



**Mexico's highest grade**

**Silver producer**

TSX:EXN | OTC:EXLLF

Precious Metals Summit 2017

**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 other than Preliminary Economic Assessments. 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.

## Cautionary Note Regarding the Preliminary Economic Assessment (PEA)

The assessments in the PEA are preliminary in nature, mineral resources are not mineral reserves and do not have demonstrated economic viability, and there is no assurance the preliminary assessments will be realized. The outcome of this PEA may be materially affected by the closing of the financing, metals pricing, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

## Qualified Persons

Ben Pullinger, P.Geo, Vice-President Geology, is responsible for the Company’s exploration programs and has supervised the preparation of the technical information, which is disclosed in this presentation. He has acted as the Qualified Person, as defined in NI 43-101, for this disclosure.



An aerial photograph of an industrial facility, possibly a refinery or chemical plant, situated in a desert environment. The facility features several large white buildings, storage tanks, and a complex network of pipes and roads. The surrounding landscape is arid, with dry grass and scattered shrubs. In the background, there are green agricultural fields and distant mountains under a clear blue sky. A blue banner with white and yellow text is overlaid at the bottom of the image.

The time is **now**...





## World class asset

One of the richest silver assets in the world - remaining resources at over 1.2 kg/t AgEq and growing



## Team for the future

Proven track record of turnaround with technical and market expertise



## Execution

Mine optimization complete and surpassing PEA economics

+\$50 million in free cash flow expected



## Growth

High return exploration strategy

Pipeline of projects through intelligent acquisitions



# Board

<b>André Fortier</b> <sup>1,3,4</sup> <b>Chairman</b>	Former SVP of Noranda, CEO of Kerr Addison Mines and Campbell Resources.
<b>Alan McFarland</b> <sup>1,2,3</sup>	Former director of World Resources Institute. Former investment banker at Lazard. Previously served as director of Placer Dome and Masonite.
<b>Daniella Dimitrov</b> <sup>1,2,4</sup>	Chosen as one of the top 100 Global Inspirational Women in Mining in 2016 with experience in building, operating and streamlining businesses in mining and financial services. Former CEO and CFO of Orvana Minerals and Executive Vice Chair of Baffinland Iron and director of several mining companies.
<b>Laurie Curtis</b> <sup>2,4</sup>	Distinguished exploration geologist and Founder of Intrepid Minerals. Previously held several positions in capital markets including, Senior Mining Analyst at Clarus and Dundee Securities. Current Chair of Eastmain Resources and director of Toachi Mining.
<b>Ned Goodman</b> <sup>3</sup>	Canadian Mining Hall of Fame Inductee (2012). Company builder – International Corona, Kinross Gold, Dundee Group of Companies.
<b>Oliver Fernández</b>	Mexican businessman and entrepreneur. Founder & President of Credito Maestro.
<b>Brendan Cahill</b> <b>President and CEO</b>	M&A securities lawyer (Davies Ward Phillips & Vineberg LLP). Former VP Corp Dev. of Pelangio Exploration. Member of Young Presidents' Organization, Transplant Campaign at University Health Network and Law Society of Upper Canada. Board Member of the Mining Association of Canada.

**BOARD COMMITTEES:** 1. Audit 2. Compensation 3. Nominating and Corporate Governance 4. Corporate Responsibility & Technical Committee

# Management

<b>Brendan Cahill</b> <b>President and CEO</b>	M&A securities lawyer (Davies Ward Phillips & Vineberg LLP). Former VP Corp Dev. of Pelangio Exploration. Member of Young Presidents' Organization, Transplant Campaign at University Health Network and Law Society of Upper Canada. Board Member of the Mining Association of Canada.
<b>Rupy Dhadwar</b> <b>CFO</b>	Chartered Accountant with a range of finance and business expertise. Formerly with MacGillivray Partners, Chartered Accountants.
<b>Ben Pullinger</b> <b>VP, Geology</b>	Professional Geologist with track record of discovery and project advancement. Former VP Exploration at Roxgold Inc. Current director of Red Eagle Exploration.
<b>Denis Flood</b> <b>VP, Technical Services</b>	Professional Mining Engineer with exceptional technical assessment and implementation abilities. Former Principal Mining Engineer at Resolution Copper (Rio Tinto Group). Previously with Xstrata and Goldcorp.
<b>Dr. Craig Ford</b> <b>VP, Corporate Responsibility</b>	Geologist by training, over 24 years of experience with a proven track record of driving corporate and operational performance in safety, health and security, environmental affairs, community relations and development, human rights and government relations. Former VP, CR at Inmet Mining and Board Member of the Mining Association of Canada.
<b>Ronald Marino</b> <b>VP, Finance</b>	Chartered Accountant, 20 years of experience in Latin America and North America. Previously with Anglo American.
<b>Nisha Hasan</b> <b>Director, Investor Relations</b>	Led investor relations programs for several Canadian mining companies. Former Director of IR at Continental Gold. Board member of Canadian Investor Relations Institute and the Down Syndrome Association of Toronto.



# La Platosa Mine

**Over 500,000 tonnes mined since production commenced in 2005**



**100% owned underground silver-lead-zinc mine**

**Safe jurisdiction located 55 km from Torreon (pop of 1.2 million) with nearby international airport, grid power and national highway running through property**

**Production historically constrained by water inflows**

**Dry mining conditions achieved in mid-2017, now doubling production**

# Resource

Over one million tonnes of high grade silver, lead and zinc ore mined and defined

La Platosa 2014 Mineral Resource Estimate									
Category	Tonnes (t)	Ag (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Ag (M oz)	Pb (M lb)	Zn (M lb)	AgEq (M oz)
Measured	28,000	781	7.85	11.52	1,305	711,000	4,896,000	7,188,000	1,187,000
Indicated	400,000	758	8.31	9.77	1,248	9,747,000	73,214,000	86,098,000	16,046,000
<b>M&amp;I</b>	<b>428,000</b>	<b>760</b>	<b>8.28</b>	<b>9.88</b>	<b>1,252</b>	<b>10,457,000</b>	<b>78,110,000</b>	<b>93,286,000</b>	<b>17,233,000</b>
Inferred	4,000	2,027	14.65	2.20	2,492	260,000	1,288,000	193,000	320,000

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\$146 per tonne.

3. Net smelter return metal price assumptions: US\$17/oz Ag, US\$0.90/lb Pb, US\$1.00/lb Zn.

4. Metal recovery assumptions for NSR cut-off value purposes: Ag 89%, Pb 76%, Zn 81%.

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. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that enable them to be categorized as mineral reserves.

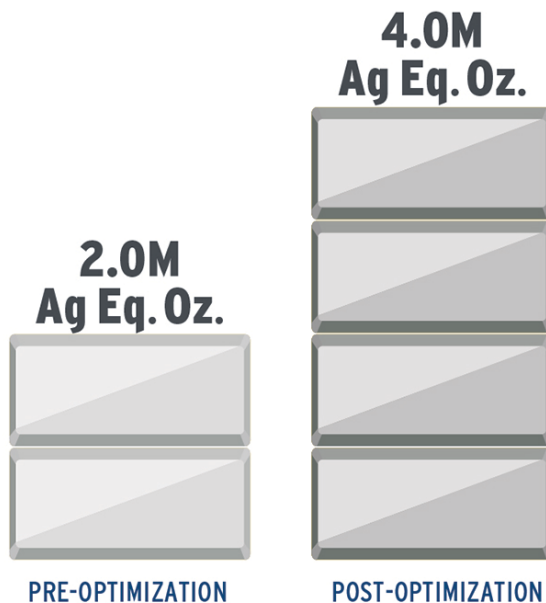
8. Mineral resource estimate prepared by David Ross, P.Geo., of Roscoe Postle Associates Inc., independent geological and mining consultants of Toronto, Ontario. Prepared as at December 31, 2014.

## Edge of a virtually untouched CRD system

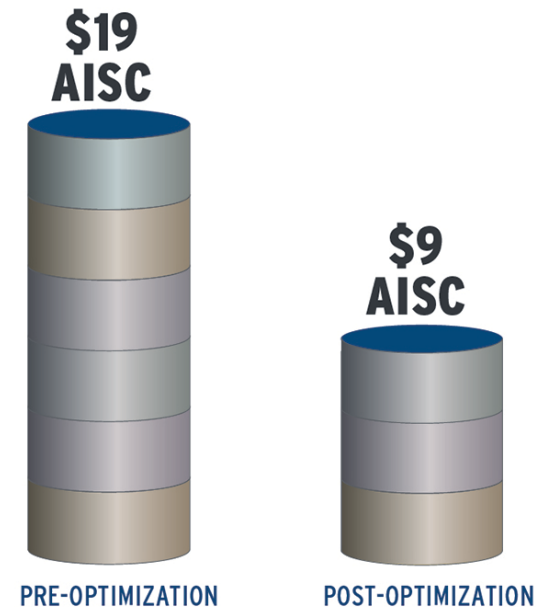


# Opportunity

## DOUBLING PRODUCTION



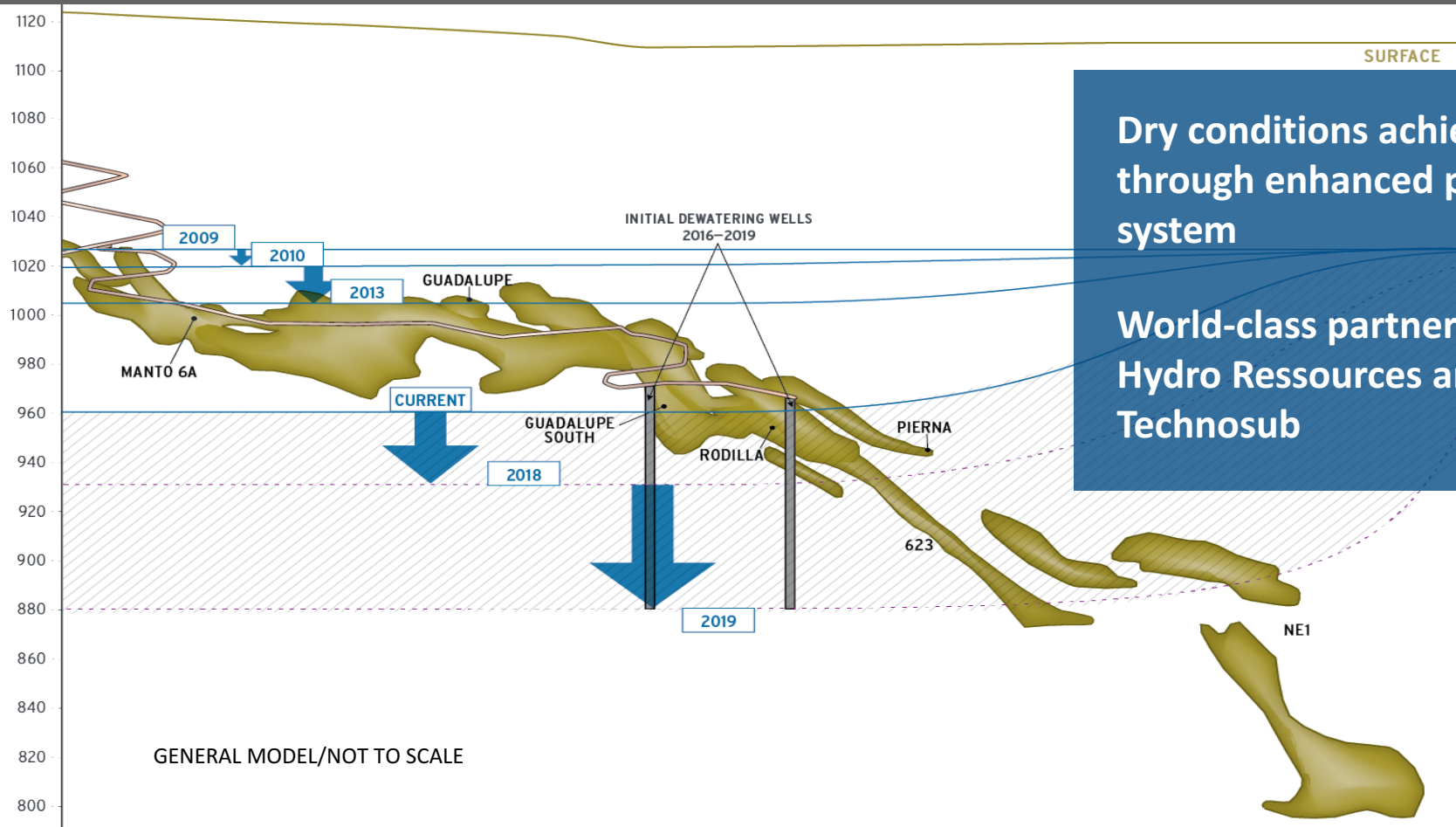
## HALVING COSTS



**US\$50m+ in free cash flow (2017-2020)**

# Strategy

## Turnaround operations



Dry conditions achieved  
through enhanced pumping  
system

World-class partners –  
Hydro Ressources and  
Technosub



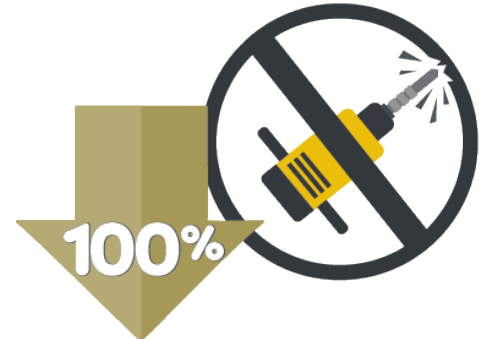
# Outcome



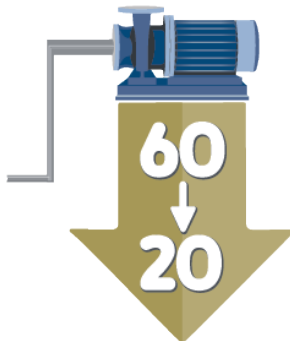
DEVELOPMENT



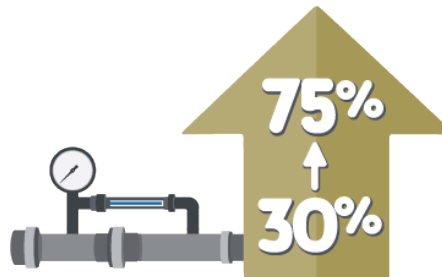
EQUIPMENT MAINTENANCE



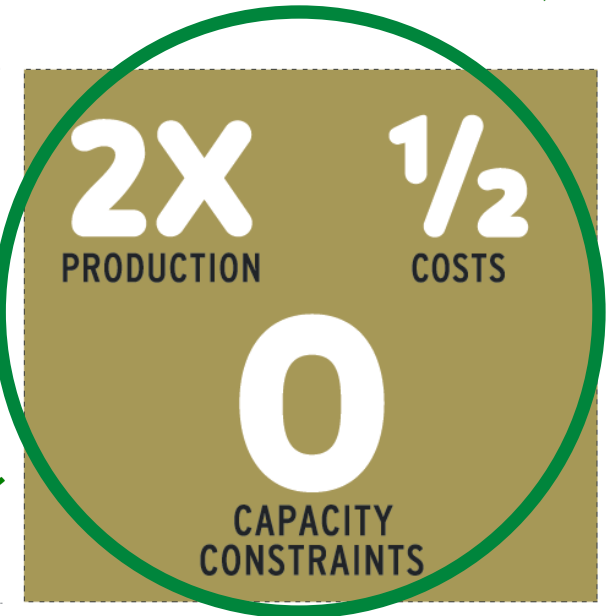
GROUTING ELIMINATED



PUMPS

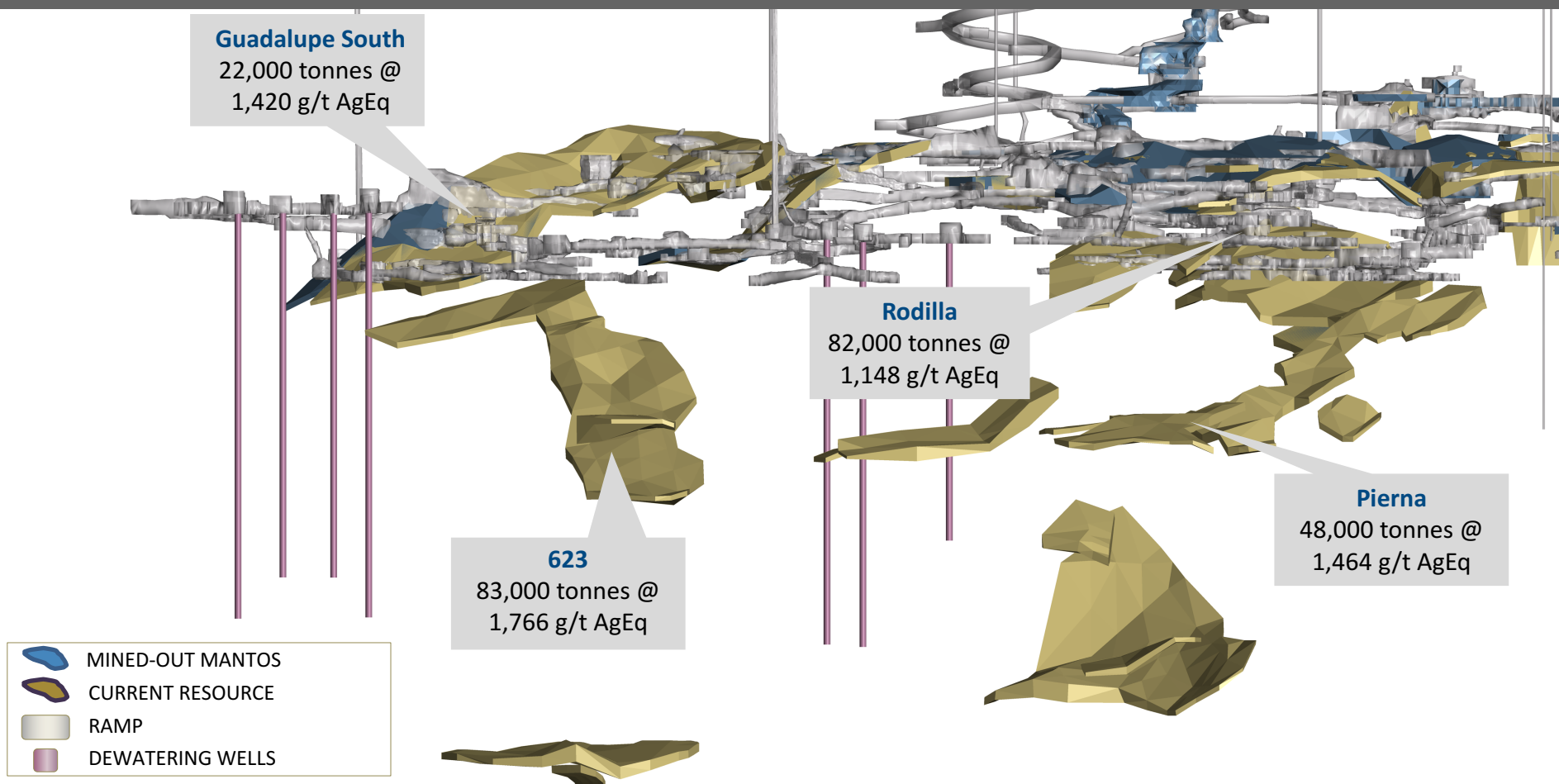


ELECTRICAL EFFICIENCY



# Doubling Production

## Moving from two to four mantos in H2 2017



# Miguel Auza Mill – Scalability & Flexibility



Located in Zacatecas,  
Mexico, approx. 220 km  
from Platosa Mine

Low trucking costs

Currently at 350 tpd,  
scalable to 650 tpd

Current recoveries of ~90%  
Ag, ~80% Pb and ~80% Zn

Ability to further increase  
processing capacity at a  
minimal cost



# Economics

## Transition underway to 300+ tonnes per day

Based on PEA published in 2015<sup>1</sup>

### Peak Production (2016-2019)<sup>2</sup>

<b>Net Cash Flow<sup>2</sup></b>	\$58.4 million
<b>Avg. Annual Production</b>	1.9 million ounces silver 12.2 million pounds lead 14.3 million pounds zinc
<b>Production Costs</b>	\$6.02 total cash costs per payable ounce \$9.00 AISC per payable silver ounce

1. PEA prepared by Roscoe Postle & Associates Inc. dated July 9, 2015. Base case \$17/oz silver, \$0.90/lb lead, \$1.00/lb zinc

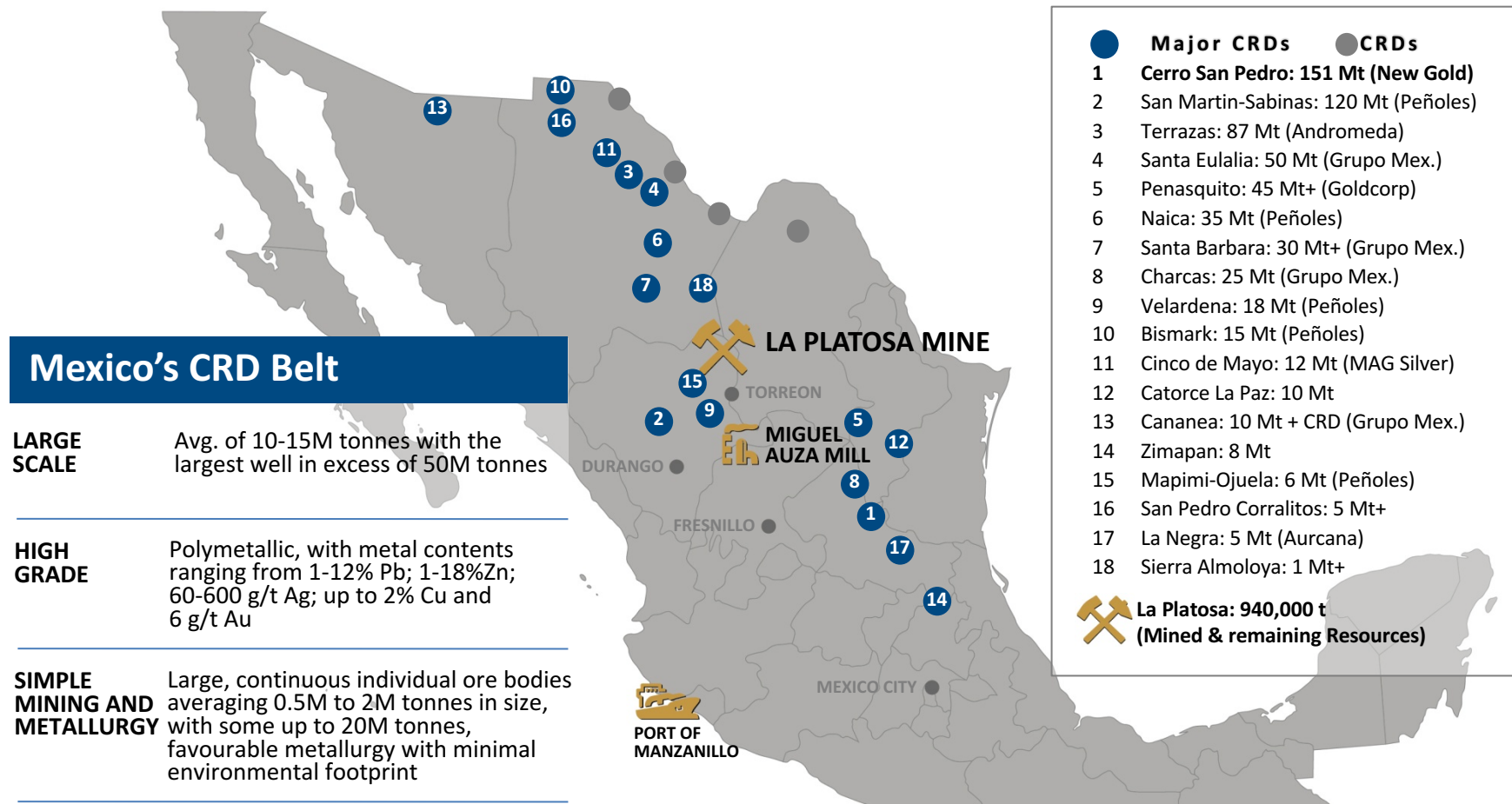
2. Peak Production based on completion of implementation, now 2018-2020

### Key improvements realized:

- Limited depletion of resource since last update
- Lower OPEX/tonne (50% reduction)
- Lower electricity costs (\$0.09 per KWH v. \$0.13 per KWH)
- Improved forex (all costs in MXP and CDN)
- 60% reduction in treatment and refining charges

**Production rates currently  
47% better than 2016**

# World Class Silver Prospects



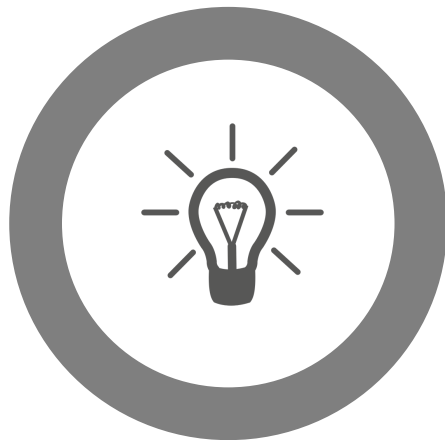
**Top silver producing country in the world**

# Exploration Strategy



## Grow Platosa

Delineate additional tonnes near existing mine workings



## More Platosa's

Discover and delineate new manto deposits



## World Class Discovery

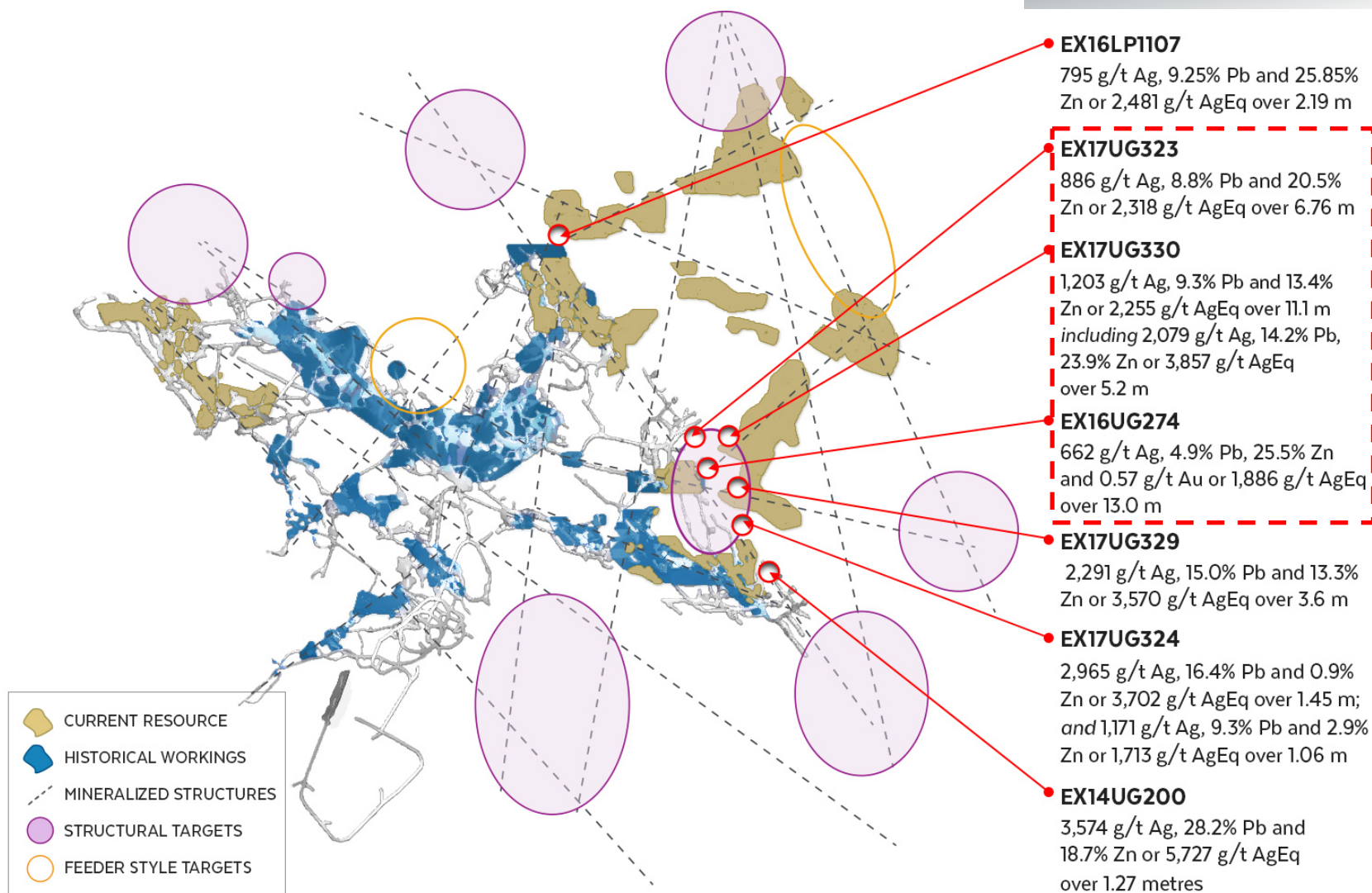
Follow-up on skarn discovery and other regional skarn/ Source-style targets



# Near-term Growth

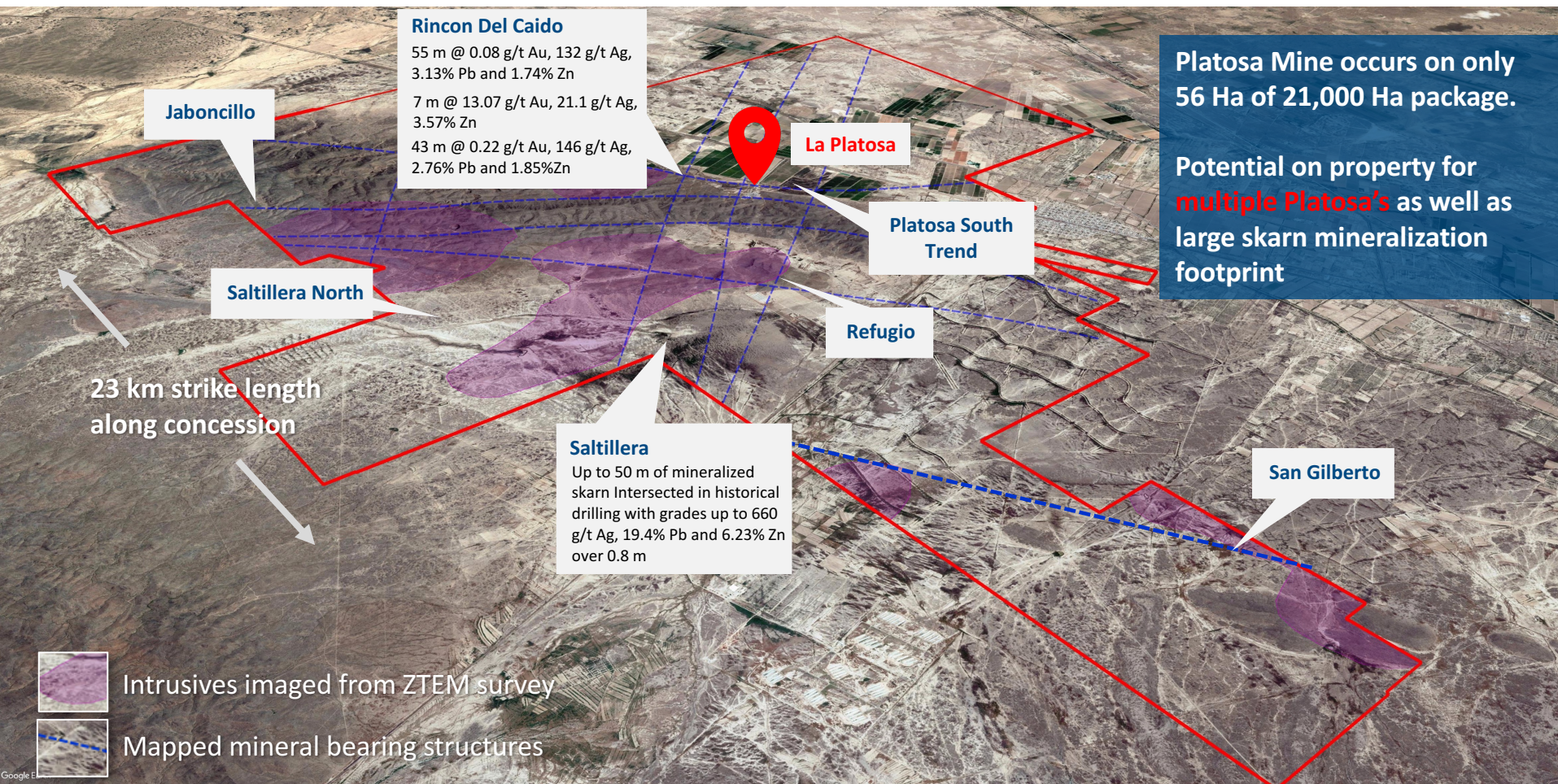


## 2016/17 RESULTS





# Upside





# Miguel Auza Epithermal Silver Exploration

**14,000 ha on northern part of prolific Fresnillo silver belt**



35 km SE of Hecla's high-grade San Sebastian

135 km NW of Fresnillo and Juanicipio

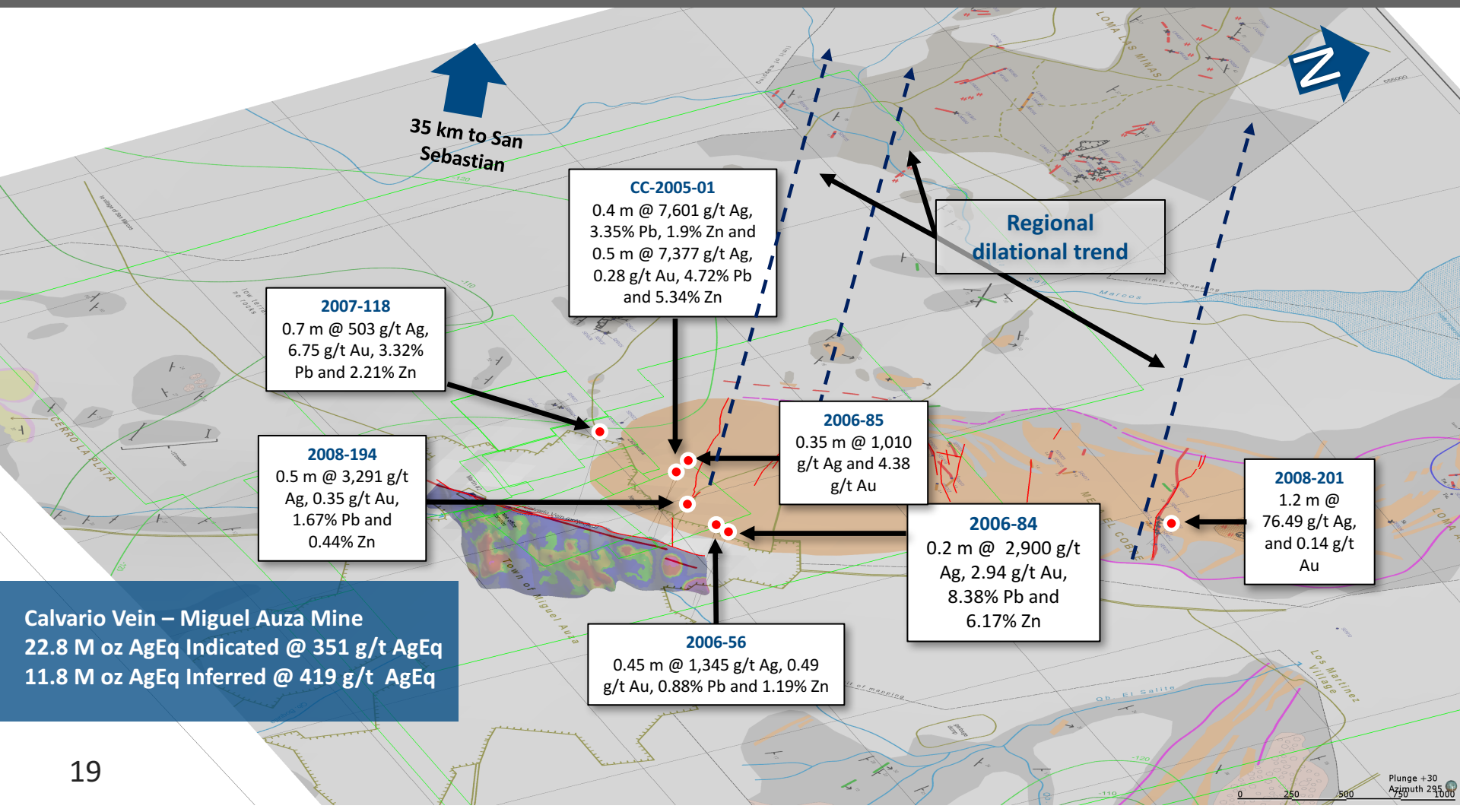
NI 43-101 resource of 22.8M oz AgEq Ind., 11.8M oz Inf.

New exploration prospect from reviewing regional geology

Potential to feed mill with regional discoveries

# Potential Beyond Calvario

## Focusing on NW trending structures





# Capital

## SHARE STRUCTURE

Issued & Outstanding:	76.4 M
Options (avg. \$1.10):	1.7 M
DSUs:	2.2 M
RSUs:	1.9 M
Warrants (C\$0.50):	1.9 M
(C\$0.65):	3.3 M
(EXN.WT at C\$1.75):	6.6 M
Convertible Debentures (\$0.50):	10.5M
Fully Diluted:	104.5M

## KEY SHAREHOLDERS

Eric Sprott  
Sprott Asset Management  
Dundee Corporation  
PureFunds Silver Miners ETF – SILJ  
Notae Investments

## ANALYST COVERAGE

Cormark Securities – Richard Gray  
Red Cloud – Derek Macpherson

\*As at September 15, 2017

## TRADING SUMMARY\*

90-Day Av. Daily Vol:	<b>TSX:EXN</b> 275,300	<b>OTC:EXLLF</b> 194,500
52-Week Range:	\$2.30-1.22	\$1.87-0.92
Market Cap:	CAD\$155M	US\$128M



Net Working Capital (Q2-2017):	\$4.0M
Production (2016):	0.8M oz Ag (in con.) 1.3M oz Ag equivalent

### Recent financings include:

**C\$6.6 M** – C\$5.61M 3.75% convertible debentures (4 year, C\$0.50 conversion) and sale of 1.25% NSR for C\$0.99M

**C\$3.0M** private placement with Eric Sprott

**C\$15.2M** bought deal public offering (closed in early Q3 2016)

# The time is now...

**Mine  
optimization  
complete**

**Strong free-  
cash flow  
generation**

**Exceptional  
exploration  
potential**



[www.excellonresources.com](http://www.excellonresources.com)

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