Excellon Reports First Quarter 2018 Financial Results

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Excellon Resources Inc. (TSX:EXN, EXN.WT, EXN.WT.A; OTC:EXLLF) ("Excellon" or the "Company") is pleased to re
results for the three-month period ended March 31, 2018.

Q1 2018 Financial Highlights (compared to Q1 2017)

- Revenue increased 73% to $5.9 million (Q1 2017 – $3.4 million)
- Production more than doubled to 482,079 silver equivalent ("AgEq") ounces (Q1 2017 – 205,314 AgEq ou
- Sales increased 88% to 406,995 AgEq ounces payable (Q1 2017 – 215,922 AgEq ounces payable)
- Gross profit of $0.7 million (Q1 2017 – loss of $1.2 million)
- Total cash cost per Ag oz payable decreased to $3.85 (Q1 2017 – $22.44)
- All-in sustaining cost ("AISC") per Ag oz payable improved to $15.89 (Q1 2017 – $61.96) or $11.76 exclud items
- Net loss of $1.2 million or $0.01/share (Q1 2017 – net loss of $0.8 million or $0.01/share)
- Net working capital totaled $14.5 million at March 31st (December 31, 2017 – $13.8 million), increasing to of April 30th

"We realized strong improvements in our cost profile during the first quarter, with an AISC of $11.76 excluding non-cas
Brendan Cahill, President and CEO. "More importantly, during March we realized an AISC of $7, or negative $0.90 exc
items. We expect costs to continue to improve now that we have transitioned to a more productive cut-and-fill mining m
Additionally, with key ramps now accelerated well below production levels, we have a growing dry mineral inventory of
tonnes available to continue increasing production in Q2 and Q3."

Financial Results

Financial results for the three-month periods ended March 31, 2018, and 2017 were as follows:

('000s of USD, except amounts per share and per ounce)		
	Q1 2018	Q1 2017
Revenue (1)	5,911	3,413
Production costs	(3,959)	(4,025)
Depletion and amortization	(1,282)	(546)
Cost of sales	(5,241)	(4,571)
Gross profit (loss)	670	(1,158)
Corporate administration	(1,423)	(1,335)
Exploration	(708)	(564)
Other income	82	1,713
Net finance income	1,024	1,263
Income tax expense	(867)	(754)
Net loss	(1,222)	(835)
Loss per share – basic	(0.01)	(0.01)
Cash flow from (used in) operations (2)	471	(1,437)
Cash flow from (used in) operations per share – basic	0.00	(0.02)
Production cost per tonne ($/tonne) (3)	210	337
Cash cost per payable silver ounce ($/Ag oz)	3.85	22.44
All-in sustaining cost ("AISC") per silver ounce payable ($/Ag oz)	15.89	61.96

(1) Revenues are net of treatment and refining charges.

(2) Cash flow from operations before changes in working capital.

(3) Production cost per tonne includes mining and milling costs excluding depletion and amortization.

Net revenues increased by 73% to $5.9 million (Q1 2017 – $3.4 million) due to an 88% increase in AgEq payable ounces of 406,995 (Q1 2017 – 215,922 AgEq oz). A lower realized silver price of $16.49 in Q1 2018 (Q1 2017 – $17.99) impacted net revenues, but was offset by higher base metal prices and improved treatment and refining charges ("TC/RC") under the 2017 offtake sales agreements, which carried over into Q1 2018. During the quarter, the Company continued to process historical stockpiles and sump material, with minimal associated mining costs. These stockpiles are blended with mined ore to improve recoveries (in the case of high-grade lead and/or zinc ore) and payability, as well as being cash flow generative. The cost of processing these stockpiles totals less than $50/tonne, with an NSR value of approximately $135/tonne assuming 350 g/t AgEq and a silver price of $16.50.

Cost of sales, including depletion and amortization increased by 15% in Q1 2018 compared to Q1 2017 due to a $0.7 million increase in amortization of capital costs associated with the mine optimizations completed in 2017 (the "Optimization Plan"). On a cash basis, production costs of $4.0 million were comparable between the two quarters, despite higher mine and mill production in Q1 2018, as the operation realized greater efficiencies with dry mining conditions and benefitted from the low production cost of the historical stockpiles processed during the quarter.

Production cost per tonne improved by 38% to $210/t in Q1 2018, primarily due to a 58% increase in tonnes milled. These costs are expected to continue to improve during 2018 as production rates increase, along with increased pump efficiency and decreased electricity costs in Mexico.

The Company recorded a net loss of $1.2 million in Q1 2018 (Q1 2017 – net loss of $0.8 million). Components of the net loss included:

(i) 135% increase in depletion and amortization over Q1 2017 as amortization of capitalized costs of the Optimization Plan began in Q3 2017;

(ii) 95% decrease in other income over Q1 2017, primarily due to a $1.5 million unrealized gain on marketable securities in Q1 2017; and

(iii) A lower fair value adjustment gain of $0.5 million on remaining warrants related to convertible debentures (the "Debentures") issued in November 2015 and converted in December 2017 in accordance with IFRS (Q1 2017 – $1.1 million gain on warrants and embedded derivatives on the Debentures).

The Company incurred $0.7 million in exploration spending in Q1 2018 as surface drilling increased at Platosa, with 2,395 metres drilled. Surface drilling expenditures are expected to increase going forward, with an additional diamond drill rig now in operation at Platosa and drilling expected to commence at Miguel Auza late in Q2. Underground drilling also continued with 2,853 metres drilled in the quarter.

Costs continued to improve significantly post Optimization Plan with cash costs net of by-products per silver ounce payable (or Total Cash Costs) of $3.85 in Q1 2018 (Q1 2017 – $22.44). Factors contributing to lower costs include access to higher grade mantos, improved TC/RCs and higher lead and zinc prices. The Company's AISC per silver ounce payable was $15.89 in Q1 2018 (Q1 2017 – $61.96), which resulted from lower net cash costs and successful completion of the Optimization Plan in mid-2017. The first quarter generally sees higher AISC as annual stock compensation is awarded in March. Excluding non-cash items, AISC during the quarter was $11.76. The Company expects AISC to improve further in the coming quarters.

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

All financial information is prepared in accordance with IFRS, and all dollar amounts are expressed in U.S. dollars unless otherwise specified. The information in this news release should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2018 and associated management discussion and analysis ("MD&A") which are available from the Company's website at www.excellonresources.com and under the Company's profile on SEDAR at www.sedar.com.

The discussion of financial results in this press release includes reference to "cash flows from operations before changes in working capital items", "cash cost per silver ounce payable", and "AISC per silver ounce payable", 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 three month period ended March 31, 2018, for a reconciliation of these measures to reported IFRS results.

Production Highlights

Mine production for the periods indicated below were as follows:

	Q1 2018	Q1 2017
Tonnes of ore produced:	13,784	12,064
Tonnes of ore processed:	13,021	11,036
Tonnes of historical stockpile processed:	5,864	897
Total tonnes processed:	18,885	11,934
Ore grades:		
Silver (g/t)	441	328
Lead (%)	4.78	3.02
Zinc (%)	8.24	4.35
Historical stockpile grades:		
Silver (g/t)	176	178
Lead (%)	1.60	1.24
Zinc (%)	2.40	1.21
Blended head grade (ore and historical stockpiles):		
Silver (g/t)	359	317
Lead (%)	3.79	2.89
Zinc (%)	6.43	4.12
Recoveries:		
Silver (%)	87.3	89.8
Lead (%)	81.2	81.3
Zinc (%)	83.8	81.8
Production:(1)		
Silver – (oz)	194,462	108,118
AgEq ounces (oz)(2)	482,079	205,314
Lead – (lb)	1,275,418	610,033
Zinc – (lb)	2,253,449	872,976
Payable:(3)		

Silver ounces – (oz)	166,076	116,128
AgEq ounces (oz) [2]	406,995	215,922
Lead – (lb)	1,139,665	698,023
Zinc – (lb)	1,834,743	837,733
Realized prices:[4]		
Silver – ($US/oz)	16.49	17.99
Lead – ($US/lb)	1.10	1.04
Zinc – ($US/lb)	1.48	1.28

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

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

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

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

During Q1 2018, the Company focused on efficient installation of ground support and driving ramp development. Operations have now transitioned to a more productive cut-and-fill mining method, accessing the Rodilla, Pierna and 623 mantos. As ramps 730 and 725 have now been driven below active working levels, a growing dry mineral inventory of approximately 50,000 tonnes is available to support increased production rates in Q2 and Q3. The Company expects productivity to continue to improve at Platosa, as development continues to access lower levels of the mantos.

The Company expects to file an updated mineral resource estimate and technical report in the coming weeks, along with an associated production outlook for the remainder of 2018.

About Excellon

Excellon's 100%-owned Platosa Mine in Durango has been Mexico's highest-grade silver mine since production commenced in 2005. The Company is focused on optimizing the Platosa Mine's cost and production profile, discovering further high-grade silver and carbonate replacement deposit (CRD) mineralization on the Platosa Project and epithermal silver mineralization on the Miguel Auza Property and capitalizing on the opportunity in current market conditions to acquire undervalued projects in the Americas.

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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