sold during the period to arrive at a per ounce figure.

All financial information is prepared in accordance with IFRS, and all dollar amounts are expressed in U.S. dollars unless otherwise specified. The information in this news release should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015 and associated management discussion and analysis ("MD&A") which are available from the Company's website at www.excellonresources.com and under the Company's profile on SEDAR at www.sedar.com.

The discussion of financial results in this press release includes reference to "cash flows from operations before changes in working capital items", "cash cost per payable silver equivalent ounce net of byproducts" and "all-in cost per payable silver equivalent ounce," which are non-IFRS performance measures. The Company presents these measures to provide additional information regarding the Company's financial results and performance. Please refer to the Company's MD&A for the year ended December 31, 2015, for a reconciliation of these measures to reported IFRS results.

Optimization Plan

As announced on June 2, 2015 and November 2, 2015 and summarized in the National Instrument 43-101 technical report on

the Platosa Property dated July 9, 2015, the Company has developed an optimization program to comprehensively manage water at Platosa in the future through an enhanced pumping system. The first phase of the optimization plan is ongoing.

The Company expects the optimization plan to be fully implemented during the latter half of 2016, but expects to see incremental benefits during the implementation period. In recent weeks, development has focused on a pumping gallery for the first set of eight (est.) dewatering wells, with drilling of the first well expected to commence in the coming days. Pilot well testing near the 623 Manto is ongoing and will be used to target locations for the second set of six (est.) dewatering wells to be drilled later in the year. Further updates on the progress of this program will be provided regularly during the implementation period.

Production Highlights

Mine production for the three and twelve months periods ended December 31, 2015 and 2014 was as follows:

	Q4 2015[1]	Q4 2014[1]	Year 2015[1]	Year 2014[1]
Tonnes of ore produced	13,145	10,749	54,485	64,170
Tonnes of ore processed	12,999	11,671	56,849	64,206
Ore grades:				
Silver (g/t)	406	632	491	603
Lead (%)	3.65	6.00	4.56	6.57
Zinc (%)	5.33	8.28	7.20	8.90
Recoveries:				
Silver (%)	88.9	93.1	89.0	91.8
Lead (%)	79.8	75.7	77.7	81.9
Zinc (%)	81.3	79.6	81.6	81.8
Production:				
Silver - (oz)	152,628	206,343	794,289	1,162,929
Silver equivalent ounces (oz) [2]	259,885	366,272	1,429,539	2,048,017
Lead - (lb)	837,903	1,136,853	4,387,358	7,515,720
Zinc - (lb)	1,261,072	1,656,332	7,362,938	10,075,172
Payable:				
Silver ounces - (oz)	135,928	176,492	721,067	1,067,807
Silver equivalent ounces (oz) [2]	230,270	307,100	1,287,018	1,866,632
Lead - (lb)	780,634	1,013,644	4,212,843	7,260,737
Zinc - (lb)	1,061,270	1,275,349	6,274,379	8,655,708
Realized prices: [3]				
Silver - ($US/oz)	13.95	16.63	15.15	18.73
Lead - ($US/lb)	0.75	0.90	0.79	0.94
Zinc - ($US/lb)	0.69	0.99	0.83	0.99

(1) Period deliveries remain subject to assay and price adjustments on final settlement with concentrate purchaser. Data has been adjusted to reflect final assay and price adjustments for prior period deliveries settled during the period.

(2) Silver equivalent ounces established using average metal prices during the period indicated applied to the recovered metal content of the concentrates.

(3) Payable metal is based on the metals shipped and sold during the period and may differ from production due to these reasons.

(4) Average realized silver price is calculated on current period sale deliveries and does not include the impact of prior period provisional adjustments in the period.

Production of 1.4 million AgEq oz from Platosa was below the Company's original forecasts as water management limited planned access to the Rodilla, 623 and Guadalupe South mantos and implementation of the optimization plan commenced later in the year than originally planned due to financing market conditions. Consequently, mine sequencing proved a challenge during the year and resulted in production from lower grade remnant areas of the Guadalupe South Manto, particularly in Q4.

Production Update

In recent months, water levels in the 6A, Guadalupe North and the Rodilla mantos have reduced significantly, with those areas now requiring minimal pumping. Consequently, the overall pumping rate of the dewatering system was relatively reduced during Q4 (along with the drawdown rate) as the operation began reconfiguring the pumping system to focus on the 623 and Guadalupe South Mantos, which remain below the water table. This process is ongoing, but is expected to be completed in the coming days, which will augment the mine's overall dewatering during the implementation phase of the optimization plan.

In late February 2016, mine operations began accessing ore from the Rodilla Manto, approximately seven months ahead of schedule and at shallower depths than delineated in the block model. The Rodilla Manto was significantly below the water table until recently, but mining conditions are now almost entirely dry in this area, though the lower parts of the manto remain below

the water table. The Company is revising mine planning for this manto to accelerate production through the remainder of 2016 and expects to provide a production forecast in due course when these revisions are completed. Additionally, as the Optimization Plan is expected to have a material impact on production at Platosa, the Company expects to adjust production forecasts throughout the year as the Optimization Plan is implemented and begins to improve mining conditions.

Annual General Meeting

The annual and special meeting of Excellon shareholders (the "Meeting") will be held at 4:00 p.m. (ET) on May 10, 2016 at The King Edward Hotel (Kensington Room), 37 King Street East, Toronto, Ontario. Excellon shareholders as of March 25, 2016 will be entitled to attend and vote their shares at the Meeting. The Management Information Circular and materials related to the Meeting will be available on the Company website and SEDAR in the coming weeks pursuant to the Notice and Access rules.

About Excellon

Excellon's 100%-owned Platosa Mine in Durango is Mexico's highest grade silver mine, with lead and zinc by-products historically making it one of the lowest cash cost silver mines in the country. The Company is positioning itself to capitalize on undervalued projects by focusing on increasing La Platosa's profitable silver production and near-term mineable resources.

Additional details on the La Platosa Mine and the rest of Excellon's exploration properties are available at www.excellonresources.com.

Forward-Looking Statements

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this Press Release, which has been prepared by management. This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 27E of the Exchange Act. Such statements include, without limitation, statements regarding the future results of operations, performance and achievements of the Company, including potential property acquisitions, the timing, content, cost and results of proposed work programs, the discovery and delineation of mineral deposits/resources/reserves, geological interpretations, proposed production rates, potential mineral recovery processes and rates, business and financing plans, business trends and future operating revenues. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, significant downward variations in the market price of any minerals produced [particularly silver], the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. All of the Company's public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties, and particularly the July 9, 2015 NI 43-101-compliant technical report prepared by Roscoe Postle Associates Inc. with respect to the Platosa Property. This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.

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