Management's Discussion & Analysis of Financial Results

For the three and six-month periods ended June 30, 2023

Excellon Resources Inc. (the "Company" or "Excellon") has prepared this Management's Discussion and Analysis of Financial Results ("MD&A") for the three and six-month periods ended June 30, 2023 in accordance with the requirements of National Instrument 51-102 ("NI 51-102").

This MD&A contains information as at August 14, 2023 and provides information on the operations of the Company for the three and six-month periods ended June 30, 2023 and 2022 and subsequent to the period end, and should be read in conjunction with the condensed consolidated financial statements for the three and six-month periods ended June 30, 2023 and 2022, the MD&A and audited consolidated financial statements for the years ended December 31, 2022 and 2021 (the "2022 Financial Statements") which have been filed under Excellon's profile on SEDAR+ (www.sedarplus.ca). The 2022 Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures in this MD&A are in thousands of United States dollars ($'000) unless otherwise noted.

This MD&A also refers to Adjusted loss and Adjusted loss per share which are Non-IFRS measures. Refer to the "Financial Review" section of this MD&A for an explanation of these measures and reconciliation to the Company's reported financial results.

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For the three and six-month periods ended June 30, 2023

BUSINESS AND STRATEGIC PRIORITIES

Excellon's vision is to realize opportunities for the benefit of our shareholders, employees and communities, through the acquisition of advanced development or producing assets with further potential to gain from an experienced management team. The Company is advancing a portfolio of gold, silver and base metals assets including Kilgore, an advanced gold exploration project in Idaho; and Silver City, a high-grade epithermal silver district in Saxony, Germany with 750 years of mining history and no modern exploration.

The common shares of Excellon trade on the Toronto Stock Exchange (the "TSX") under the symbol "EXN", OTCQB Venture Market (the "OTCQB") in the United States under the symbol "EXNRF", and on the Frankfurt Stock Exchange under the symbol "E4X2".

Q2 2023 SUMMARY

Extension of Convertible Debenture maturity date

On July 24, 2023, the Company announced that it had entered into a binding agreement with holders of greater than $66^{2/3}$% of the Convertible Debentures, to extend the maturity date of the Convertible Debentures by 367 days from July 30, 2023 to July 31, 2024 (the "Extension"). The Extension will be implemented pursuant to the terms and conditions of a supplemental indenture to be entered into between the Company and TSX Trust Company, as trustee and collateral agent. In consideration for the Extension, the Company agreed to a fee equal to 6% of the aggregate principal amount of the Convertible Debentures payable in common shares of the Company priced at C$0.156 per common share.

The parties also commenced further negotiations toward a broader restructuring of the Convertible Debentures, including a further extension of the maturity date. In addition, the same group of holders of Convertible Debentures are in discussions with the Company to provide bridge financing.

The Extension is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and securityholder approvals, including the approval of the Toronto Stock Exchange and the approval of the holders of the Convertible Debentures, which is anticipated to be obtained by way of an instrument in writing executed by holders of the Convertible Debentures holding not less than $66^{2/3}$% of the aggregate principal amount of the Convertible Debentures. The Company has been waiting to receive all necessary regulatory approvals and hence the Extension has not been completed. Although the instrument in writing relating to the Extension has not been executed as at the date hereof, the holders of the Convertible Debentures party to the agreement with the Company agreed to approve, or cause to be approved, the waiver and forbearance of the Company's obligations arising from, or in connection with, the maturity of the Convertible Debentures on July 30, 2023.

U.S. District Court rules in favour of USFS and Excellon's Kilgore Project

In Q2 2020, Excellon Idaho Gold Inc. (EIGI) filed an updated plan of operations for the Kilgore Project with the United States Forest Service (USFS). In Q4 2021, the USFS issued a Final Environmental Assessment and Final Decision Notice/Finding of No Significant Impact (EA and DN/FONSI) approving the Kilgore Project Plan of Operations, including planned drilling in Q3 2022.

In Q2 2022, the Idaho Conservation League and Greater Yellowstone Coalition (ICL/GYC) filed suit against the USFS regarding its 2021 approval of the Kilgore Project. This legal action followed the denial by the U.S. District Court of a motion filed by the ICL/GYC in Q1 2022 to reopen the 2018 proceeding against the USFS. These legal proceedings did not impact the 2022 drilling program. EIGI successfully filed a motion to intervene as a defendant intervenor. Scheduled briefings and a hearing to adjudicate the matter were held on May 10, 2023.

On August 4, 2023, the U.S. District Court court ruled in favour of the USFS and Excellon, upholding the 2021 EA and DN/FONSI, and rejecting ICL/GYC's claims against the USFS.

Termination of the La Negra Acquisition, related Debenture Restructuring and financing

On January 8, 2023, the Company entered into a definitive acquisition agreement (the "Acquisition Agreement") to acquire the past-producing La Negra Mine located in Querétaro State, Mexico from Dalu S.à r.l., an entity owned by an investment fund managed by Orion Resource Partners ("Orion"), for aggregate consideration of $50 million paid through upfront payments totalling $20 million, payable in common shares of the Company, and a further $30 million of deferred, contingent consideration payable in common shares of the Company or in cash at the Company's option, following the restart of commercial production (the "La Negra Acquisition").

Concurrent with the execution of the Acquisition Agreement, Excellon entered into a binding term sheet with holders representing approximately $66^{2/3}$% of the principal amount of outstanding Convertible Debentures (the "Debenture Holders") to, among other things, convert 25% of the Convertible Debentures into equity and reprice and extend maturity of the remaining principal outstanding upon closing the La Negra Acquisition (the "Debenture Restructuring").

On April 13, 2023 the Company announced the launch of a non-brokered private placement of up to 28,571,428 subscription receipts, at a price of C$0.35 for aggregate gross proceeds of up to C$10 million.

On July 20, 2023, the Company unexpectedly received a notice of termination of the La Negra Acquisition from the seller. Prior to receipt of the termination notice, the Company had been in discussions with Orion regarding options to advance the acquisition of La Negra to closing, including securing the necessary financing. Consequently, the Company also announced the termination of the subscription receipts offering. The Company also held discussions with Debenture Holders in July 2023, in accordance with the Debenture Restructuring term sheet agreement, as the binding obligation of the agreement dated January 8th, had lapsed.

Liquidity and capital resources

With termination of the La Negra Acquisition, the Company significantly reduced its workforce in order to reduce cash expenditures for the remainder of 2023.

As at June 30, 2023, the Company had a negative working capital position of $23 million, including $13 million in Convertible Debentures, which have subsequently been extended to July 31, 2024 subject to certain conditions as discussed above. The Company is actively engaged in discussions with the Debenture Holders to complete a more encompassing restructuring of the Convertible Debentures.

The Company is also actively engaged in ways to divest, monetize or spin-off non-core assets within its portfolio for additional financial liquidity. Excellon benefits from a diverse asset base with potentially deep value to be unlocked.

Finally, the Company is also reviewing the unsecured financial liabilities on its balance sheet and is actively exploring options to reduce these amounts outstanding.

ASSET SUMMARY AND KEY DEVELOPMENTS FOR THE QUARTER

Refer to the Company's Annual Information Form dated March 31, 2023 ("AIF") for a detailed overview of the Company's exploration projects, including mineral resource estimates.

Kilgore Project

The Kilgore Project (or "Kilgore") is an advanced exploration-stage volcanic and sediment-hosted epithermal gold property, located five miles from Kilgore, Clark County, Idaho. Excellon has a 100% undivided interest in 789 unpatented federal lode claims totaling 6,788 hectares on United States Forest Service ("USFS") land. The property includes historical mine workings dating back to the early 1900s. Further drilling in the 1980s revealed the potential for mineralization well outside of the existing resource area, with limited follow-up to date. Kilgore displays similar geological characteristics to Kinross Gold's Round Mountain Mine, which has produced over 16 million ounces of gold to date.

In 2019, Otis Gold Corp. ("Otis") completed a preliminary economic assessment that contemplated a low capital intensity, low operating cost, open-pit, heap-leach mining operation. Since acquiring Otis in Q2 2020 and filing a business acquisition report with respect to such transaction on May 29, 2020, the Company has been reassessing all aspects of Kilgore and believes that opportunities exist to enhance the project through:

- Geological remodeling of the existing mineral resource estimate, including relogging historical core to better define geological units and lithologies
- Re-assaying historical drilling with metallic screen assays along with multi-element ICP to complement historical fire-assayed samples
- Geophysical surveying to image prospective ground, generate drill targets, and constrain structural and lithologic controls of mineralization
- Field prospecting and soil sampling with the goal of identifying additional high-quality drill targets throughout the property.
- Diamond drilling to infill and expand the mineral resource and to follow-up on advances in the geological model, and define mineral potential along strike, laterally and at depth
- Metallurgical drilling in support of further metallurgical studies, particularly in the underlying Aspen formation based on additional petrographic information
- Engineering review of potential infrastructure locations, processing options, and new mining technologies
- Continuing environmental studies

The Company's 2022 drilling program targeted higher-grade mineralization and structures at depth, predominantly in the Aspen formation, seeking to define the potential for gold mineralization that may be amenable to underground mining. Additional screen metallics analysis will be performed on samples assaying over 1.0 g/t gold to confirm the ability of traditional assay size (50g) to deliver accurate and precise data, given the presence of coarse gold at the deposit.

In Q2 2020, Excellon Idaho Gold Inc. (EIGI) filed an updated plan of operations for the Kilgore Project, with the USFS. In Q4 2021, the USFS issued a Final Environmental Assessment and Final Decision Notice/Finding of No Significant Impact (EA and DN/FONSI) approving the Kilgore Project Plan of Operations, including planned drilling in Q3 2022.

In Q2 2022, the Idaho Conservation League and Greater Yellowstone Coalition (ICL/GYC) filed suit against the USFS regarding its 2021 approval of the Kilgore Project. This legal action followed the denial by the U.S. District Court of a motion filed by the ICL/GYC in Q1 2022 to reopen the 2018 proceeding against the USFS. These legal proceedings did not impact the 2022 drilling program. EIGI successfully filed a motion to intervene as a defendant intervenor. Scheduled briefings and a hearing to adjudicate the matter were held on May 10, 2023.

On August 4, 2023, the court ruled in favour of the USFS and Excellon, upholding the 2021 Final EA and DN/FONSI and rejecting ICL/GYC's claims against the USFS.

The results to date of the 2022 drill program at Kilgore include 0.74 g/t Au over 115.60 meters, including 1.07 g/t Au over 26.93 metres and 26.5 g/t Au over 0.65 metres in hole EX22KG001, with assay results pending for five of the six holes drilled. For further details on the 2022 drill program see the Company's news release dated December 6, 2022.

Oakley Project

On April 22, 2020, the Company acquired 100% ownership of the Oakley project in Cassia County, Idaho as part of the Otis acquisition. The Oakley Project is an exploration-stage project hosting gold-silver, epithermal hot spring-type mineralization at two targets: Blue Hill Creek and Cold Creek, and detachment-related gold-silver mineralization at Matrix Creek. The Oakley Project has been optioned to Centerra pursuant to an option agreement that is summarized in the Company's AIF (the "Oakley Agreement").

Drilling concluded at Cold Creek in Q3 2021, with eleven holes totaling 1,582 metres drilled in this program. Permitting at Blue Hill Creek is complete with drilling having commenced in H2 2022, funded and managed by Centerra pursuant to the terms of the Oakley Agreement. The Cold Creek claims cover approximately 14 km^2, including a structurally complex north to south valley with bounding faults that has created at least three prospective geologic zones along the western and eastern margins. The 2021 drill program tested targets within these zones, as follows:

- *Eastern Margin*: A historically undrilled area of receptive units with gold in soil anomalies above shallow bedrock
- *Bound Block*: This area is bound by large structures on the east and west and has demonstrated surface and subsurface gold mineralization. Reverse circulation ("RC") drilling from the late 1980's returned anomalous grades that have not been followed up on. More recent work delivered anomalous gold in soil and rock samples, with basin-wide resistivity and chargeability anomalies
- *Western Margin*: A historically underexplored area of structural complexity with hydrothermal material at surface. RC drilling from the late 1980's intersected 18.3 metres grading 0.46 g/t gold from surface. More recent work has identified gold in soil anomalies corresponding with a chargeability anomaly from IP surveying

Centerra completed eight diamond drill holes totaling 1,781 metres in 2022, three holes at Cold Creek totaling 608 metres and five holes at Blue Hill Creek totaling 1,173 metres. Another four holes totaling up to 940 metres at Blue Hill Creek are contemplated in 2023. 19 line-kilometres of CSAMT geophysical surveying has been completed at Matrix Creek, the goal of which is to extend and infill CSAMT survey lines that were completed in 2021.

In Q1 2023, Centerra met the requirements to exercise the First Option to earn a 51% interest in the Oakley Project. On April 4, 2023, Centerra provided notice of its intention to proceed to exercise the second option to acquire an additional 19% by (a) incurring additional expenditures on the property in the aggregate amount of US$3,000,000; and (b) making a payment to Excellon of $300,000, over the next three years. Following the exercise of the Second Option (or alternatively Centerra terminating such option), the parties shall form a joint venture and fund expenditures going forward on a pro rata basis. Should Excellon's interest fall below 10% during the joint venture, that interest will automatically convert to a 2% NSR royalty that is not subject to a buyback provision.

Silver City Project

The Silver City Project is an exploration-stage project that comprises the Bräunsdorf, Frauenstein, Mohorn and Oederan exploration licences in Saxony, Germany and totals approximately 340 km^2. In Q3 2019, the Company entered into an agreement with Globex Mining Enterprises Inc. to earn into an option to acquire a 100% interest in the Bräunsdorf exploration licence (the "Globex Agreement"). The terms of the Globex Agreement are described in the Company's AIF. In Q3 2022, the Company made its final issuance of shares valued at C$625k and final cash payment of C$200k to maintain its option on the Bräunsdorf exploration license and in Q2 2023, exercised the option to acquire such licence, upon which Globex was granted a gross metals royalty of 3% for precious metals and 2.5% for other metals, both of which may be reduced by 1% upon a payment of $1.5 million. Additional one-time payments of C$300k and C$700k are to be made by the Company following any future announcement of a maiden mineral resource estimate on the property and upon achievement of commercial production from the project, respectively.

The Bräunsdorf licence is a 164 km^2 silver district that encompasses a 36-km long epithermal vein system situated west of the city of Freiberg (30 km southwest of Dresden). The immediate exploration licence and the surrounding area have a long and rich history of silver mining dating back to the 11th century with numerous historic mine camps, small mines and prospects, many of which have only been explored and/or mined to shallow depths, seldom exceeding 200 metres below surface. Historically reported veins ranged from 0.5 to 10 metres in width, with grades of over 3,500 g/t silver and no assaying of either gold or zinc, which were not historically available.

Based on initial drilling results at the Bräunsdorf licence, the Company expanded the Silver City Project ground position in Q1 2021 to 34,150 hectares through the application for three additional permits (Frauenstein, Mohorn and Oederan). The concessions were granted following applications to the Sächsisches Oberbergamt (the "Saxon Mining Authority") in Freiberg and are held by the Company's subsidiary, Saxony Silver Corp. As in the case of the Bräunsdorf licences, historical records of these licences document centuries of high-grade silver production to shallow depths, with recent confirmation samples assaying multi-kilo silver and significant gold. The licences are early-stage and initial exploration efforts started in 2021 in preparation for more advanced exploration work and drilling.

The Company's near-term exploration goals at Silver City are to (i) confirm the strike and plunge of historical mine workings and (ii) identify new mineralized bodies that were not historically discovered and exploited. With initial drilling success, the Company aims to define economic mineral resources on the project and advance them toward permitting and development. At the current stage and with the current information available, the cost and timeframe to do so is not ascertainable.

In Q2 2021, the 2021 Drilling Operation Plan ("DOP") was approved, and the Company was permitted to drill up to 22,000 metres on the Bräunsdorf licence up to March 31, 2022. Drilling commenced in late Q2 2021 with two drill rigs. During 2021 the Company drilled 24 holes totalling 8,360 metres. An additional three holes totalling 1,223 metres were completed in Q1 2022.
The 2021 DOP contemplated drilling on four priority follow-up targets identified in the 2020 program including:

- *Peter Vein*: a historically significant mine where initial drilling encountered 1,042 g/t AgEq over 0.45 metres (911 g/t Ag, 0.4 g/t Au, 2.8% Pb and 0.9% Zn), within 231 g/t AgEq over 2.30 metres (183 g/t Ag, 0.4 g/t Au, 0.5% Pb and 0.2% Zn)

- *Reichenbach (Großvoigtsberg)*: a new, near-surface discovery in an area with minimal historic mining, where initial drilling encountered 505 g/t AgEq over 0.71 metres (356 g/t Ag, 2.0 g/t Au), within 191 g/t AgEq over 1.90 metres (134 g/t Ag and 0.8 g/t Au)
- *Bräunsdorf*: a historically significant mine, where initial drilling encountered 319 g/t AgEq over 0.35 metres (300 g/t Ag, 0.2 g/t Au and 0.2% Zn), within 101 g/t AgEq over 2.05 metres (87 g/t Ag, 0.2 g/t Au)
- *Grauer Wolf*: a new high-grade discovery in an area with no historic drilling, where initial drilling encountered 1,043 g/t AgEq over 1.3 metres (954 g/t Ag, 0.1 g/t Au, 0.7% Pb and 2.0% Zn) less than 100 metres from surface, within 194 g/t AgEq over 8.1 metres (173 g/t Ag, 0.1 g/t, Au, 0.4% Pb and 0.3% Zn), and 331 g/t AgEq over 1.2 metres (325 g/t Ag, 0.1 g/t Au, 0.03% Pb and 0.03% Zn) in the hanging wall

The results of the 2021 drill program at Silver City include:

- 1,633 g/t AgEq over 0.35 metres (1,470 g/t Ag, 0.2 g/t Au, 2.9% Pb and 2.1% Zn) within 257 g/t AgEq over 2.90 metres (232 g/t Ag, 0.4% Pb and 0.3% Zn) in SC21GVB020 at Peter Vein
- 1,296 g/t AgEq over 0.35 metres (1,260 g/t Ag, 0.2 g/t Au, 0.6% Pb and 0.3% Zn) within 592 g/t AgEq over 1.05 metres (508 g/t Ag, 0.1 g/t Au, 1.4% Pb and 1.2% Zn) in SC21GWO033 at Grauer Wolf
- 266 g/t AgEq over 0.65 metres (228 g/t Ag, 0.1 g/t Au, 0.7% Pb and 0.5 % Zn) within 169 g/t AgEq over 1.93 metres (137 g/t AgEq, 0.3% Pb and 0.6% Zn) in SC21GWO030 at Grauer Wolf
- 383 g/t AgEq over 0.38 metres (7.0 g/t Ag and 5.0 g/t Au) in SC21REI027 at Reichenbach

For more information on the 2020 and 2021 drill programs and results thereof (and the project generally) refer to the NI 43-101 technical report for the Silver City Project available on the Company's website.

For 2022, individual DOPs for each concession were submitted in H1 2022. The Company applied for a total of 36,400 metres of drilling, including Bräunsdorf (23,000 metres, 66 drill holes), Frauenstein (7,650 metres, 24 drill holes), Mohorn (3,250 metres, 10 drill holes) and Oederan (2,500 metres, eight drill holes) licences. The approved DOP for the Bräunsdorf licence was received in Q3 2022 and is valid until September 30, 2025. Approved DOPs for the Mohorn, Frauenstein and Oederan licenses were received in Q3 2022, and are valid until December 31, 2023. Drilling in 2021 and 2022 followed up on results from the initial, 16-hole diamond drilling program completed in 2020 totalling 3,687 metres.

The assay results for the Q1 2022 drilling program extended the footprint of the Grauer Wolf mineralization trend 300 meters along strike and confirmed mineralization down to 300 meters vertical depth. Results from Q1 2022 drilling included 768 g/t AgEq over 0.4 metres (482 g/t Ag, 4.5% Pb and 4.8 % Zn) in hole SC21GWO040.

A total of 13 soil sampling profiles were completed over the Peter Vein, Grauer Wolf and Hartha targets in Q1 2022, with an additional 265 samples collected over Frauenstein in Q2 2022 for a total of 790 samples. The goal of the program was to test the geochemical response along the strike of known mineralization and to identify new drill targets. IP and Audio-Frequency Magnetotellurics geophysical surveys have been completed in Q4 2022. The surveys extends over 14.2 line-kilometres covering the following six targets: Fortuna A & C, Erzengel Mohorn, Bergmännische Hoffnung, Reichenbach and Hartha. The surveys aim to improve the understanding of the geometry of the mineralization-bearing faults and veins, and identify potential sulphide mineralization, its shape, and extent. Final results and interpretations are pending.

Mexico Operations

The Platosa mineral concessions (the "Platosa Property") are located approximately 5 kilometres north of the town of Bermejillo and 45 kilometres north of the city of Torreón. The historically mined deposit consisted of a series of high-grade carbonate-replacement deposits (CRD) occurring as mantos. The Platosa Property totals 74 mineral concessions covering a total area of approximately 11,000 hectares, with numerous targets for further exploration The Platosa Property, including the past-producing mine, is owned by Excellon's wholly-owned subsidiary, Minera Excellon de Mexico, S.A. de C.V ("MEM").

The Platosa Mine, located on the Platosa Property, was an operating underground polymetallic (silver, lead, and zinc) mine, located in northeastern Durango State, Mexico, until production ceased, and the mine was placed on care and maintenance in early Q4 2022. For Q2 2023, the Platosa Mine remained on care-and-maintenance with no mining or exploration activities conducted on the Platosa Property. Currently there are no mineral or exploration assets related to the Platosa Property, capitalized on the consolidated balance sheet of Excellon.

FINANCIAL REVIEW

Summary of Quarterly Financial Results

Financial statement highlights for the quarter ended June 30, 2023 and the last eight quarters are as follows:

(in $000's)	Q2 2023 $	Q1 2023 $	Q4 2022 $	Q3 2022 $	Q2 2022 $	Q1 2022 $	Q4 2021 $	Q3 2021 $
Revenues	-	-	2,564	6,982	7,781	8,496	9,306	9,151
Production costs	-	-	(2,055)	(4,579)	(5,789)	(5,635)	(7,089)	(5,567)
Mine closure related costs (1)	-	-	(375)	-	(532)	-	(1,584)	-
Depletion and amortization	-	-	(1,127)	(1,153)	(2,939)	(2,278)	(1,928)	(1,809)
Cost of sales	-	-	(3,557)	(5,732)	(9,260)	(7,913)	(10,601)	(7,376)
Gross (loss) profit	-	-	(993)	1,250	(1,479)	583	(1,295)	1,775
Expenses:								
C&M and wind down expenses	(136)	(184)	(771)	-	-	-	-	-
General and administrative	(923)	(1,306)	(1,169)	(1,279)	(1,191)	(1,311)	(1,255)	(1,453)
Exploration and holding expense	(490)	(513)	(1,277)	(2,344)	(839)	(1,116)	(1,783)	(2,538)
Other income (expense)	111	1,580	325	(247)	45	992	89	(6)
Gain on deconsolidation of SPR	-	24,255	-	-	-	-	-	-
Reclassification of CTA	-	(6,923)	-	-	-	-	-	-
Provision for litigation	-	-	-	-	-	-	(5)	(22,277)
Impairment loss	-	-	(3,344)	-	-	-	(15,788)	(752)
Net finance expense	(1,317)	(1,009)	(1,208)	(985)	(1,186)	(915)	(1,242)	(688)
Income tax recovery (expense)	58	2	(185)	(174)	(90)	67	(167)	(4,921)

(in $000's)	Q2 2023 $	Q1 2023 $	Q4 2022 $	Q3 2022 $	Q2 2022 $	Q1 2022 $	Q4 2021 $	Q3 2021 $
Net (loss) income	(2,697)	15,902	(8,622)	(3,779)	(4,740)	(1,700)	(21,446)	(30,860)
Adjusted loss (2)	(2,697)	(1,430)	(4,903)	(3,779)	(4,208)	(1,700)	(4,069)	(4,775)
(Loss) income per share	(0.07)	0.42	(0.23)	(0.11)	(0.14)	(0.05)	(0.65)	(0.94)
Adjusted loss per share (2)	(0.07)	(0.04)	(0.13)	(0.11)	(0.12)	(0.05)	(0.12)	(0.15)
Net cash from operations before working capital changes	(1,420)	(1,851)	(1,386)	(1,651)	(41)	1,911	(217)	(9)

(1) Cost of sales included $1.6 million related to mine closure accruals in Q4 2021, and $0.5 million and $0.4 million related to materials and supplies write-downs in Q2 2022 and Q4 2022 respectively.

(2) Adjusted loss and adjusted loss per share exclude: for Q3 2021 $22.3 million related to the Provision for litigation, the related $0.8 million impairment loss and $3.1 million deferred-tax asset derecognition expenses (included in Income tax expense); for Q4 2021 impairment losses of $15.8 million and $1.6 million related to future mine closure accruals; for Q2 2022 $0.5 million write-down of materials and supplies; for Q4 2022 impairment losses of $3.3 million and $0.4 million related to the write-down of materials and supplies; and for Q1 2023 the $24.3 million gain on deconsolidation of San Pedro, and ($6.9) million related to the currency translation adjustment on the deconsolidation of San Pedro.

Quarter to quarter revenue variances were a function of metal prices, treatment and refining costs and production results. Production results differed from period to period depending on geology, mining conditions, labour and equipment availability. These, in turn, affect mined tonnages, grades and mill recoveries and, ultimately, the quantity of metal produced, and revenues received. The Company expenses exploration costs related to Platosa (unless associated with mineral resource estimate expansion), Silver City, Kilgore and Evolución. These exploration costs do not relate to the mining operation and vary from period to period, creating volatility in earnings. The following is a discussion of the material variances between Q2 2023 and Q2 2022.

Production ceased and the Platosa Mine and Miguel Auza mill were placed on care and maintenance in early Q4 2022. As a result no revenue, production costs, gross profit, production cost per tonne, total cash cost net of by-product credits per silver ounce payable and all-in sustaining cost (AISC) per silver ounce payable were recorded in 2023, and as such no variances on these amounts were discussed in this MD&A.

	Q2 2023	Q2 2022	H1 2023	H1 2022
Net (loss) income	**(2,697)**	**(4,740)**	**13,205**	**(6,437)**
Adjusted loss (1)	**(2,697)**	**(4,208)**	**(4,127)**	**(6,437)**

(1) Adjusted loss in H1 2023 excludes the $24.3 million gain on deconsolidation of San Pedro, and ($6.9) million related to the currency translation adjustment on the deconsolidation of San Pedro. Adjusted loss in Q2 2022 excludes $0.5 million write-down of materials and supplies.

Net loss decreased by $2.0 million in Q2 2023, primarily driven by the $1.5 million gross loss from Platosa in Q2 2022, a decrease of $0.1 million related to general and administrative expense, and decrease in exploration and holding expense of $0.3 million. Adjusted loss decreased $1.5 million in Q2 2023, driven by the variances described above, partly offset by the exclusion of $0.5 million related to materials and supplies write-downs.

	Q2 2023	Q2 2022	H1 2023	H1 2022
Exploration and holding expense	**(490)**	**(839)**	**(1,003)**	**(1,955)**

Exploration and holding expense decreased by $0.3 million in Q2 2023, and $1.0 million in H1 2023 relative to the comparative periods, driven by lower exploration expenditures at the Silver City Project, which included drilling costs in 2022, and in Mexico following the shutdown of Platosa in Q4 2022.

General and administrative expense	**(923)**	**(1,191)**	**(2,229)**	**(2,501)**

General and administrative expense, which include personnel costs, office, overhead, corporate development, legal, public company costs, share-based payments and amortization were $0.3 million lower in Q2 2023 relative to the comparative period, driven by lower administrative expenses by $0.2 million and lower amortization by $0.1 million. In addition, for H1 2023, share-based payments reduced by $0.1 million.

Other income	**111**	**45**	**1,691**	**1,037**

Other income includes realized and unrealized foreign exchange gains and losses, unrealized gains and losses on marketable securities and warrants, interest income and other non-routine income or expenses, if any.

The other income increase of $0.1 million in Q2 2023 and $0.7 million in H1 2023, relates primarily to an increase in unrealized foreign exchange gains of $0.1 million and $1.0 million respectively, compared to the comparatives periods.

Finance expense	**(1,317)**	**(1,186)**	**(2,326)**	**(2,101)**

Net finance expense in Q2 2023 comprises primarily $1.3 million of interest expense on the Convertible Debentures issued in Q3 2020, which are recorded at amortized cost and accreted to the principal amount over the term of the Convertible Debentures (Q2 2022 – $1.2 million). This interest expense consists of $0.2 million in coupon interest for both Q2 2023 and Q2 2022, and $1.1 million accretion in Q2 2023 (Q2 2022 – $1.0 million) of the face value of the Convertible Debentures using the effective interest rate method.

COMMON SHARE DATA AS AT AUGUST 14, 2023

Common shares issued and outstanding	**42,183,625**
Stock options	1,082,807 (1)
DSUs	465,197
RSUs	468,667
Fully diluted common shares (2)	**44,200,296**

(1) Includes 42,307 options issued to Otis option holders that are not included under the Company's option plan.

(2) Conversion of all outstanding Convertible Debentures would result in the issuance of an additional 3,379,245 common shares of the Company, while the 6% fee in consideration for the 367-day maturity extension will result in the issuance of 6,888,461 common shares of the Company. See the "Corporate Updates" section of this MD&A for a summary of the Convertible Debenture extension.

LIQUIDITY AND CAPITAL RESOURCES

The condensed consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Refer to Note 2 of the condensed consolidated financial statements for discussion of the material uncertainties which may cast significant doubt on the Company's ability to realize its assets and discharge its liabilities in the normal course of business.

The operating cash flows from the Platosa Mine ceased after the wind down of operations in early Q4 2022 and therefore the primary source of funds available to the Company is equity and debt financings. The Company is considering various financing, corporate development opportunities and strategic alternatives that may include acquisitions, divestitures, mergers or spin-offs of the Company's or third parties' assets, as applicable. A continuous review of the Company's capital expenditure and exploration programs ensures the Company's capital resources are utilized in a responsible and sustainable manner to conserve cash during periods of low commodity prices and economic and market uncertainty. See also the "Commitments," below, for further detail.

	June 30, 2023	December 31, 2022
Cash and cash equivalents	**58**	**1,468**

The Company's Mexican operations generated net cash flow of $1.9 million in H1 2022 from collected revenue of $15.5 million net of production costs of $13.6 million, and $nil in H1 2023 following the shutdown of Platosa mine in Q4 2022. The Company also received proceeds from the sale of marketable securities and insurance proceeds of $1.1 million in H1 2022 (H1 2023 – $nil).

The primary uses of cash for H1 2023 and 2022 were:

(i) $0.5 million spent on exploration and holding costs – $0.2 million in Germany, $0.2 million in the United States, and $0.1 million in Mexico (H1 2022 - $2.3 million, including $1.1 million in Germany, $0.3 million in Mexico and $0.9 million in the United States);

(ii) $0.6 million on general and administrative expenses (H1 2022 – $2.1 million); and

(iii) $0.3 million spent on care and maintenance and wind down expenses (H1 2022 – $nil).

	June 30, 2023	December 31, 2022
Working capital	**(23,058)**	**(18,299)**

Working capital, defined as current assets less current liabilities (excluding the Provision for litigation), decreased by $4.8 million at June 30, 2023 relative to December 31, 2022, reflecting an increase in current liabilities of $2.8 million, and a decrease of $2.0 million in current assets, driven primarily by the $1.4 million decrease in cash and collection of trade receivables ($0.7 million).

The Company is considering various financing, corporate development opportunities and strategic alternatives that may include acquisitions, divestitures, mergers or spin-offs of the Company's or third parties' assets, as applicable. The Convertible Debentures do not include any financial covenants related to working capital.

	June 30, 2023	June 30, 2022
Net cash from operations before changes in working capital	**(3,271)**	**1,872**

Net cash from operations before changes in working capital decreased by $5.1 million in the first half of 2023, principally due to the Platosa Mine shutdown in October 2022, $0.3 million in care and maintenance costs recorded in H1 2023 and $0.6 million cash inflow from insurance proceeds received in H1 2022.

Financing activities	**(92)**	**(153)**

In H2 2023, financing activities included interest and lease-related payments, which reduced marginally relative to 2022.

The Company issued the Convertible Debentures in 2020, completed an equity offering of common shares in 2019 and arranged the Credit Facility in connection with the acquisition of Otis in 2020. The Company also implemented cost reductions and business improvements at its operations in 2020 and 2021. Failure to obtain additional financing could result in delay or postponement of further exploration and development of the Company’s projects.

There can be no assurances that the Company will be able to obtain adequate funding or that the terms of such financing will be favourable. The Company is also exposed to currency exchange risk and continued uncertainty related to the COVID-19 pandemic; see “Business Environment & Risks” section below.

Financial instruments

All financial assets and financial liabilities, other than derivatives, are initially recognized at the fair value of consideration paid or received, net of transaction costs, as appropriate, and subsequently carried at fair value or amortized cost. The carrying values of trade and other payables and other current assets approximate their fair value, unless otherwise noted.

The Company’s financial results are sensitive to changes in foreign exchange and interest rates, and the Company may periodically consider hedging such exposure. The Company’s Board of Directors together with executive management has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company may address its price-related exposure to foreign exchange through the use of options, futures, forwards and derivative contracts.

The Mexican peso (“MXN”), Canadian dollar (“C”), Euro (“Euro”) and US dollars (“USD”) are the functional currencies of the Company, with currency exposures arising from transactions and balances in currencies other than the functional currencies.

A significant portion of the Company’s exploration and administrative expenditures are incurred in MXN or Euros. The fluctuation of the USD in relation to the MXN and the Euro impacts the reported financial performance of the Company.

Contractual obligations

The following table summarizes contractual obligations including payments due for each of the next five years and thereafter:

	$ 000				
	Total	**Less than one year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Trade payables	9,365	9,365	-	-	-
Leases	138	138	-	-	-
Convertible Debentures(1) – principal	13,512	13,512	-	-	-
Convertible Debentures(1) – 5.75% interest	841	841	-	-	-
Post-retirement benefits	745	745	-	-	-
Rehabilitation provision (discounted)	770	-	-	-	770
Provision for onerous contract	568	568	-	-	-
Total:	**25,939**	**25,169**	**-**	**-**	**770**

(1) Assumes a 367-day extension of Convertible Debentures and repayments of interest and principal in cash. See the "Corporate Updates" section of this MD&A for a summary of the Convertible Debenture extension.

Commitments

The Company's projects are at varying stages of exploration advancement. Generally, the Company budgets exploration expenditures on an annual basis and does not commit to long-term drilling contracts. Exploration expenditures may be highly variable depending on ongoing results and a host of other factors, including available funds, permitting status, and changes in local or geopolitical risks. The Company does not currently have any development projects that require committed funding.

In Mexico, commitments relate to annual concession fees and required expenditures associated with the Company's mineral concessions. In Idaho, commitments relate to annual claim fees associated with the Company's mineral claims. Fees in respect of the Oakley Project in Idaho are funded by Centerra pursuant and subject to the terms of the Oakley Agreement. There are no annual fees associated with exploration licenses in Saxony, Germany. Each of the commitments outlined below may vary depending on operational and/or exploration results or geopolitical conditions, which may lead the Company to expand or relinquish all or part of a project. Additionally, the Oakley Project is subject to the terms of the Oakley Agreement, and commitments may vary depending on the counterparties' decisions to exercise options under the Oakley Agreement. See the "Exploration and Evaluation Review – Oakley Project" section of this MD&A for a summary of the Oakley Agreement and related activities.

The following table summarizes the Company's significant unrecognized commitments as of the date of this MD&A (in thousands of US dollars):

		$ 000				
Project	**Type**	**Total**	**Less than one year**	**1 – 3 years**	**4 – 5 years**	**After 5 years(1)**
Platosa	Fees	1,254	251	501	502	-
Evolución	Fees	1,303	100	401	802	-
Kilgore	Fees	650	130	260	260	-
Oakley (Centerra)	Fees	285	57	114	114	-
	Total:	**3,492**	**538**	**1,276**	**1,678**	**-**

(1) Concession and claim fees continue until the relinquishment or expiration of the applicable concessions or claims.

CONTINGENCIES

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not within the Company's control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company with assistance from its legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims or actions.

Contingent liability

A company retained to perform drilling services at the Kilgore Project in 2022 has commenced legal proceedings against the Company and has separately claimed a statutory lien on six of the project's unpatented mining claims, based on payments alleged as due under the drilling contract in the amount of $1.1 million. Excellon disputes the amounts claimed in such proceedings and asserted under the lien, including the basis therefor. Excellon believes that such legal proceedings and the lien are without merit and is vigorously defending itself against such claims, including advancing a rigorous defence and counterclaim in legal proceedings and challenge of the basis for and validity of the lien. Excellon will continue to steadfastly contest both such claims. Excellon has not accrued for any amounts in respect of these claims.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

ACCOUNTING POLICIES AND INTERNAL CONTROLS

Disclosure Controls & Procedures and Internal Control Over Financial Reporting

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the President & CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal control over financial reporting ("ICFR") means a process designed by or under the supervision of the President & CEO and CFO, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management use the criteria set forth in Internal Control – Integrated Framework (2013) ("COSO 2013") issued by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of the Company's ICFR.

The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

As at June 30, 2023, the Corporation's President & CEO and CFO have certified that the DC&P are effective and that during the quarter ended June 30, 2023, the Company did not make any material changes in the ICFR that materially affected or are reasonably likely to materially affect the Company's ICFR.

Accounting policy, estimates and judgements

Accounting standards issued but not yet effective

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Significant accounting estimates and judgements

The Company's significant accounting policies are described in Note 4 to the consolidated financial statements for the year ended December 31, 2022. The preparation of the consolidated financial statements require management to make estimates, assumptions and judgements that may have a significant impact on the consolidated financial statements. These estimates, assumptions and judgements are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances, however actual outcomes can differ. Revisions to accounting estimates are recognized in the period in which the estimates are revised. For details of these estimates, assumptions and judgements, refer to the Company's consolidated financial statements for the year ended December 31, 2022, which are available on the Company's website and on SEDAR+.

BUSINESS ENVIRONMENT AND RISKS

Risks and uncertainties

The Company's business entails exposure to certain risks, including but not limited to: metal price risk; foreign exchange risk since the Company reports in United States dollars but operates in jurisdictions that use other currencies; the inherent risk of uncertainties in estimating Mineral Resources; political risk associated with operating in foreign jurisdictions; environmental risks; surface rights and access; enforcement of legal rights; and risks associated with labour relations issues. The current or future operations of Excellon are or will be governed by and subject to federal, state and municipal laws and regulations regarding mineral taxation, mineral royalties and other governmental charges. Any change to the mineral taxation and royalty regimes in the jurisdictions in which Excellon operates or plans to operate could have an adverse financial impact on the Company's current and planned operations and the overall financial results of the Company, the extent of which cannot be predicted. For additional discussion of risk factors (including a discussion of COVID-19 related risks) refer to the Company's AIF which is available under the Company's profile on SEDAR+.

ADDITIONAL SOURCES OF INFORMATION

Additional disclosures pertaining to the Company, including its AIF, audited and unaudited interim financial statements, management information circular, material change reports, news releases and other information, are available under Excellon's profile on SEDAR+ or on the Company's website (www.excellonresources.com).

CAUTIONARY STATEMENTS ON FORWARD-LOOKING STATEMENTS AND OTHER MATTERS

Forward-Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion & Analysis of Financial Results for the three and six-month periods ended June 30, 2023 and 2022 and the *accompanying financial statements for the same periods (together, the "**Q2 2023 Financial Disclosure**") constitute "forward-looking statements" and "forward looking information" (collectively, "**forward-looking statements**") within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as: "advancing", "aim", "alternatives", "believes", "considering", "contemplated", "contingencies", "continuing", "could", "demonstrated", "development", "de-risking", "discovery", "early-stage", "evaluate", "expected", "exploration", "estimate", "focus", "further", "future", "goals", "indicate", "initial", "intention", "investigate", "may", "model", "monitor", "near-term", "new", "observation", "ongoing", "opportunities", "option", "outlook", "pending", "pipeline", "plan", "potential", "priorities", "program", "project", "proposed", "proposition", "prospective", "prospecting", "provide", "provision", "re-assaying", "reassessing", "relogging", "review", "risk", "samples", "seeking", "should", "strategic", "studies", "subject to", "survey", "target", "test", "timelines", "trend", "uncertainties", "viability", "vision", "will" and "would", or variations of such words, and similar such words, expressions or statements that certain actions, events or results can, could, may, should, will (or not) be achieved, happen, occur, provide, result or support in the future or which, by their nature, refer to future events. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements include statements regarding opportunities, outlook and strategic alternatives (including any form, aspect, value or other impacts thereof); advancing a portfolio of assets; mineralization, mineralized area or footprint, or mineral deposits (including potential, grade, further definition or expansion or extension, continuation, openness and location); mineral resource estimates (including tonnes, grade, and any expansion, increase, conversion or reclassification thereof; see also below in these Cautionary Statements under "Mineral Resources", "U.S. Readers" and "Preliminary Economic Assessments (or PEAs)"); exploration programs and activities (including prospectivity or potential (and any increase thereof), targets and assessments or interpretations of drilling and results thereof to date); the implications of the Judgment (including there being no recourse against the Company's other assets in Mexico, Idaho, Germany or Canada); the bankruptcy proceedings of the Company's Mexican subsidiary San Pedro and any currently unknown implications thereof; and any other acquisition and other strategic opportunities; closure and reclamation (including activities, expenditures, costs and provisions, and timing thereof); pending or ongoing regulatory, administrative, litigation or other legal proceedings, and provisions therefor, and assessments and outcomes thereof (including the San Pedro bankruptcy declaration, and drilling contractor claim and lien in respect of the Kilgore Project) or recourse thereunder (including recourse relating to the Judgment); compliance with and maintenance and effects of controls, policies, procedures, processes and systems of the Company; the Extension and any further restructuring of the Convertible Debentures (including the terms of and completion of the Extension and any further restructuring, any supplemental indenture in respect thereof, and the number and pricing of Common Shares to be issued pursuant thereto in respect of related fees or otherwise); the timing and ability of the Company to complete the Extension; the timing and ability of the Company to receive necessary regulatory and securityholder approvals for the Extension (including the approval of the TSX and the holders of the Convertible Debentures and the form or means thereof); any forbearance and/or waiver, or other related actions, which may be required to be taken by the holders of the Convertible Debentures and/or the trustee and collateral agent and any approvals required therefor; Excellon's vision (including the realization of opportunities, the means thereof and basis therefor); and any benefits or any other implications of any of the foregoing; and future impacts of Covid-19 and actions taken to mitigate such. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct, and any forward-looking statements by the Company are not guarantees of future actions, results or performance. Forward-looking statements are based on assumptions, estimates, expectations and opinions, which are considered reasonable and represent best judgment based on available facts, as of the date such statements are made. If such assumptions, estimates, expectations and opinions prove to be incorrect,* *actual and future results may be materially different than expressed or implied in the forward-looking statements. The estimates, expectations and opinions referenced or contained in the Q2 2023 Financial Disclosure, which may prove to be incorrect, are subject to a number of assumptions which include those set forth or referenced in the Q2 2023 Financial Disclosure, the Company's Management's Discussion and Analysis, and accompanying financial statements, for the year ended December 31, 2022 (collectively, the "**FYE 2022 Financial Disclosure**"), the Company's AIF, the current technical reports for the Company's projects (collectively, the "**Technical Reports**"), the Company's news releases referenced in the Q2 2023 Financial Disclosure (the "**Referenced News Releases**"), and the Company's other applicable public disclosure (collectively, "**Company Disclosure**"), all available under the Company's profile on SEDAR+ (www.sedarplus.ca) and/or on its website at www.excellonresources.com. Forward-looking statements are inherently subject to known and unknown risks, uncertainties, contingencies and other factors which may cause the actual plans, results, performance or achievements of the Company to differ materially from any future results, plans, performance or achievements expressed or implied by the forward-looking statements. Such risks, uncertainties, contingencies and other factors include, among others, that the Extension and/or any further restructuring of the Convertible Debentures may not be completed and, if completed, may not have the intended or desired benefits, the inability to obtain necessary regulatory and/or securityholder approvals for the Extension and/or any further restructuring of the Convertible Debentures; actual operating cash flows, development and operating costs, free cash flows, mineral resources, total cash, transaction costs, and administrative costs of Excellon differing from those anticipated; project infrastructure requirements and anticipated processing methods, risks related to partnership or other joint operations; actual results of current exploration activities; variations in mineral resources, mineral production, grades or recovery rates or optimization efforts and sales; the ability to obtain on a timely basis, and maintain, necessary permits and other approvals; delays in obtaining financing or in the completion of development or construction activities; uninsured risks, including pollution, cave ins or hazards for which insurance cannot be obtained; regulatory changes; defects in title; availability or integration of personnel, materials and equipment; inability to recruit or retain management and key personnel; performance of facilities, equipment and processes relative to specifications and expectations; unanticipated environmental impacts on operations; market prices; production, construction and technological risks related to Excellon; capital requirements and operating risks associated with the operations or an expansion of the operations of Excellon; dilution due to any future acquisitions or other transactions; fluctuations in silver, lead, zinc, gold and other precious metal prices and currency exchange rates; uncertainty relating to future production and cash resources; inability to successfully complete new development projects, planned expansions or other projects within the timelines anticipated; adverse changes to market, political and general economic conditions or laws, rules and regulations applicable to Excellon; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; accidents, labour disputes, community and stakeholder protests and other risks of the mining industry; failure of plant, equipment or processes to operate as anticipated; risk of an undiscovered defect in title or other adverse claim; and the "Risk Factors" in the Company's AIF, and the risks, uncertainties, contingencies and other factors identified in the Q2 2023 Financial Disclosure, the FYE 2022 Financial Disclosure, the Technical Reports, the Referenced News Releases and other applicable Company Disclosure. The foregoing list of risks, uncertainties, contingencies and other factors is not exhaustive; readers should consult the more complete discussion of the Company's business, financial condition and prospects that is provided in the Company's AIF and the other aforementioned Company Disclosure. Although Excellon has attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in forward-looking statements in the Q2 2023 Financial Disclosure and the other Company Disclosure referenced herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers* *should not place undue reliance on forward-looking statements in the Q2 2023 Financial Disclosure, nor in the documents incorporated by reference herein. Readers are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements referenced or contained in the Q2 2023 Financial Disclosure are expressly qualified by these Cautionary Statements, together with those below, as well as the Cautionary Statements in the FYE 2022 Financial Disclosure, the Company's AIF, the Technical Reports, the Referenced News Releases and other applicable Company Disclosure. Forward-looking statements contained herein are made as of the date of Q2 2023 Financial Disclosure (or as otherwise expressly specified) and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable laws.*

Mineral Resources

Until mineral deposits are actually mined and processed, mineral resources must be considered as estimates only. Mineral resource estimates that are not classified as mineral reserves do not have demonstrated economic viability. The estimation of mineral resources is inherently uncertain, involves subjective judgement about many relevant factors and may be materially affected by, among other things, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant risks, uncertainties, contingencies and other factors described in the foregoing Cautionary Statements on Forward-Looking Statements. The quantity and grade of reported "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain if further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. The accuracy of any mineral resource estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. The quantity and grade of "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain if further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. Mineral resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in mineral prices; (ii) results of drilling and development; (iii) results of geological and structural modeling including stope design; (iv) metallurgical testing and other testing; (v) proposed mining operations including dilution; and (vi) the possible failure to receive and/or maintain required permits, licenses and other approvals. It cannot be assumed that all or any part of a "inferred", "indicated" or "measured" mineral resource estimate will ever be upgraded to a higher category including a mineral reserve.

The mineral resource estimates referenced in the Q2 2023 Financial Disclosure were estimated, categorized and reported using standards and definitions using the CIM Standards in accordance with NI 43-101 of the CSA, which governs the public disclosure of scientific and technical information concerning mineral projects by Canadian issuers such as Excellon.

*The mineral resource estimates disclosed and/or referenced in the Q2 2023 Financial Disclosure were estimated and reported in accordance with National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") using Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Definition Standards for Mineral Resources and Mineral Reserves (the "**CIM Standards**") and applying the CIM's Mineral Resources and Mineral Reserves Best Practices guidelines (as applicable). For additional discussion of the Company's mineral resource estimates at the Company's projects, as well as an overall more detailed discussion of such projects, the reader should refer to the Company's AIF and the applicable Technical Reports.*

U.S. Readers

*The terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" as disclosed by the Company are Canadian mining terms defined in the CIM Standards (collectively, the "**CIM Definitions**") in accordance with NI 43-101. NI 43-101 establishes standards for all public disclosure that a Canadian issuer makes of scientific and technical information concerning mineral projects. These Canadian standards differ from the requirements of the SEC applicable to United States domestic and certain foreign reporting companies under Subpart 1300 of Regulation S-K ("**S-K 1300**"). Accordingly, information describing mineral resource estimates for the Company's projects and La Negra, may not be comparable to similar information publicly reported in accordance with the applicable requirements of the SEC, and so there can be no assurance that any mineral resource estimate for the Company's projects would be the same had the estimates been prepared per the SEC's reporting and disclosure requirements under applicable United States federal securities laws, and the rules and regulations thereunder, including but not limited to S-K 1300. Further, there is no assurance that any mineral resource or mineral reserve estimate that the Company may report under NI 43-101 would be the same had the Company prepared such estimates under S-K 1300.*

The Q2 2023 Financial Disclosure 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 SEC'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.

Preliminary Economic Assessments (or PEAs)

A PEA, is only a conceptual study of the potential viability of the subject project's mineral resource estimates, and the economic and technical viability of the project and its estimated mineral resources has not been demonstrated. A PEA is preliminary in nature and provides only an initial, high-level review of the subject project's potential and design options; there is no certainty that a PEA will be realized. The conceptual LOM plan and economic model in a PEA include numerous assumptions and mineral resource estimates including inferred mineral resource estimates. Inferred mineral resource estimates are considered to be too speculative geologically to have any economic considerations applied to such estimates. Under NI 43-101, estimates of inferred mineral resources may not form the basis of feasibility studies, pre-feasibility studies or other economic studies, except in prescribed cases, such as in a preliminary economic assessment under certain circumstances. There is no guarantee that inferred mineral resource estimates will be converted to indicated or measured mineral resources, or that indicated or measured mineral resources can be converted to mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability, and as such there is no guarantee the economics described in any PEA, will be achieved. Mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant risks, uncertainties and other factors, as more particularly described in the foregoing other Cautionary Statements of this MD&A.

Qualified Persons

*Mr. Jorge Ortega, M.Sc., P.Geo., Vice President Exploration of the Company and a Qualified Person as defined in NI 43-101 (a "**QP**"), reviewed, verified and approved the scientific and technical information relating to geological interpretation and results contained in the Q2 2023 Financial Disclosure.*