TORONTO, ON--(Marketwired - August 02, 2016) - Excellon Resources Inc. (TSX: EXN) (OTC: EXLLF) ("Excellon" or the "Company"),Mexico's highest grade silver producer, is pleased to announce second quarter 2016 production results from the La Platosa Mine in Durango, Mexico.

Q2 2016 Production Highlights (Compared to Q2 2015)

- Silver equivalent ("AgEq") production of 368,568 ounces (Q2 2015 -- 341,975 AgEq oz), an 8% increase
- Silver production of 227,826 ounces (Q2 2015 -- 182,709 ounces), a 25% increase
- Lead production of 1.3 million lb (Q2 2015 -- 1.0 million lb), a 28% increase
- Zinc production of 1.6 million lb (Q2 2015 -- 1.7 million lb), a 10% decrease
- Phases II and III of optimization program underway with increasingly dry mining conditions at Platosa and drawdown rates exceeding projections at current pumping rates

"Production during the second quarter remained steady and slightly improved from Q1," stated Brendan Cahill, President and Chief Executive Officer. "As a result of drier underground conditions, we accessed the second level of the Rodilla Manto where further high grade mineralization was mined. With operations on firmer track as a result of our continued efforts to improve operational efficiencies, we expect these improvements to reflect well in our operating costs during the quarter, further benefitted by higher commodity prices. As we move into the third quarter of 2016, we intend to remain focused on improving our operations through the ongoing optimization program, while carrying out exploration drilling near existing infrastructure and following up on high priority, drill-ready targets."

Q2 2016 Production Results

	Q2 2016	Q2 2015	6-Mos 2016	6-Mos 2015
Tonnes Mined	13,929	13,709	26,706	27,629
Tonnes Milled	14,453	14,629	29,173	28,457
Grades				
Silver (g/t)	536	475	509	499
Lead (%)	5.09	4.40	4.94	4.87
Zinc (%)	6.31	6.87	6.23	7.82
Recoveries				
Silver (%)	90.0	84.7	90.9	88.6
Lead (%)	81.2	73.6	82.5	75.9
Zinc (%)	78.7	80.1	79.0	81.9
*Metal Production**				
Silver (oz)	227,826	182,709	439,382	399,788
Lead (lb)	1,313,197	1,024,813	2,632,113	2,277,608
Zinc (lb)	1,575,231	1,744,678	3,164,009	3,983,991
AgEq (oz)**	368,568	341,975	732,120	750,070

** Subject to adjustment following settlement with concentrate purchaser.*

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

Ore production during the second quarter was primarily from the Rodilla, 6A and Guadalupe North and South mantos. A total of 14,453 tonnes of ore was processed during the quarter, a 5% increase from the previous quarter. As the Company continued to access the Rodilla Manto ahead of schedule due to drier mining conditions, approximately 10,795 tonnes of ore were mined from the Rodilla Manto alone, with grades from Rodilla averaging approximately 662 g/t Ag, 5.94% Pb and 7.75% Zn. During Q3, the Company aims to continue production from the Rodilla Manto on the 975 level while continuing development and accessing ore from the 970 level, with development preparing the 960 level for Q4. Additionally, development is focused on further accessing the Guadalupe South Manto and driving development into the 623 Manto, hosting mineral resources of 83,000 tonnes at 1,231 g/t Ag (1,766 g/t AgEq).

As delineated in the Platosa resource block model, the upper levels of the Rodilla Manto host mineralization grading approximately 800 g/t Ag, 7% Pb and 10% Zn on an undiluted basis. During the second quarter, the Company continued to encounter materially higher grades than forecast from Rodilla, with approximately 1,700 tonnes of ore produced from Rodilla grading in excess of 1,000 g/t Ag, 10% Pb and 10% Zn on a diluted basis. Though the deposit is tightly drilled at 15 metre centres, manto boundaries are generally erratic and additional mineralization is often encountered outside of the resource block model. Additionally, the Company has noted historically that in areas with very high argentiferous-galena content silver and lead grades are underestimated as such mineralization may be washed out and lost during the diamond drilling process.

Approximately 1,850 tonnes of ore milled during the quarter were extracted from historic stockpiles and settling ponds at Platosa at minimal cost with grades of approximately 150 g/t Ag and 1-2% Pb and Zn. High-grade ore produced during the quarter was blended with this lower grade material to improve recoveries and concentrate payability. The Company expects to continue accessing and blending this low cost ore in coming quarters.

Update on Optimization Plan

As announced on June 2nd and November 2nd, 2015, the Company has developed an optimization plan to comprehensively manage water at Platosa through an enhanced pumping system. The Company is currently implementing the second and third phases of the program, with the drilling of primary dewatering wells and installation of submersible pumps. Additionally, the Company has further optimized its existing pump infrastructure, which demonstrated exceptional results during the second quarter. Effectively all areas of the mine are currently dry, with operations only being limited by potential water inflows and pressure in the deepest areas of the mine (the production headings in Guadalupe South and development headings into the 623 Manto), and conditions in those areas are expected to improve as drawdown continues. Pumping rates (primarily from existing infrastructure) during June 2016 averaged approximately 15,900 gallons per minute, resulting in a drawdown of approximately 1.5metres during the month, approximately 30% higher than predicted in the conservative drawdown model on which the optimization plan is based. More generally, the drawdown rate throughout 2016 has exceeded the expected drawdown at various pumping rates. Drawdown rates are expected to fluctuate from period to period, but the higher than expected drawdown at consistently higher pumping rates is a promising indicator of the project's upside efficacy.

All equipment required to equip the first eight dewatering wells is expected to be on site by the end of August. Three dewatering wells have been drilled to date. The initial drilling contractor was replaced in the second quarter to improve drilling performance and drilling has now resumed. Temporary, high head pumps have been installed to draw water from the initial wells prior to installation of the permanent pumping system, with further opportunities to optimize this interim system under implementation. Further updates on the progress of this program will be provided regularly during the implementation period.

The Company expects to release second quarter financial results prior to market open on August 8, 2016.

Qualified Person

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

About Excellon

Excellon's 100%-owned La Platosa Mine in Durango is Mexico's highest grade silver mine, with lead and zinc by-products making it historically 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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