

TORONTO, ON--(Marketwired - October 27, 2016) - [Excellon Resources Inc.](#) (TSX: EXN)(OTC: EXLLF) ("Excellon" or the "Company"), Mexico's highest grade silver producer, is pleased to report third quarter operational and production results and results from ongoing exploration at the Platosa Mine in Durango, Mexico.

### Q3 2016 Highlights

- Preparation made for 150%+ increase in drawdown rate during Q4, with all material development now completed and the first primary booster array and wells coming online, as the Company's ongoing optimization program heads toward completion
- High grade diamond drill results from ongoing surface and underground exploration include:
  - 662 g/t Ag, 4.9% Pb, 25.5% Zn and 0.57 g/t Au or 1,886 g/t Ag equivalent ("AgEq\*") over 13.00 metres in EX16UG274, an extension of the high-grade Manto 623;
  - 773 g/t Ag, 11.8% Pb and 6.3% Zn or 1,438 g/t AgEq over 2.77 metres in PH16-13, a the connector zone between the Guadalupe South and 623 mantos
- AgEq production of 255,760 ounces (Q3 2015 - 419,583 AgEq oz)
  - Silver production of 153,783 ounces (Q3 2015 - 241,872 ounces)
  - Lead production of 891,424 lb (Q3 2015 - 1.3 million lb)
  - Zinc production of 1.2 million lb (Q3 2015 - 2.1 million lb)
- Continued mining of high-grade mineralization outside of the resource block model near the Rodilla Manto

*\* AgEq in drill results assumes \$17.50 Ag, \$1,265 Au, \$0.90 Pb and \$1.01 Zn with 100% metallurgical recovery, while AgEq in production results reflects average metal prices during the period applied to the recovered metal content of concentrates.*

"This quarter marked an important turn in the Company's operations, with momentum now building towards the completion of our ongoing optimization program in the first quarter of 2017 and our goal of a completely dry Platosa by spring," stated Brendan Cahill, President and Chief Executive Officer. "Additionally, recent highgrade drill results immediately adjacent to existing resources and infrastructure are a promising early indicator of the opportunity to efficiently increase high-grade tonnage at Platosa. During Q3, we effectively completed all civil works required for the optimization program and developed into the next level of the Rodilla Manto. This increased development affected production during the quarter, but we are looking forward to the quarters ahead as mining conditions continue to improve. The first major return from the optimization program is scheduled for the coming weeks, with the primary booster pump array and an additional four wells coming online, which are expected to increase the mine-drying rate by over 150%."

### Optimization Program Update

As further described in the Company's annual information form (the "AIF"), the Company has developed an optimization program to comprehensively manage water at Platosa through an enhanced pumping system. The optimization program aims to maintain and increase a localized "cone of depression" of the water table below mine workings, ultimately resulting in completely dry mining conditions at Platosa. Under dry mining conditions, the Company expects to achieve materially higher rates of production at materially lower costs relative to current and historical production at Platosa. Refer to the AIF for a summary of estimates on Platosa production rates and costs subsequent to the implementation of the optimization program.

The optimization program consists of a pumping installation near each of the high-grade Guadalupe South and 623 mantos. At Guadalupe South, infrastructure will include eight wells and associated 250hp submersible pumps, the primary sump and four 600hp booster pumps, while 623 will include six wells and associated 250hp submersible pumps, a secondary sump and three 600hp booster pumps. During the quarter, the Company completed all material development required for this infrastructure, including the development of pumping stations, electrical and booster stations and both sumps. Drilling of wells continued during the quarter and accelerated materially in September. As noted, previously, the Company switched drill contractors early in Q3 and, after working through certain adjustments with the second contractor, began to see excellent performance in September. The Company has added an additional rig to the program with the aim of completing well drilling during Q1 2017.

During Q4 2016, the Company expects to complete the installation of booster pumps in Guadalupe South and commence pumping from an additional four, and subsequently six, dewatering wells at this installation. These pumps are in addition to two temporary submersible pumps that now pump directly to surface (which pumps will be replaced with higher efficiency submersibles in due course). The activation of the additional four wells is estimated to increase drawdown (or drying) rates by approximately 150% (of the program's targeted 300% increase in drawdown rates) on a conservative basis. As noted previously, the Company has realized materially faster drawdown rates than forecast at higher pumping rates, so the initiation of these four wells will be an important initial indicator of the upside potential of the optimization program.

The optimization program remains on budget and the Company and its consultants continue to identify opportunities to complete the project at costs below initial targets. Based on recently accelerated well drilling, the Company aims to complete the installation by the end of Q1 2017 and targets a completely dry Platosa Mine during Q2 2017. Further updates on the progress of this program will be provided regularly during the implementation period.

### Exploration Results

The Company commenced a 25,000-metre diamond drilling exploration program during Q3 2016. This program encompasses

drilling from surface and from underground and is currently focused on defining additional shallow mineralization located near existing infrastructure in mineable areas. To date, 2,090 metres have been completed accounting for 13 holes from surface and underground, as well as an additional 2,353 metres of drilling in underground drilling related to the dewatering program, which include probe and targeting holes for dewatering wells. Material intersections are summarized below:

Hole ID	Interval <sup>(1)</sup>	Interval <sup>(2)</sup>	Au	Ag	Pb	Zn	AgEq <sup>(3)</sup>
	From To	meters	g/t	g/t	%	%	g/t
EX16UG274	23.00	36.00	13.00	0.57	662	4.92	25.53
PH16-13	7.16	9.93	2.77	-	773	11.77	6.27
PH15-03	23.23	23.60	0.37	-	2991	5.01	4.81
PH15-04	29.47	29.80	0.33	-	2272	18.60	1.55
PH16-19 A	22.12	22.54	0.42	-	1751	6.73	3.32
EX16LP1100	90.75	92.90	2.15	-	167	1.18	1.92
EX16LP1101	94.66	96.49	1.83	-	115	1.01	1.90
					226		

1. From-to intervals are measured from the drill collar, with drill holes marked UG or PH drilled from underground stations.
2. All intervals are reported as core length. Not enough information is known about the mineralization to determine true width at this time.
3. AgEq in drill results assumes \$17.50 Ag, \$1,265 Au, \$0.90 Pb and \$1.01 Zn with 100% metallurgical recovery.

Drilling from underground has yielded encouraging results with intersections bearing significant silver and zinc grades. UG16UG274 and PH-16-13, in particular, intersected high-grade mineralization extending the 623 Manto approximately 25 metres to the west. These holes were drilled along the upper extent of the manto and intersected mineralization offset by a fault in the area.

Additional, underground drilling in PH16-19A, PH15-03 and PH15-04 intersected high grade mineralization near existing mine infrastructure, which will be followed up on to better define the continuity of mineralization intersected.

EX16LP1100 and 1101 intersected disseminated mineralization in an upper part of the Platosa Mine adjacent to the previously mined, high-grade 4A Manto. The disseminated mineralization encountered adjacent to manto mineralization may be an indicator of additional manto mineralization nearby. Follow-up work is planned for this area in the ongoing drill program.

Drilling for Q4 2016 will continue to focus on expanding the current footprint of manto mineralization at Platosa, with a second rig planned for surface drilling in the coming months. This rig will look to further define high-grade mantos at Platosa and structural targets in the NE-1 and 6A areas, both of which exhibit potential for vertical feeder zones. These targets are currently being evaluated and planned as part of a larger data compilation and integration effort with particular focus on mineral and metal zonation and structural indicators of feeder zones.

As part of the program, the Company is also targeting regional, CRD/Source-style mineralization. Progress has been made in compiling and reinterpreting existing data with the aim of generating new CRD/Source- style targets, the most significant to date of which is the Rincon del Caido discovery, which encountered a number of skarn mineralized intersections in 2012/2013, including 132 g/t Ag, 3.1% Zn, 1.7% Pb and 0.075 g/t Au over 55.5 metres in LP1019, 146 g/t Ag, 2.8% Pb, 1.9% Zn and 0.22 g/t Au over 43.4 metres in LP 1023A and 13.1 g/t Au, 21 g/t Ag, 0.7% Pb and 3.6% Zn over 7.3 metres in LP 1038.

#### Q3 2016 Production Results

	Q3 2016	Q3 2015	9-Mos 2016	9-Mos 2015
Tonnes Mined	11,207	13,711	37,914	41,339
Tonnes Milled	12,003	15,393	41,176	43,850
<i>Grades</i>				
Silver (g/t)	427	547	485	516
Lead (%)	4.14	4.75	4.71	4.83
Zinc (%)	5.49	7.66	6.01	7.76
<i>Recoveries</i>				
Silver (%)	90.4	90.9	90.7	89.0
Lead (%)	82.1	79.9	82.4	77.1
Zinc (%)	81.3	81.7	79.7	81.8
<i>Metal Production*</i>				
Silver (oz)	153,783	241,872	593,165	641,660
Lead (lb)	891,424	1,271,847	3,523,537	3,549,455

Zinc (lb)	1,169,029	2,117,874	4,333,038	6,101,866
AgEq (oz)**	255,760	419,583	987,880	1,169,654

\* 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 third quarter was from the Rodilla Manto, where workings are currently located in one of the deepest parts of the mine and ore is below the water table. During the quarter, the Company continued development into lower levels of Rodilla, which limited productivity from the manto. The currently deepest areas of the mine, in Rodilla, Guadalupe South and 623, are at approximately the 960 elevation, with the water table at 975 elevation. Though these areas are effectively dry and water inflows are entirely under control, development and production conditions are not optimal. Mining conditions are expected to materially improve in the coming months as the pending increase in drawdown rate more rapidly closes the gap between the water table and operating elevations.

The Company continues to encounter additional mineralization outside of the block model adjacent to the Rodilla Manto and existing infrastructure. As delineated in the Platosa resource block model, the upper levels of the Rodilla Manto host undiluted resources grading approximately 800 g/t Ag, 7% Pb and 10% Zn. As in previous quarters, the Company mined materially higher grades outside the block model and continues to identify new zones of "bonus" mineralization, most recently on the 674 and 731 headings in Rodilla. 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 high-grade silver and lead are underestimated as such mineralization may be washed out during the diamond drilling process.

Approximately 750 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 release third quarter financial results prior to market open on November 2, 2016.

#### Upcoming Conferences

The Company will participate in the New Orleans Investment Conference from October 26-29, 2016 at the New Orleans Riverside Hotel in New Orleans, Louisiana. Company representatives will be available at booth 124.

The Company will also participate in the International Precious Metals & Commodities Show from November 3-4, 2016. The Conference will be held at the MVG Museum in Munich, Germany. Brendan Cahill, President and CEO, will be presenting on Friday, November 4<sup>th</sup> at 4:50 PM (local time) on stage 1.

#### Qualified Person

Michael Verreault, Ing., has acted as a Qualified Person as defined in NI 43-101 with respect to the disclosure of the technical information related to hydrogeology and the optimization project described in this release. Mr. Verreault has a Masters in Applied Science (Hydrogeology) and 16 years of relevant experience focused on hydrogeology. He is a certified professional engineer (OIQ 125243) by the Ordre des ingénieurs du Québec and is President of Hydro-Ressources Inc. Mr. Verreault is independent of the Company and visited Platosa several times during the planning and implementation of the optimization program.

Mr. Ben Pullinger, P. Geo, Vice-President Geology, has acted as the Qualified Person, as defined in NI 43- 101, with respect to the disclosure of the scientific and technical information relating to exploration results contained in this press release.

#### 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](http://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](http://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.

## Contact

For Further Information, Please Contact:

**Excellon Resources Inc.**

Brendan Cahill  
President & CEO

Nisha Hasan  
Director, Investor Relations  
(416) 364-1130  
[info@excellonresources.com](mailto:info@excellonresources.com)  
[www.excellonresources.com](http://www.excellonresources.com)