

# Mexico's highest grade Silver producer

TSX:EXN | OTC:EXLLF

Investor Presentation – September 2014

**EXCELLON**

# Forward Looking Statements

## Disclaimer

This document contains “forward-looking statements” within the meaning of applicable Canadian securities legislation and applicable U.S. securities laws. Except for statements of historical fact relating to the Company, such forward-looking 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, the potential of the Company’s properties, proposed production rates, potential mineral recovery processes and rates, business plans and future operating revenues. Forward looking statements are made based on management’s beliefs, estimates, assumptions and opinions on the date the statements are made. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct and the Company undertakes no obligation to forward-looking statements, except as may be required by law. Forward-looking statements are typically identified by words such as: believes, expects, anticipates, intends, estimates, targets, plans, postulates, 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 risk 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. A description of the risk factors applicable to the Company can be found in the Company’s most recent Annual Information Form under “Description of the Business – Risk Factors”. 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 latest NI 43-101-compliant technical report prepared by Roscoe Postle Associates Inc. with respect to the Platosa Property. This document is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.

## Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The terms “Measured”, “Indicated” and “Inferred” Mineral Resources used or reference in this document are defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves. The CIM standards differ significantly from standards in the United States. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category or that Mineral Resources will ever be upgraded to Mineral Reserves. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable, or that an Indicated Mineral Resource is economically or legally mineable.

## Cautionary Note to United States Investors regarding Adjacent or Similar Properties

This document may also contain information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises United States investors that the United States Securities and Exchange Commission’s mining guidelines strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company’s properties.

# Why Excellon?

## HIGH GRADE

M+I Grade of 777 g/t Ag (20M AgEq oz @ 1,277 g/t AgEq)

## LOW COST

\$10.44/Ag oz payable total cash cost (year-to-date)

## CASH FLOW

\$15.98/Ag oz payable all-in sustaining cost (year-to-date)

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## SOLID MINE LIFE

Quality resource remaining with open potential

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## GROWING PRODUCTION PROFILE

Increasing production through optimization

Growing through acquisition strategy

Expanding resources through exploration

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## EXPERIENCED TEAM

Management depth and the strongest board in junior mining

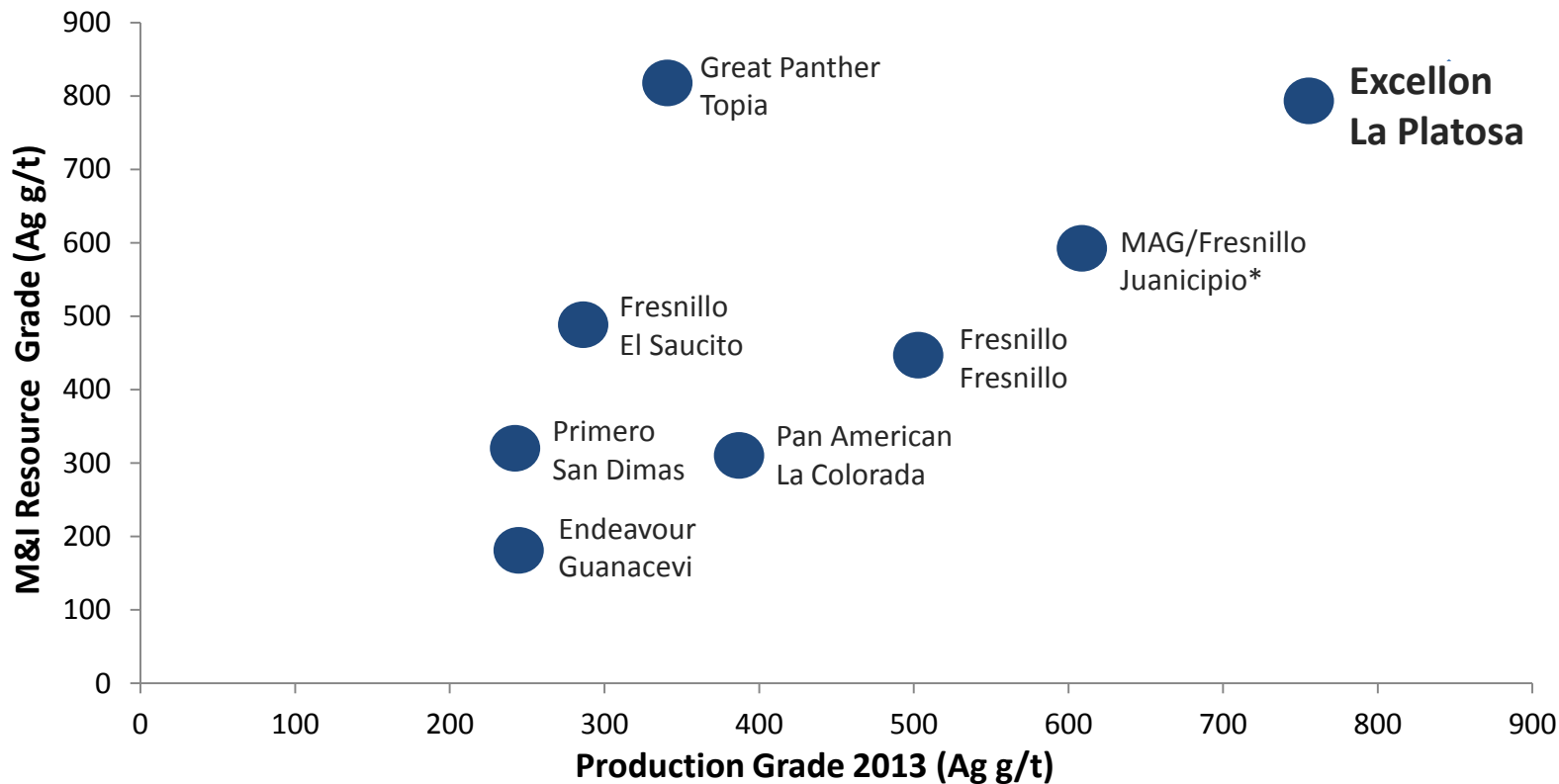
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## TRANSPARENT AND RESPONSIBLE MINING

Committed to social and environmental responsibility

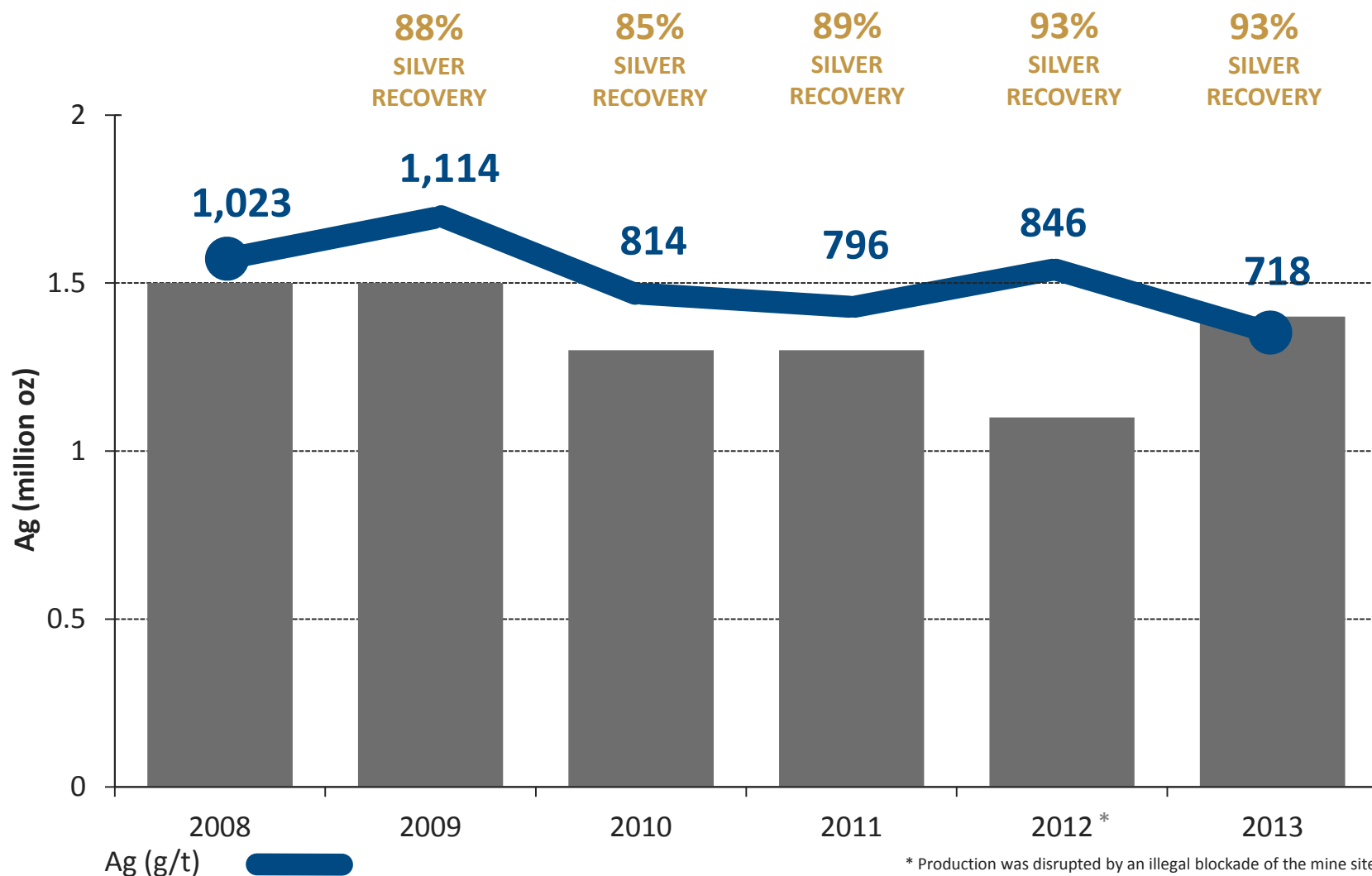
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# Platosa's High Grade Advantage

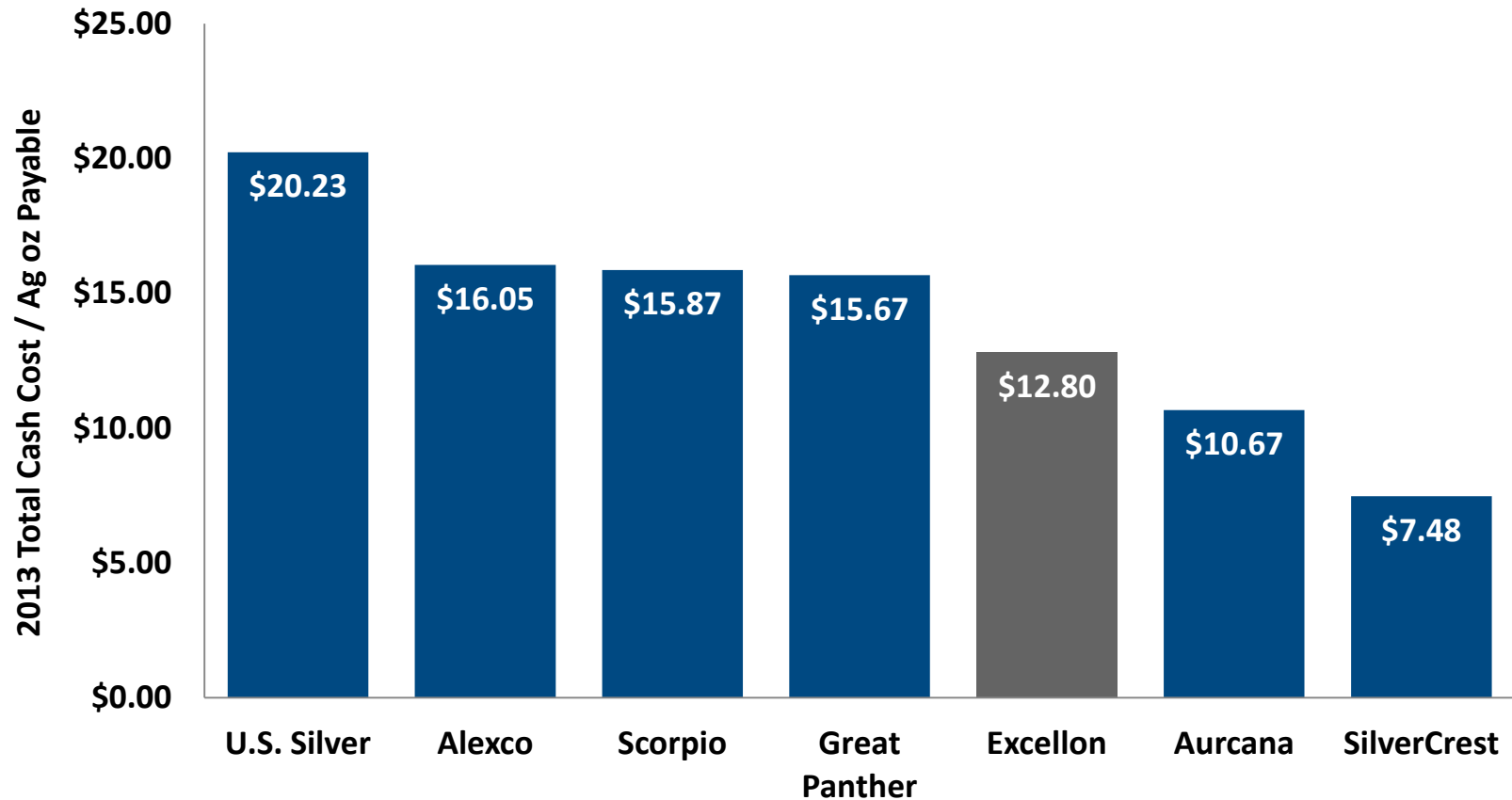


**HIGHEST GRADE RESOURCE AND PRODUCTION**

# Track Record of High Grade Production

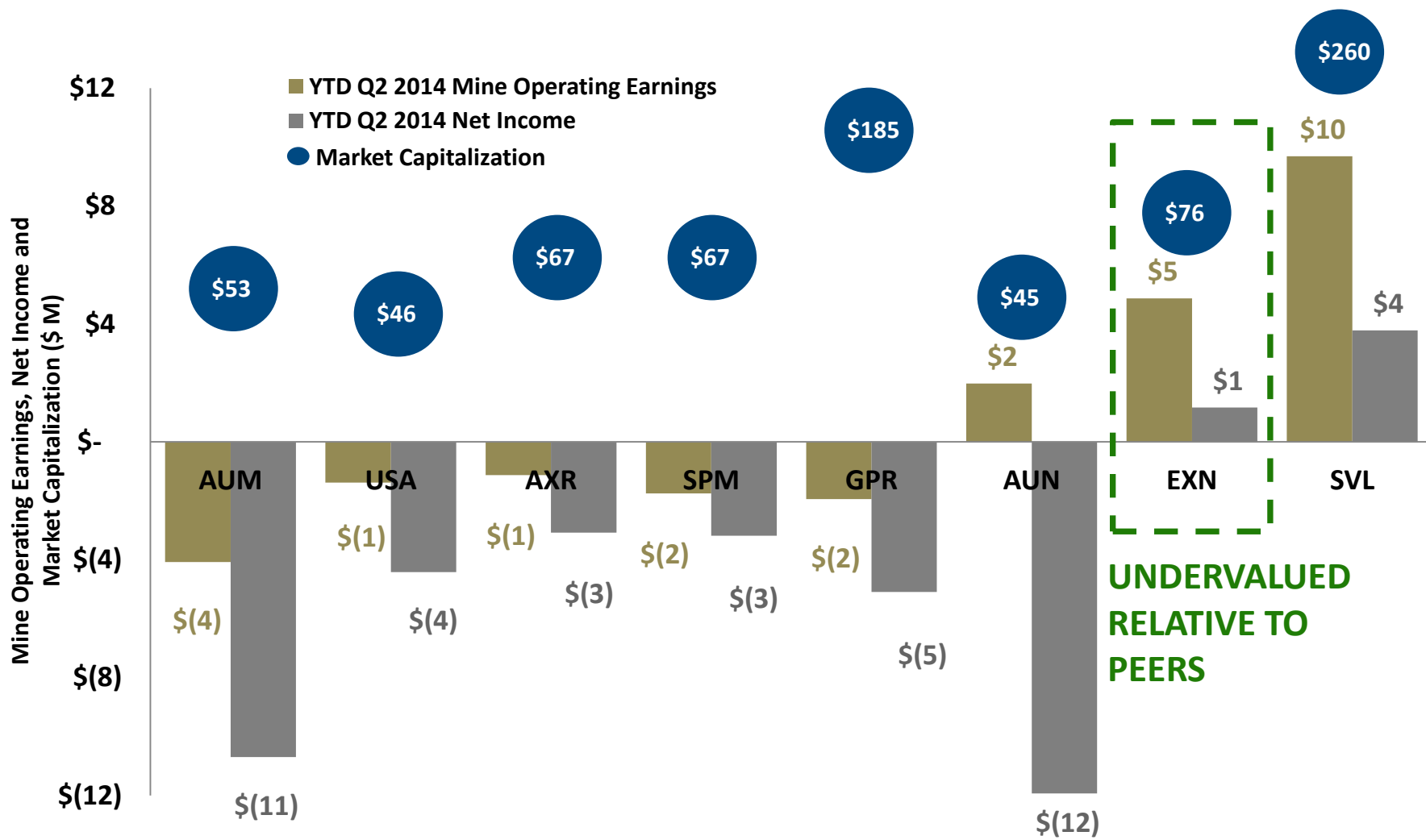


# One of the Lowest Cash Cost Producers



\* Information is based on public disclosure documents

# Junior Silver Producer Comparison



\*As of August 29, 2014. All figure amounts are in thousands or millions of dollars and are based on public disclosure documents.

# La Platosa Mine Production Results

		6-Mos 2014	2013	2012
Tonnes Produced		38,354	70,490	46,495
Grades	Ag (g/t)	607	718	846
	Lead (%)	6.58	6.14	6.75
	Zinc (%)	8.51	8.00	11.81
Metal Production	Ag (oz)	740,207	1,409,852	1,081,165
	Lead (lb)	4,651,724	7,342,108	5,731,160
	Zinc (lb)	5,731,921	9,876,955	10,450,813
Recoveries	Ag (%)	92.4	92.6	93.4
	Lead (%)	84.5	79.4	82.1
	Zinc (%)	81.7	80.2	84.8
Total Cash Cost/Ag oz payable		\$10.44	\$10.01	\$6.64
All-In Sustaining Cost/Ag oz payable		\$15.98	\$19.62	\$19.38
Net Income (Loss)		\$1.1M	\$(5M)	\$8.4M
Cash Flow from Operations		\$3.7M	\$1.7M	\$3.6M

**FOCUSED ON CASH FLOW GENERATION**

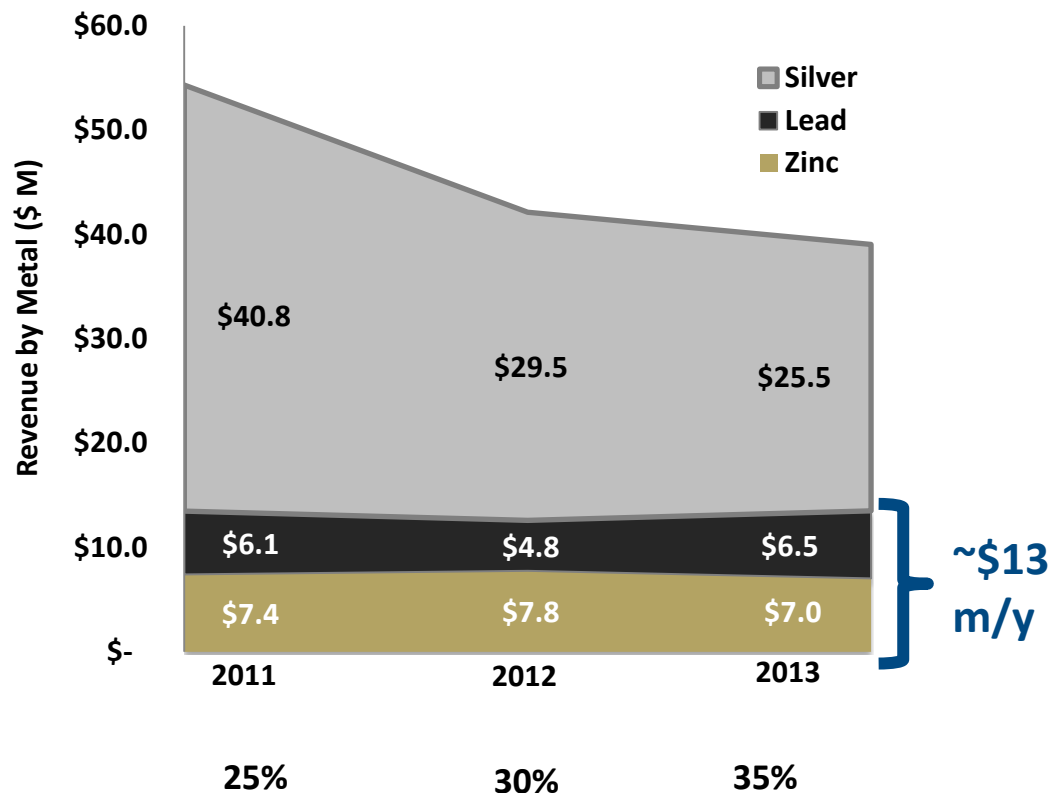


# All-in Sustaining Cost (AISC) per ounce payable

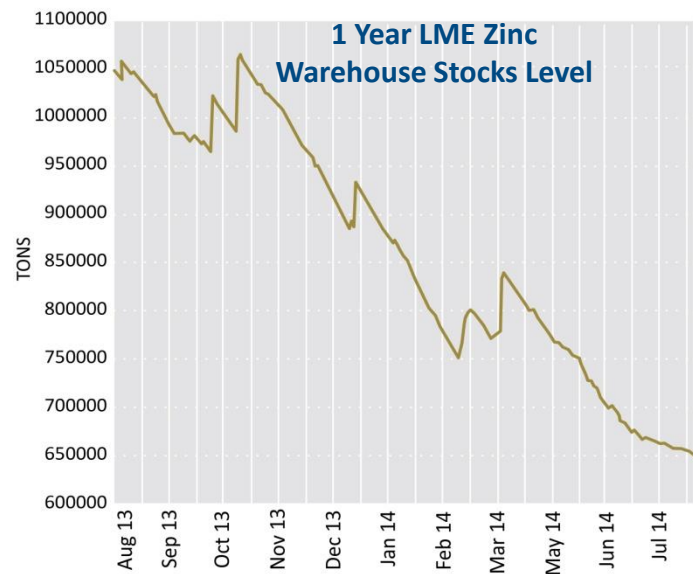
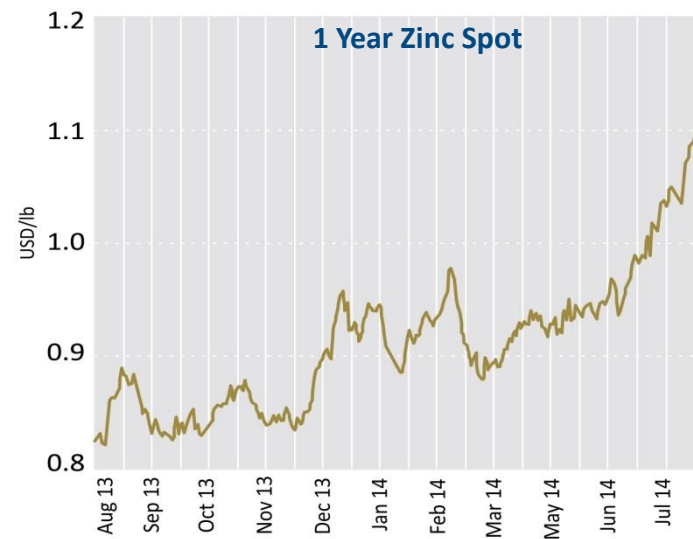
All-In Sustaining Cost Calculation	6-Mos 2014	2013
Total Cash Costs per payable silver oz	<b>\$10.44</b>	\$10.01
General and Administrative Costs (cash)	<b>\$2.53</b>	\$3.08
Share-based Payments (non-cash)	<b>\$0.69</b>	\$1.26
Reclamation Costs (non-cash)	<b>\$0.15</b>	\$0.14
Exploration Sustaining Capital	<b>\$0.82</b>	\$1.91
Capital Expenditures	<b>\$1.35</b>	\$3.22
<b>All-in Sustaining Costs:</b>	<b>\$15.98</b>	\$19.62
Excluding non-cash items:	<b>\$15.14</b>	\$18.22

# Benefit of Base Metals

## Stable Revenue Contributions from Base Metals



## Leveraged to Soaring Zinc Price



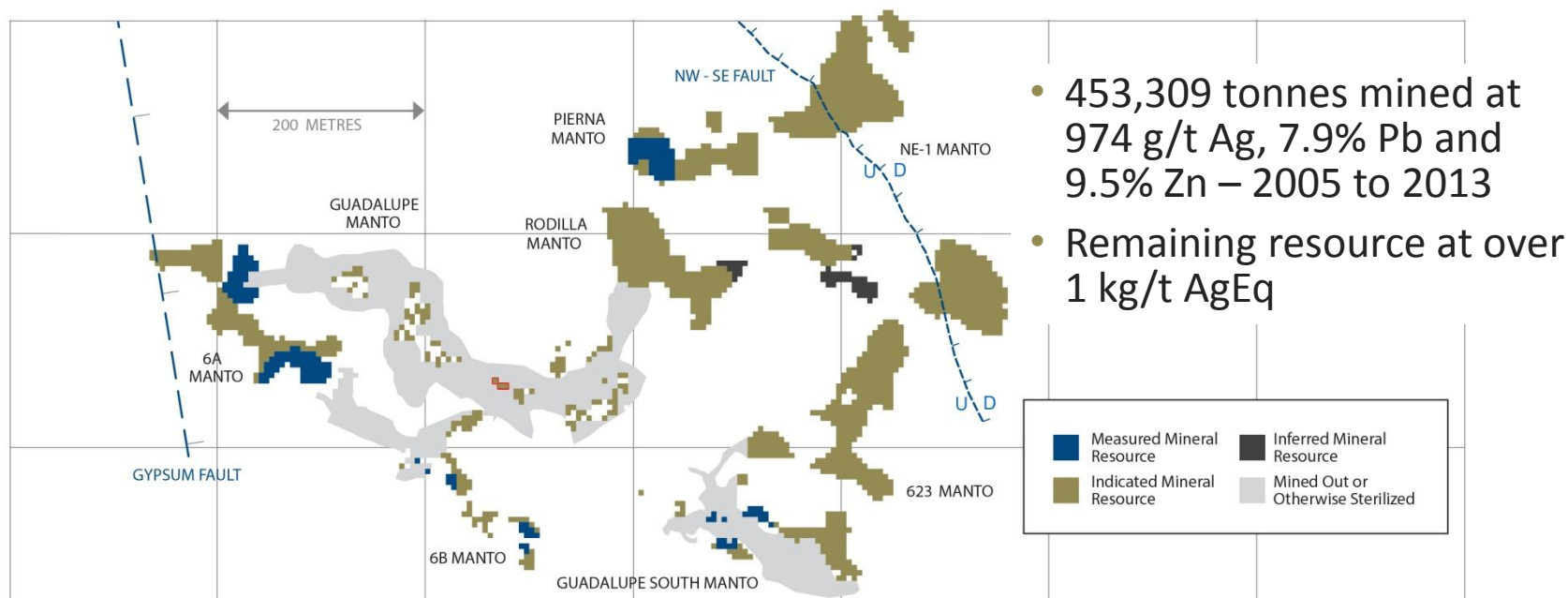
# La Platosa Mine



**EXCELLENT INFRASTRUCTURE, ACCESS AND SECURITY**



# Quality Resource: A Platform for Growth



**La Platosa 2013 Mineral Resource Estimate**

Category	Tonnes ('000s)	Ag (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Ag (M oz)	Pb (M lb)	Zn (M lb)	AgEq (M oz)
Measured	42	825	8.62	11.31	1,358	1.1	7.9	10.4	1.8
Indicated	443	772	8.40	10.05	1,270	10.9	81.9	98.0	18.0
<b>M&amp;I</b>	<b>484</b>	<b>777</b>	<b>8.42</b>	<b>10.15</b>	<b>1,277</b>	<b>12.0</b>	<b>89.8</b>	<b>108.4</b>	<b>19.8</b>
Inferred	3	2,234	16.93	1.74	2,922	0.26	1.2	0.13	0.3

**Notes:**

1. CIM definitions were followed for the classification of Mineral Resources.

2. Mineral Resources are estimated at an incremental NSR cut-off value of US\$189 per tonne.

3. Net smelter return metal price assumptions: US\$20.00/oz Ag, US\$1.00/lb Pb, US\$1.00/lb Zn.

4. Metal recovery assumptions: Ag 94%, Pb 85%, Zn 84%.

5. The silver equivalent (AgEq) is estimated from metallurgical recoveries, metal price assumptions, and smelter terms, which include payable factors, treatment charges, penalties, and refining charges.

6. The estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability.

7. Mineral resource estimate prepared by David Ross, P.Geo., of Roscoe Postle Associates Inc., independent geological and mining consultants of Toronto, Ontario. Prepared as at December 31, 2013.

8. Totals may not add or multiply accurately due to rounding.

# 2014 Production Outlook

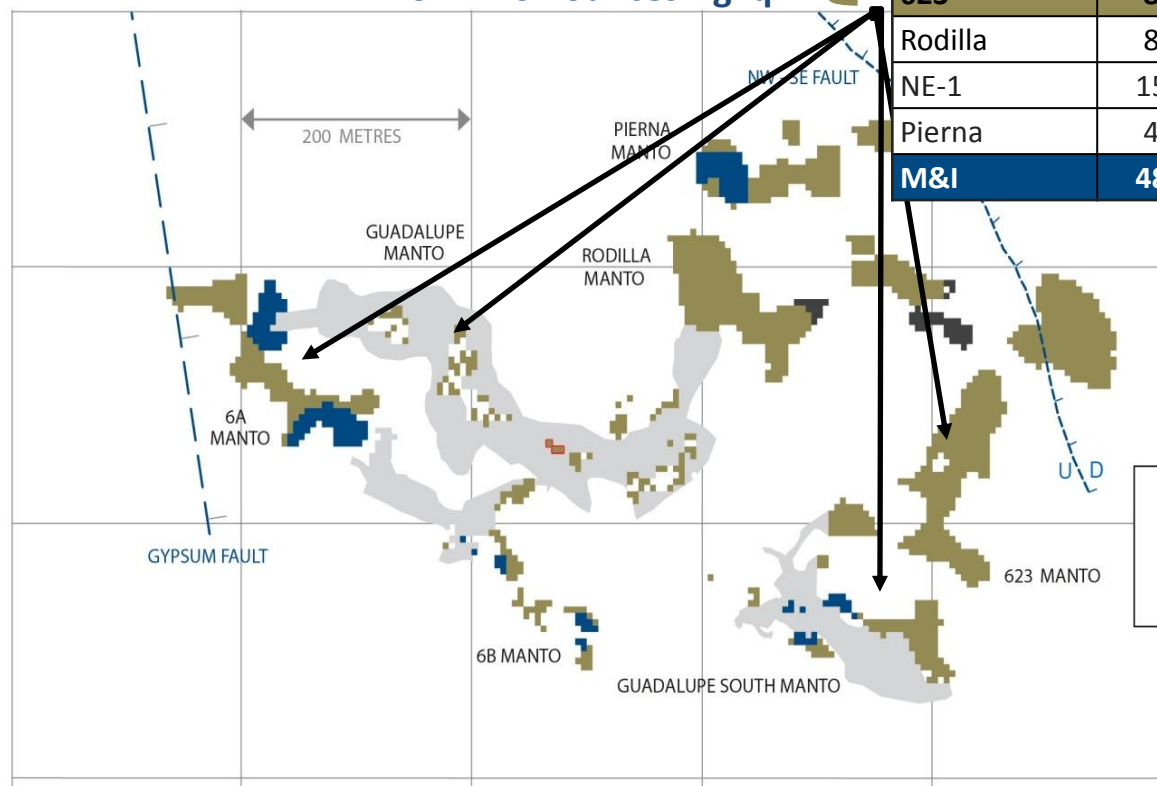
## PRODUCTION GUIDANCE 2014

1.4 – 1.6 million ounces Ag

7.5 – 8.5 million lbs Pb

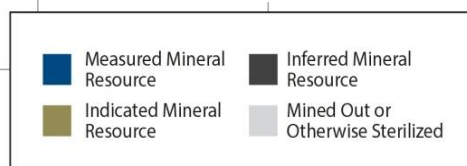
9.0 – 10 million lbs Zn

2.1 – 2.3 million ounces AgEq

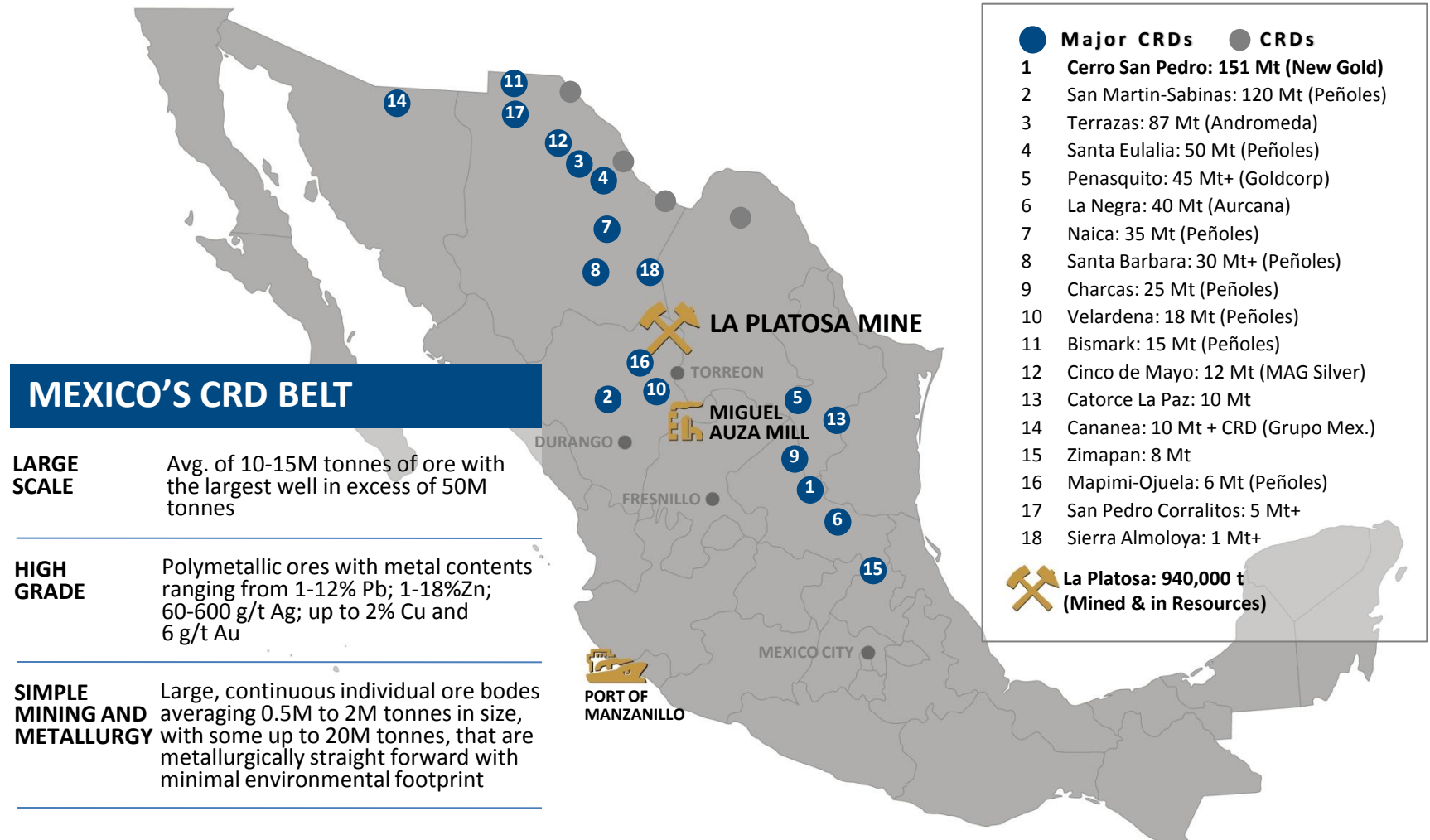


Area/Manto	Tonnes (kt)	Ag (g/t)	Pb (%)	Zn (%)	Ag Eq (g/t)
6A/6B	68	753	8.51	10.79	1,271
Guadalupe	18	857	9.24	12.60	1,438
Guadalupe S.	26	939	8.06	14.08	1,514
623	83	1,232	10.24	9.43	1,777
Rodilla	83	683	7.03	10.59	1,147
NE-1	158	558	7.95	7.25	980
Pierna	48	783	8.96	16.27	1,435
<b>M&amp;I</b>	<b>484</b>	<b>777</b>	<b>8.42</b>	<b>10.15</b>	<b>1,277</b>

**SIGNIFICANT HIGH GRADE PRODUCTION REMAINING**



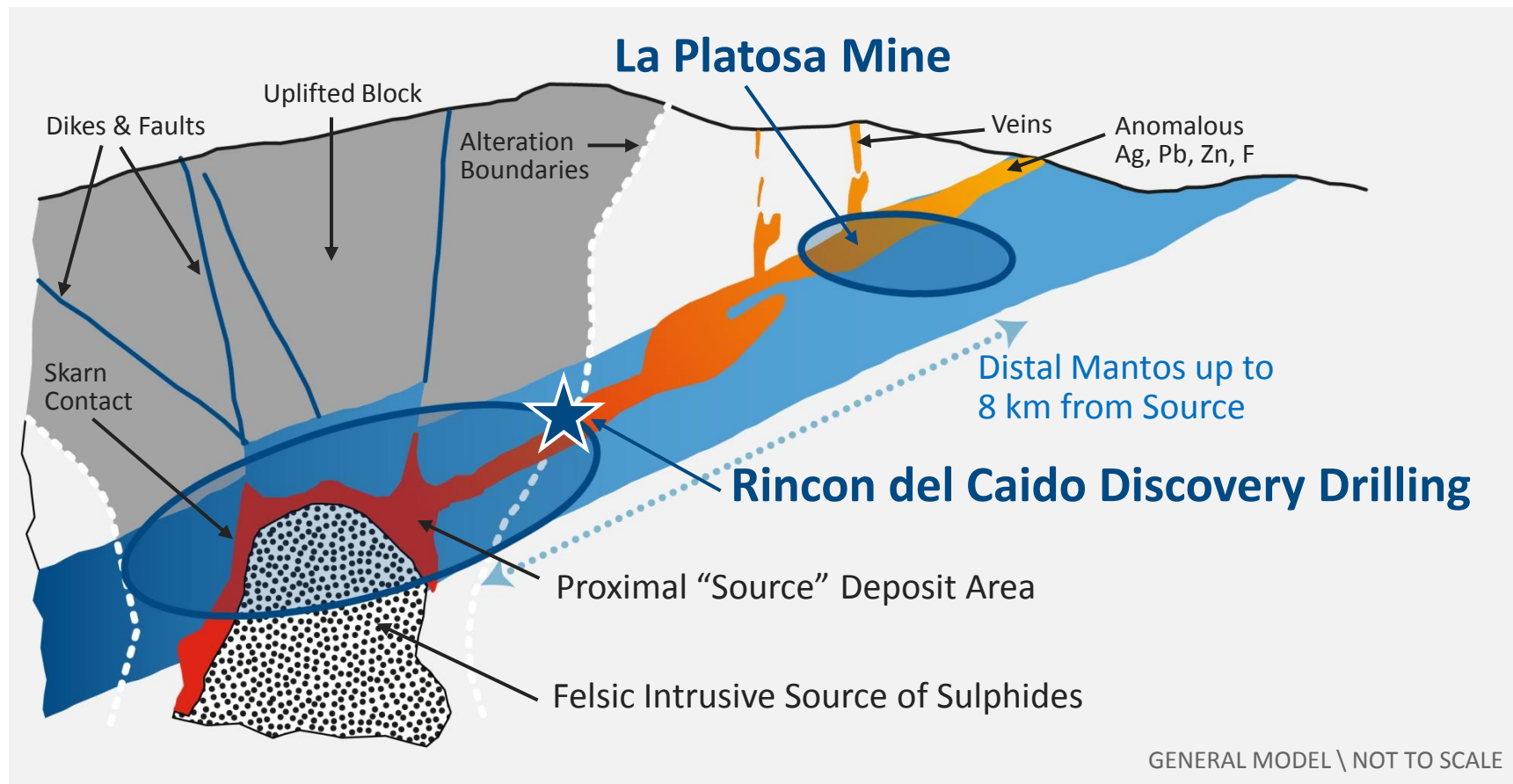
# Platosa is in the Right Place



**TOP SILVER PRODUCING COUNTRY IN THE WORLD**

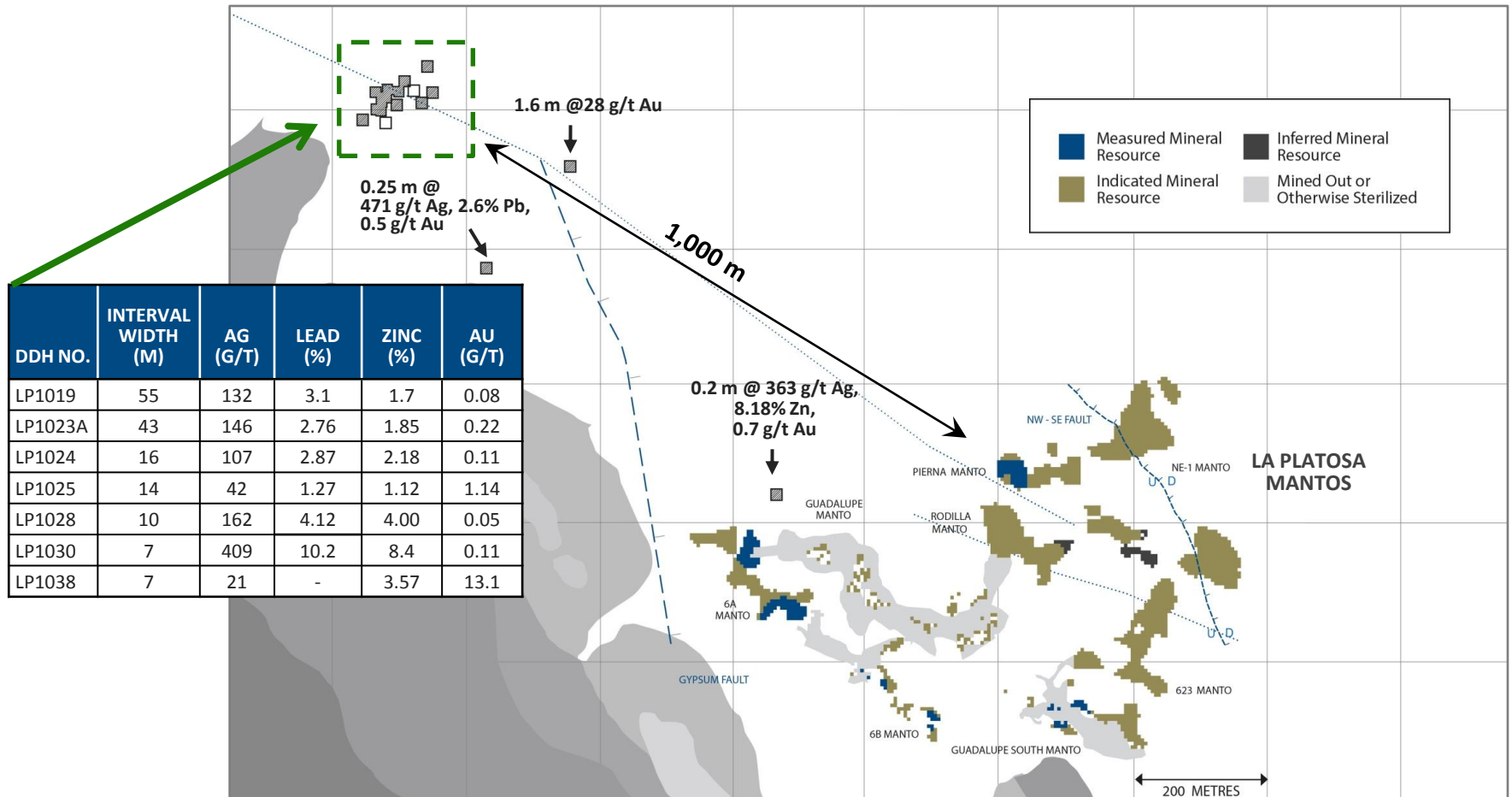
# CRD Model – Finding the “Source Deposit”

The high-grade mantos of Platosa are found on the periphery of a major Carbonate Replacement Deposit System (CRD)



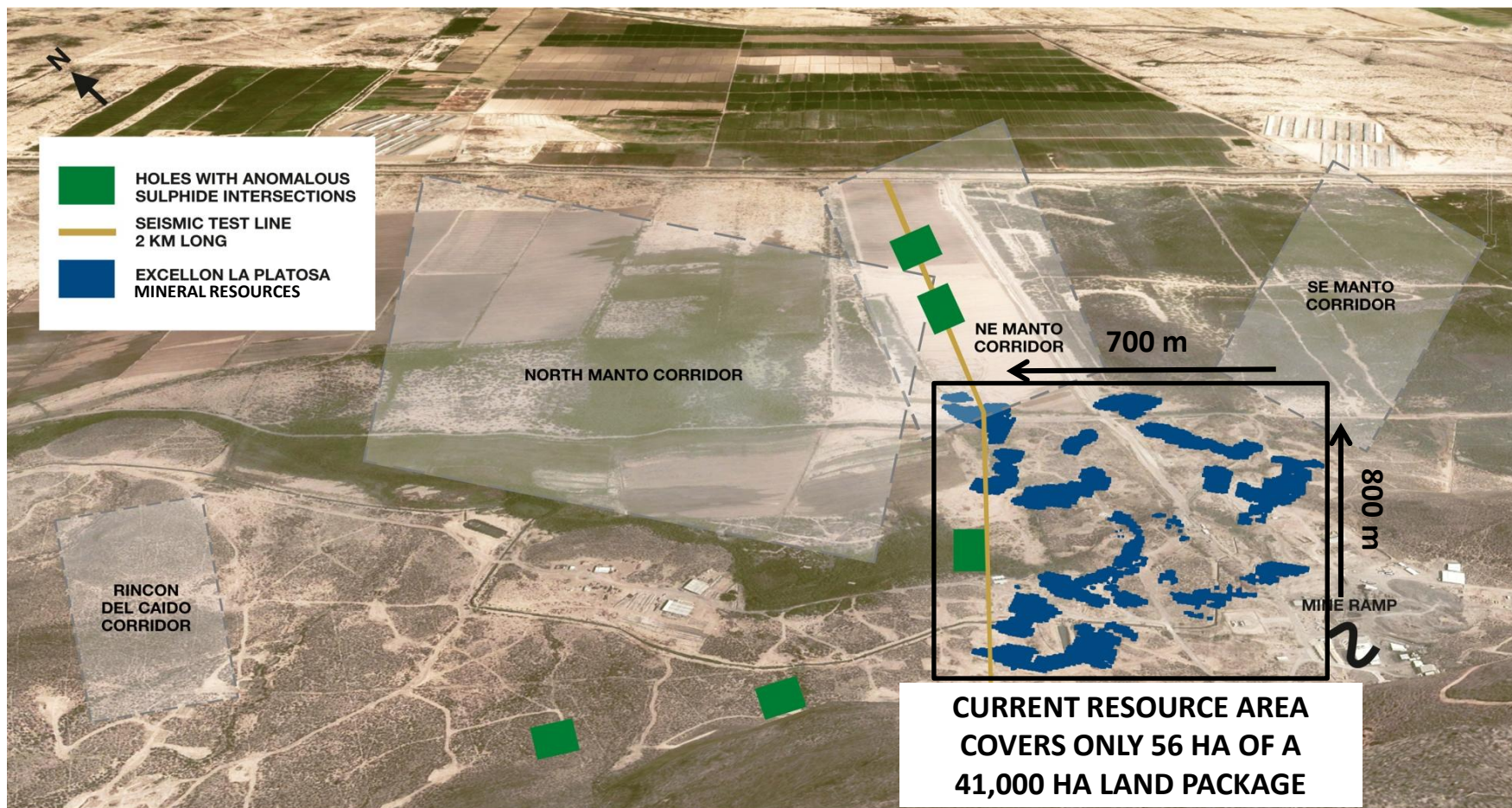
# Source Style Discovery less than 1km from Platosa

## RINCON DEL CAIDO DISCOVERY PERIPHERY OF THE SOURCE?





# Plan View of the Platosa Mine Area



## SIGNIFICANT ROOM TO GROW RESOURCES

# Expansion Potential Through Ongoing Exploration

## EXPLORATION PROGRAM

### **1** SEISMIC SURVEY

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2D test survey over known mantos – results pending  
3D survey to identify potential manto targets – upcoming

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### **2** MANTO DRILLING

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Discover new mantos using seismic data  
– potential to dramatically increase Platosa mine life

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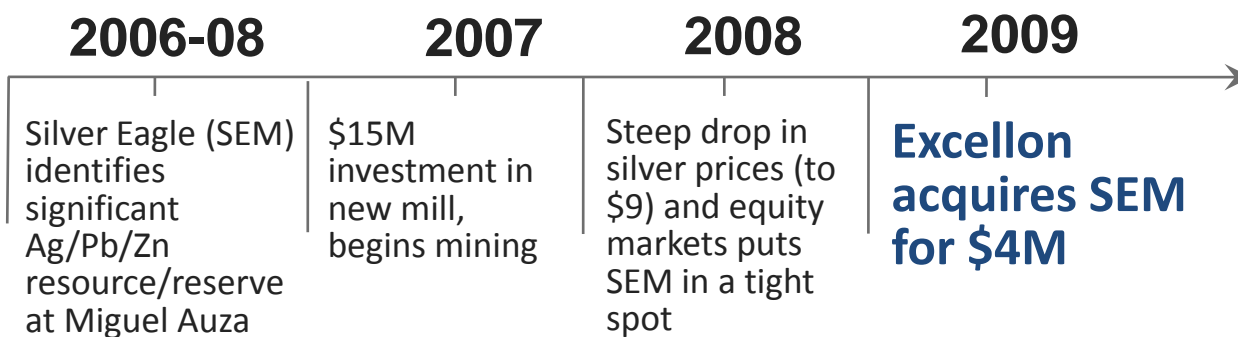
### **3** SOURCE DRILLING

Follow up on 2012 Rincon discovery  
– potential to discover large scale CRD source

## EXPEDITED PATH TO DISCOVERY

# Miguel Auza Mill and Mine – Silver Eagle Transaction

- Acquired brand new, scalable, 650 tpd mill (\$15M value) with 45% spare capacity in June 2009
- 41,000 ha of mineral rights on primary silver belt
- \$22M of loss carry-forwards, still creating value
- Ag recovered from Platosa has increased from 70% pre-acquisition to +90% today



**Capitalizing on opportunities in volatile markets**





# Active and Involved

- **100% Mexican workforce** of 352 employees and contractors
- **Engaging** with local communities of Bermejillo and Mapimi
- **Partnering** with local, state and federal governments
- **Sustainable community investments** in health, education and social infrastructure



## Active Memberships



# 2014 Objectives

## PRODUCTION

Produce 2.1 to 2.3M AgEq oz  
Generate positive cash flow  
Enhance low-cost profile

## EXPLORATION

Seismic survey  
10,000 metre drill program  
Discover new high-grade mantos near existing operations, follow up on Source style discovery

## GROWTH

Analyze and pursue acquisition opportunities

# Investor Information

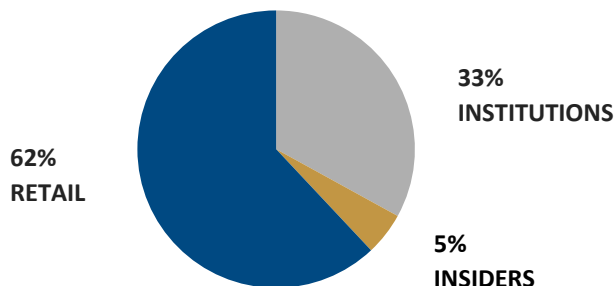
## SHARE STRUCTURE

Issued & Outstanding: 55.0M  
 Options: 3.1M  
 RSUs: 0.3M  
 DSUs: 0.2M  
 Fully Diluted: 58.6M  
 Average Option Price: \$2.70

## MANAGEMENT & KEY SHAREHOLDERS

Sprott Asset Management  
 Dundee Corp  
 Crystal Fund  
 Notae Investments

Included in:   
 ISE Junior Silver ETF



## TRADING SUMMARY\*

Listed: TSX:EXN | OTC:EXLLF  
 90-Day Avg. Daily Volume: 31,127  
 52 Week High/Low: C\$1.97-C\$0.90  
 Market Cap: C\$76M



Treasury (Q2-2014): \$10.9M  
 Working Capital (Q2-2014): \$14M  
 Production (YE-2013): 1.4M oz Ag (in con.)  
 2.1M oz Ag equivalent

**No debt/no hedging**

\*As at August 29, 2014

# Invest In Excellon

<b>PREMIER PRODUCING SILVER ASSET</b>	<ul style="list-style-type: none"><li>• High grade, low cost, cash flow</li><li>• Solid mine life remaining</li></ul>
<b>POSITIONED FOR GROWTH IN A VOLATILE MARKET</b>	<ul style="list-style-type: none"><li>• Focussed on generating cash flow at low silver prices</li><li>• Ability to capitalize on undervalued assets through intelligent acquisitions</li></ul>
<b>FIRST MOVER ADVANTAGE WHEN MARKETS REBOUND</b>	<ul style="list-style-type: none"><li>• Significant profitability margin relative to peers</li><li>• ~\$10/oz margin at \$25 silver</li></ul>
<b>IMMINENT EXPLORATION UPSIDE</b>	<ul style="list-style-type: none"><li>• Near term identification of quality ounces near mine and in new mantos</li><li>• Follow-up on recent discovery and define a world-class CRD deposit</li></ul>

# Experienced Board of Directors

<b>Peter Crossgrove</b> <b>Executive Chairman</b>	Orders of Canada and Ontario. Vice-Chair, Detour Gold; Director of Lake Shore Gold. Former CEO of Placer Dome; Director of Barrick Gold; Founder of Masonite International. Former Treasurer of Care International.
<b>Thor Eaton</b>	Canadian businessman and philanthropist. Founder of Thor & Nicole Eaton Foundation.
<b>Alan McFarland</b>	Former director of Placer Dome and Masonite International. Founding director of the World Resources Institute.
<b>Joanne Ferstman</b>	Chair of Dundee Industrial REIT and Director of Osisko Mining. Former CEO of Dundee Capital Markets; Vice-Chair and Head of Capital Markets of Dundee Wealth.
<b>Tim Ryan</b> <b>Chair of Audit Committee</b>	Founder of First General Securities. Venture capitalist and director of a number of technology, financial and mining companies.
<b>André Fortier</b>	Director of Ferrinov Inc. Former SVP of Noranda, CEO of Kerr Addison Mines, and Campbell Resources. Former Chairman of Conseil de Patronat du Québec.
<b>Oliver Fernández</b>	Mexican businessman and entrepreneur. Founder and President of Grupo Empresarial Maestro, S.A. de C.V. (Credito Maestro). Former General Manager of Grupo IBADESA, Vice President of Camil Group and Founder and President of FERDAM.
<b>Brendan Cahill</b> <b>President and CEO</b>	Former VP Corp. Dev. of Pelangio Exploration and M&A/securities lawyer (Davies Ward Phillips & Vineberg LLP). Member of the Young Presidents' Organization, the Law Society of Upper Canada and a board Member of the Mining Association of Canada.



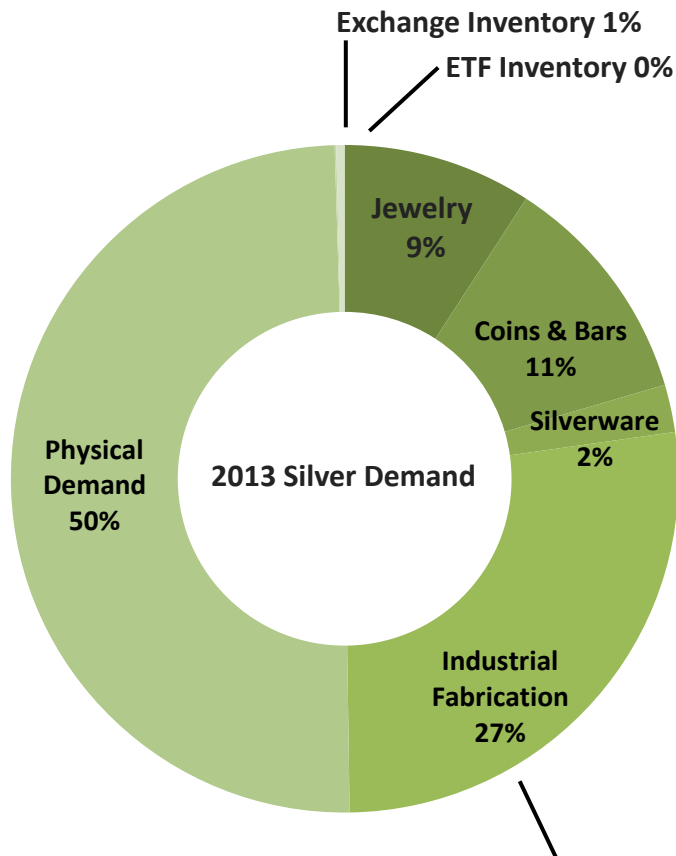
# Strong Management and Technical Expertise

<b>Brendan Cahill</b> <b>President and CEO</b>	Former VP Corp. Dev. of Pelangio Exploration and M&A/securities lawyer (Davies Ward Phillips & Vineberg LLP). Member of the Young Presidents' Organization, the Law Society of Upper Canada and a board Member of the Mining Association of Canada.
<b>Rupy Dhadwar</b> <b>Chief Financial Officer</b>	Appointed CFO in August 2012 and was previously the Company's Controller, since 2010. Range of expertise in accounting, finance and business.
<b>Rob Moore</b> <b>Chief Operating Officer</b>	30+ years of experience with North American Palladium, DeBeers, Miramar, Royal Oak and Hudson Bay. Former manager of Silver Eagle Mines. Excellon COO since 2009.
<b>John Sullivan</b> <b>Vice-President, Exploration</b>	35+ years of experience. Directed major exploration programs and property evaluations in Canada, Europe, Africa and Latin America. Former positions with Noranda, Watts, Griffis & McQuat and Hudson Bay. Excellon VP Exploration since 2007.
<b>Nisha Hasan</b> <b>Director, Investor Relations</b>	Previously lead investor relations programs for several Canadian mining companies including, Continental Gold, Mukuba Resources and Verde Potash. Formerly with the TMX Group of Companies and a Member of the Canadian Investor Relations Institute.



# Appendix


# Why Silver?



Source: The Silver Institute, The London Bullion Market Association

Includes:  
Electrical and Electronics  
Brazing Alloys & Solders  
Photography  
Other Industrial Demand

- **Record levels of physical demand**
  - 13% increase in physical demand to 1,081M oz. in 2013 vs. 954M oz in 2012
- **Largest physical deficit since 2008**
  - Total supply of 978M oz. in 2013 vs. 1,005M oz in 2012
- **ETF holdings held on to record levels in spite of significant move away from commodities**
- **New and growing uses of silver in:**
  - Medical instruments and hospital equipment
  - Electrical contacts and photovoltaics
  - Superconductors, computers and batteries
  - Nanotechnology
  - Solar power
- **Monetary debasement**
  - Money creation in a deflationary period (2008-today) that has flooded the world economy with fiat currency



**Our vision is to be a  
premier silver producer by**

**capitalizing on generational opportunities and striving to always do better  
for our shareholders, employees and neighbouring communities**

**Nisha Hasan**

**Director, Investor Relations**

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