

THE MINING SPECULATOR'S  
**MINING STOCK FOCUS BRIEF**™

*A Report on Exceptional Opportunities in the Mining Sector*

## The Next **SILVER STOCK** Home Run

Just as SILVER PRICES PUSH HIGHER in what looks to be a multi-year bull market, a junior exploration company is about to go into production in one of the world's most efficient and prolific regions for mining silver.

My average recommendation for the companies I've highlighted in our "Focus Brief", this past year, have more than doubled in value. This year alone, two of those picks recently doubled within 3 months of recommending them. And this was during a time when the market was in correction mode!

Right now, there are a lot of reasons why you need to buy a small silver company called Excellon Resources, but here's one that should put you on the phone with your broker immediately:

Excellon Resources (EXN.TSX.V) is my next pick to soar. *And it looks like it could multiply five times over in value.*

By Greg McCoach  
The Mining Speculator - March 2005

At The Mining Speculator, when I decide to highlight a company in our "Focus Brief", I usually do so because the companies are on the verge of a huge development... things that could carry their share prices to much higher levels.

As I hope you can see, Excellon Resources has reached a similar turning point.

But what really puts me over the top on this opportunity is the fact that our downside, at least for the next 12 months, appears very limited. Let me explain...

As many of you know who follow our newsletter, I like recommending companies that have a known resource of some sort, regardless of how great the story may be. In addition, I like to find companies that we can buy while they are at or near their lows. I believe combining this with a company that is about to have significant developments gives us the best chance at success in the junior exploration business.

For me, at current share prices, Excellon Resources represents an opportunity that protects our downside by the fact that production (12 month period) from the known resource, will bring in over US\$20 million dollars to the treasury. During this same time period, we get a very reasonable chance at hitting the "silver lottery" as the company drills for an elephant (**the beast**) on their Platosa property.

Consider these compelling facts:

- Excellon has locked up a vast property in the richest silver-producing region the world has ever known.
- The company has already outlined a deposit containing 63,400 tonnes of 75 oz / tonne silver, 15% lead, and 12% zinc. Production is expected April '05.
- The silver from this mine will be the lowest cost silver production in the world at \$1.60 per ounce.
- The deposit is open in all directions and drilling is currently underway to confirm that Excellon could be onto a much larger resource.
- The company is well financed and managed by a very experienced team of mining professionals.

## **PERFECT LOCATION, TIMING, AND TREND**

To be successful at investing, you have to be in the right place at the right time. There are three parts to that adage, all equally important; the first refers to location, the second relates to timing, and the third is about the trend.

### **Perfect Location**

In the real estate market you always have the most important factor is **Location, Location, Location**. Well, as far as Excellon's Platosa property is concerned, they are smack dab in the middle of Main Street in the most prolific silver mining district of the world. You couldn't ask for a better location to have exploration success.

### **Timing**

When it comes to timing, you must do as J.Paul Getty taught and that is to "Buy Low and Sell High." In my opinion, ninety percent of investing success depends on this simple principle. With Excellon we are buying **low** in the hopes of selling much **higher**.

### **Trend**

As the saying goes, "The Trend is Your Friend." The silver market I believe will be in a bull market for many years to come. Silver is well over \$7 an ounce and looking to push for a new high.

While it appears that everything is coming together for Excellon at just the right moment, the shares, in our opinion are severely undervalued and present us as investors with an outstanding opportunity to profit.

## **THE PLATOSA PROPERTY**

Located in the northeastern part of Durango State, Mexico, Platosa is within 2 miles of major infrastructure including road, rail, and power lines. In addition, approximately 25 miles south-east of Platosa is the city of Torreon, site of Mexico's largest silver, lead, zinc smelter and a source of labor.

The property consists of three main areas; the core area, which is owned 100%, subject to certain royalties; the joint venture area, which is owned 51% / 49% with Apex Silver (Excellon has the 51% and is operator); and the third area, the Saltillo Properties in which Excellon is earning 100%, subject to certain royalties. The joint venture was comprised of Excellon (25.5%) Destorbelle (25.5%) and Apex Silver (49%). Excellon is the operator of the exploration phase and sole owner of the core property. In 2004, Excellon renegotiated its joint-venture agreement with Apex Silver, increasing the former's interest in the properties and taking over Destorbelle. All needed permits were received, along with surface rights.

The deposit is a Carbonate Replacement Deposit (CRD) comprising a series of pods and lenses of massive and semi-massive to disseminated silver-lead-zinc sulfides. Excellon's consulting geologist, Dr. Peter Megaw, stated: "The latest results at Platosa continue to be very encouraging and the style of mineralization and alteration, its complexity, and the intercepts and grades continue to fit the hallmarks of a potentially large scale CRD (5-50) million tonnes). The metal con-

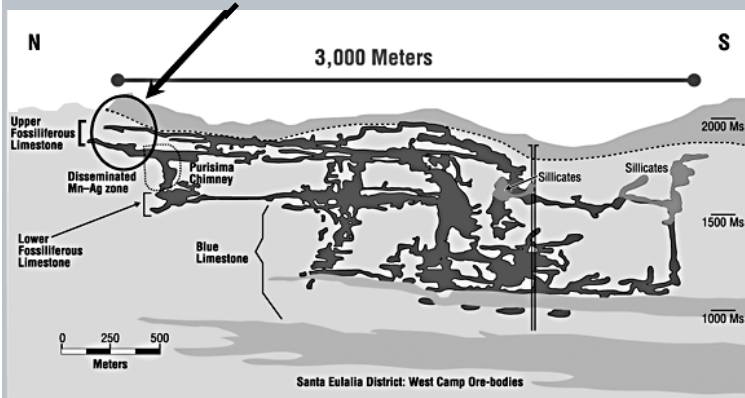
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tent and controls of what has been found to date are typical of the irregular distal portions of such replacement systems. In other words, at Platosa, we may be on the verge of a large CRD." To better explain in general laymen terms, the known deposit is the **tail** that wags a very large **beast**. By digging the ramp, the company will now be able to drill the **beast (lottery ticket)** to see if the main ore body is anywhere near the grade of the tail section. If the assays on the main ore body come back positive, then we hit the Home Run (Win the lottery) so to speak.

on other parts of the property. ***The underground drilling will be much more effective and efficient in extending the known resource and may provide the geological roadmap to the source of the system (the beast).***

Ore production from the known deposit will commence in April, 2005. The existing resource would be completely mined out within 12 months of that time frame. The planned drilling for 2005 should expand the known resource and significantly extend the mine life. Many successful CRD's in Mexico have been developed by following the ore as it is mined.

### Platosa's Position in Santa Eulalia Model



*This cross-section of the Santa Eulalia Mine demonstrates the magnitude of potential for much greater discovery of mineralization at Platosa.*

Management commenced digging the portal tunnel (ramp) in September of 2004. Currently, as of mid- February, the tunnel is at the 550 meter level. The first mining level will be reached at 715 meters. The known deposit will allow the company to bring in roughly US\$20 million dollars depending on the silver price during the year 2005 and early 2006. This money will be used to further explore the properties.

The slated drilling program for 2005 consists of 7,500 meters from underground, and 3,000 meters from surface to expand the core area, as well as an additional 6,000 meters from surface

## MANAGEMENT

### Richard W. Brissenden, Chairman & CFO

Mr. Brissenden is a Chartered Accountant with more than 22 years' financial experience in the mining and exploration sector. He is a director of several TSX and TSX Venture companies, including Corona Gold Corporation, Hudbay Minerals Inc. and Valdez Gold Inc. Mr. Brissenden was formerly a director of TSX-listed Wharf Resources Inc. and director, president, and CFO of TSX-listed MVP Capital Corp., a mine finance house with interests in more than 50 Canadian and US junior companies.

### A. Douglas MacKenzie, President & CEO

Mr. MacKenzie has been the president of Excellon since 1990 and has nearly 40 years experience in the mining and exploration sector. This has included eight years as a senior mining analyst at a major Canadian investment banking firm and directorships in many companies such as TSX or TSX-V listed Micham Resources Inc., Dundee-Palliser Resources Inc., Valdez Gold Inc., Canuc Resources Inc., and Holmer Gold Mines Ltd. Mr. MacKenzie was also vice president of MVP Capital Corp. and served as a



mineral economist at the Noranda Research Center and as an efficiency engineer for Inco.

**Peter Crossgrove, Director and Audit Committee Chairman**

Mr. Crossgrove was recently elected as the company's newest director and has been appointed as chairman of its audit committee. A member of the Order of Canada, he is the former president of Placer Dome and currently a nonexecutive chairman and director of Masonite International Corp. He is also a director of several public mining companies, including Barrick Gold Corp. and Band-Ore Resources Ltd. Mr. Crossgrove also serves as treasurer of CARE International, and as chairman of Cancer CARE Ontario and the Canadian Association of Provincial Cancer Agencies.

**Robert C. Brissenden, Director**

Mr. Brissenden is also vice president and director of William G. Brissenden Inc., an investment management company, and secretary-treasurer and director of Regal Consolidated Ventures Ltd., a mineral exploration and development company. He has 21 years of business and financial management experience serving a variety of private and public enterprises. Mr. Brissenden earned his bachelor degree in commerce from Concordia University in 1983. Continuing processing and analysis of all exploration data is underway to drive vigorous ongoing exploration of the potentially lucrative bonanza-grade zones in the mine area.

**Lawrence W. Talbot, Director**

Mr. Talbot is a partner with the Canadian law firm of Gowling Lafleur Henderson LLP. He has 19 years of business law experience, and his practice focuses particularly on mining, corporate finance and securities law. He is a director or officer of a number of public companies, including TSX-V and AMEX-listed Cardero Resource Corp. and TSX-V listed Kaieteur Resource

Corporation. Mr. Talbot earned his law degree in 1985 at the University of British Columbia.

**Peter Megaw, Exploration Manager**

Dr. Peter Megaw is an internationally recognized expert in Mexican Carbonate Replacement Deposits and, for over 20 years has consulted to many companies, including Industrias Peñoles, Teck Cominco Limited, Linear Gold Corp., and others. He designs, manages and oversees the analysis and progress of exploration at the Platosa Silver Project. Dr. Megaw received a Ph.D. from the University of Arizona in 1990 for his work on the Santa Eulalia CRD District.

**G. Ross MacFarlane, Consultant**

Mr. MacFarlane is a widely respected mining/metallurgical engineer with more than 25 years' international experience throughout North and South America, Europe and Russia. He is currently an associate with the independent engineering consulting firm of Watts, Griffiths and McOuat, Limited, consulting worldwide on precious and base metals projects.

**William G. Brissenden, Consultant**

Mr. W. G. Brissenden, the father of Excellon's chairman, is retired but continues to provide valuable advice to the company. An inductee into the Canadian Mining Hall of Fame and also the recipient of the CIM Inco Medal, he achieved great recognition throughout the Canadian mining industry for contributions rendered as Vice President-Mines for Noranda Resources Ltd., president of Gaspé Copper Mines Ltd., and president of Brunswick Mining & Smelting Corporation Ltd. A past director of numerous companies such as Camflo Mines, Henry J. Kaiser (Canada) Ltd., Brascan Ltd. and Queenston Gold Mines, Mr. Brissenden was also highly recognized for important contributions in the WWII war effort and retired in 1945 as a Lieutenant Commander in the Royal Canadian Navy.

## The Big Picture for Silver

A new enthusiasm for silver is firmly in place. The past few years have witnessed a remarkable resurgence in the popularity of precious metals among both individuals and institutional investors. There is a growing number of market experts that are now convinced that a "Perfect Storm" is brewing that will provide more upward pressure than any natural or artificial market pressures can contain. With many analysts citing numbers above \$100 an ounce for silver, this can mean mind-boggling profits for shareholders of silver mining companies. The primary reason for this silver forecast is the rapid deteriorating financial condition of the U.S. Government. The debt structure of the U.S. Government is absolutely unsustainable at this point and will continue to put downward pressure on the dollar, despite the Fed's and Washington's attempt to prop it up. The U.S. national debt currently stands at \$7.6 trillion, a figure previously unheard of in American or world history.

Because of this and other factors that are extremely positive for silver, more and more experts are saying that recent gains in silver represent only a small preview of what's to come. This of course bodes very well for mining stocks, especially for a junior mining company like Excellon.

### Summary

If your looking for a low-priced silver stock that has huge upside and limited downside, then this is as good as you'll find. With US\$20 million coming into the treasury in the next 12 months, buy shares of Excellon Resources (**lottery ticket**) on the cheap and give yourself a good chance at a real HOME RUN! If the body of the "beast" can be identified and if it ranges in the 5 million to 50 million tonne range and grades anything close to the values recorded in the "tail" then we could be off to the races! If things don't work out with the drilling than at least the production revenue coming in this year will protect our downside, and give the company other chances at success.

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As far as the mineral itself is concerned, I believe that silver will overcome its shackles (only an industrial metal) when the world fiat currencies crumble and investors worldwide seek refuge for their wealth. While gold may be the first benefactor of such a move, silver will soon follow as there simply is not enough precious metals available for all the paper that will come their way. I actually believe that silver will outperform gold dollar for dollar invested at this point. When that happens, the metals and the mining shares will do things people can't even comprehend!

I am recommending Excellon Resources as a **STRONG BUY** for immediate purchase for no more than 10% of your overall mining stock portfolio.

As always, please do your due diligence by going to the companies website and talking with the management team.

Greg McCoach  
The Mining Speculator / March 2005

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## EXCELLON RESOURCES INC.

Recent Price: C\$0.18

52 week price range: C\$0.13 – C\$0.29

TSX Venture Exchange: EXN

OTC Bulletin Board: EXLLF

Shares Outstanding: 111,271,432

Investor Information:

info@excellonresources.com

Telephone: 416-364-1130

[WWW.EXCELLONRESOURCES.COM](http://WWW.EXCELLONRESOURCES.COM)



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