



Management’s Discussion & Analysis of Financial Results

For the three months ended March 31, 2023

Excellon Resources Inc. (the "Company" or "Excellon") has prepared this Management's Discussion and Analysis of Financial Results ("MD&A") for the three months ended March 31, 2023 in accordance with the requirements of National Instrument 51-102 ("NI 51-102").

This MD&A contains information as at May 15, 2023 and provides information on the operations of the Company for the three months ended March 31, 2023 and 2022 and subsequent to the period end, and should be read in conjunction with the condensed consolidated financial statements for the three months ended March 31, 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.sedar.com). The audited consolidated financial statements for the years ended December 31, 2022 and 2021 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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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 operational 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 Company has also entered into an agreement to acquire La Negra, a past-producing Ag-Zn-Cu-Pb mine with exploration potential, located in Querétaro State, Mexico.

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".

FIRST QUARTER HIGHLIGHTS AND OUTLOOK

Reversal of \$22M litigation liability and deconsolidation of San Pedro

A Mexican subsidiary of the Company, San Pedro Resources S.A. de C.V. ("San Pedro" or "SPR"), is party to an action by a claimant (the "Plaintiff") in respect of damages under a property agreement dated December 3, 2006, regarding the non-material La Antigua mineral concession ("La Antigua"). In 2019, the Plaintiff was granted an award of \$22.2 million (the "Judgment") by the appellate court in Mexico. In Q3 2021, San Pedro's appeal of this decision was fully and finally dismissed by the Mexican Federal Court, with no further right of appeal in Mexico. Accordingly, the Company recorded a corresponding provision for litigation of \$22.2 million in Q3 2021. The Company believes the decision is without merit and not supported by the evidence, facts or law. The Judgment is solely against San Pedro and the Company believes that the Plaintiff has no recourse against the Company's other assets in Mexico, Idaho, Germany or Canada. San Pedro was a wholly-owned, indirect subsidiary of the Company that holds the Miguel Auza processing facility and various mineral concessions.

With no further ore to process, and the continuing recourse of the Plaintiff under the Judgment, in Q4 2022 San Pedro voluntarily filed a petition for bankruptcy with the Mexican Bankruptcy Court, which was accepted for adjudication on December 15, 2022.

In Q1 2023, the Court-appointed auditor completed their review of San Pedro's petition and confirmed San Pedro's insolvency. On March 30, 2023, the Company received notice that San Pedro was declared bankrupt by the Mexican Bankruptcy Court effective March 28, 2023. As a result of the loss of control, the assets and liabilities of San Pedro were deconsolidated from the condensed consolidated financial statements of the Company, and a gain of \$24.3 million and currency translation adjustment of (\$6.9) million recorded in the statements of comprehensive income.

Centerra acquires 51% ownership by spending US\$4.5 million on Oakley project

On March 20, 2023, the Company announced the initial diamond drilling results from the 2022-2023 exploration program at Oakley, including:

- Significantly expanded mineralization more than 90 metres (m) from the currently defined extents of the mineral resource estimate at Blue Hill Creek, with results from the recent drilling including:

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- 189.56m at 0.40 grams/tonne (g/t) of gold (Au) in BHC-22-02; and
- 110.64m at 0.43 g/t Au in BHC-22-03, including 2.03m at 3.94 g/t Au.¹

Additional assays from two of the six additional drill holes have since been received including holes BHC-23-04 and BH-23-06.

Exploration continued at the Oakley project in Idaho, USA, subject to the option agreement between Excellon and Centerra (U.S.) Inc. ("Centerra"), a wholly owned subsidiary of Centerra Gold Inc. (TSX:CG and NYSE:CGAU). 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 were completed 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.

Centerra holds an option to earn up to a 70% interest in Oakley by, among other things, spending US\$7 million in exploration expenditures on the project by May 2026. At the end of February 2023, Centerra had spent US\$4.5 million in exploration expenditures, and exercised its first option to earn an initial 51% interest in Oakley. There was no accounting impact on the exercise of the first option. 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.

Excellon announces agreement to acquire past-producing La Negra Mine in Mexico²

On January 9, 2023, the Company announced that it has entered into a definitive acquisition agreement (the "Acquisition Agreement") to acquire the permitted, past-producing La Negra Mine ("La Negra") located in Querétaro State, Mexico from Dalu S. à r.l. (the "Seller"), an entity owned by an investment fund managed by Orion Resource Partners ("Orion") for aggregate consideration of US\$50 million paid through upfront payments totalling US\$20 million, payable in common shares of the Company, and a further US\$30 million of deferred, contingent consideration payable in common shares of the Company or in cash at the Company's option, following the planned restart of commercial production (the "La Negra Acquisition").

La Negra Highlights:

- La Negra, a past producing mine with historical production averaging +3.0 million silver-equivalent ("AgEq") ounces ("oz") annually³
- Brownfields site with permits to restart production, existing infrastructure including a 3,000 tonne per day mill, mine development, camp facilities, all-season highway access and existing workforce
- Preliminary Economic Assessment ("PEA") with an effective date of March 31, 2022, summarized in an NI 43-101 technical report (the "La Negra Technical Report")⁴

1. For further details, refer to the Company's related new release dated March 20, 2023.
2. For further details on the La Negra Acquisition and related transactions (including the Convertible Debenture restructuring), refer to the Company's related news release dated January 9, 2023, available under Excellon's profile on SEDAR and on the Company's website.
3. Average annual production from 2013 to 2015 at throughput of approximately 2,500 tonnes per day.
4. See Cautionary Statements regarding "Preliminary Economic Assessments" at the end of this MD&A. Refer also to the La Negra Technical Report, which was filed on January 19, 2023 under Excellon's profile on SEDAR and is available on the Company's website.

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- PEA estimates a Post-tax NPV_{5%} of US\$132.4 million⁵
- Indicated Mineral Resources of approximately 15.1 million oz AgEq and Inferred Mineral Resources of approximately 41.8 million oz AgEq⁶
- Polymetallic production mix: 43% Ag, 26% Zn, 23% Cu, 7% Pb by NSR contribution^{3,4}
- Near-term restart of La Negra: 12-18 month development plan de-risking mine restart
- New labour agreement in place, local workforce and communities strongly support a restart
- Local partner, Grupo Desarrollador Migo, S.A.P.I. de C.V. ("M Grupo") to become key shareholder in Excellon
- Located in Querétaro State, one of the most stable states to operate in Mexico
- Opportunities to expand current mineral resource estimates with multiple untested near-mine exploration target areas
- Significant exploration potential along the regional structures controlling mineralization and below unconstrained skarn bodies

The Acquisition Agreement also contemplates a private placement for a minimum of US\$10 million (the "Closing Private Placement") to fund development activities for the planned restart of mining operations at La Negra, and for general corporate purposes. 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.⁷

Excellon announces agreement to restructure Convertible Debentures

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 "Convertible Debentures") to restructure the Convertible Debentures upon closing of the La Negra Acquisition (the "Convertible Debenture Restructuring").²

The Convertible Debenture Restructuring contemplates, among other things, the following which will provide greater flexibility to the Company:

- Conversion of at least C\$4.5 million, or 25%, of the Convertible Debentures principal to equity, upon closing the Acquisition at a conversion price of C\$0.48 per Excellon Share.
- Adjustment of conversion price for the remaining principal to C\$0.535 per common share.
- Extension of maturity of remaining principal from July 30, 2023 to July 30, 2027.

Excellon Common Shares delisted from NYSE American and commence trading on the OTCQB

In January 2023, the Company completed the voluntary delisting of Excellon common shares ("Excellon Shares") from the NYSE American stock market and initiated the deregistration of the Excellon's common shares with the SEC, which was effective on April 20, 2023. The Company determined that the burdens associated with the listing on the NYSE American outweigh any advantages to the Company and its shareholders at this time. The Board's decision was based on careful review of numerous factors, including the requirements associated with NYSE American listing standards and

5. Long-term commodity price estimates used in analysis: US\$22.00/oz Ag, US\$1.15/lb Zn, US\$3.60/lb Cu, US\$0.95/lb Pb.

6. Indicated: 2.46 million tonnes at average grades of 64.0 g/t Ag, 1.95% Zinc (Zn), 0.50% Copper (Cu), 0.27% lead (Pb); Inferred: 6.42 million tonnes at average grades of 80.0 g/t Ag, 1.80% Zn, 0.40% Cu, 0.65% Pb. Mineral resource estimate effective as at March 31, 2022. Refer also to the La Negra Technical Report. See also Cautionary Statements on "Mineral Resources" and to "U.S. Readers" at the end of this MD&A.

7. For further details, refer to the Company's related news release dated April 13, 2023.



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that delisting from the NYSE American and SEC deregistration is a condition of the Company's pending acquisition of the La Negra mine.

On January 31, 2023, the Company's common shares commenced trading on the OTCQB, under the symbol "EXNRF". The OTCQB is a U.S. trading platform that is operated by the OTC Markets Group in New York and a marketplace for early-stage and developing U.S. and international companies. Participating companies must be current in their reporting and undergo an annual verification and management certification process.

Excellon's shares continue to trade on the TSX under the symbol "EXN" and the Frankfurt Stock Exchange under the symbol "E4X2".

EXPLORATION AND EVALUATION REVIEW

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 1900's. Further drilling in the 1980's 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. The Company also holds a net smelter returns royalty ("NSR") of 1.0% on production of gold from Revival Gold Inc.'s Arnett Creek project.

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



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- 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 metallicity 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 an Environmental Assessment and Decision Notice/Finding of No Significant Impact issued (an "EA and Decision") approving the Kilgore Project plan of operations including approval of planned drilling in Q3 2022 (the "Kilgore 2021 EA"). In Q1 2022, an application was filed by the Idaho Conservation League and Greater Yellowstone Coalition ("ICL/GYC") requesting that the U.S. District Court reopen the Kilgore 2021 EA. EIGI successfully filed a motion to intervene as a defendant intervenor. Scheduled briefings in the proceedings have been completed, and a hearing to adjudicate the matter was held on May 10, 2023 and a decision is expected in due course. Excellon believes that the application is without merit. These legal proceedings did not impact the 2022 drilling program, and follow the denial of nearly all of the ICL/GYC claims in its prior similar such challenge to the 2018 EA and Decision issued by the USFS concerning the Kilgore Project, and USFS' steps to address any remaining issues in the Kilgore 2021 EA.

During Q1 2022, in-depth review of historical geophysics surveys and geochemical data was integrated into 2022 drill targeting. This review has also served as the foundation to plan a 3D IP and MT survey for Q3 2022.

During Q2 2022 soil sampling and prospecting work began with a two-line soil orientation survey completed. The goal of the survey is to compare the effectiveness of Mobile Metal Ion (MMI), Spatiotemporal Geochemical Hydrocarbon (SGH) and traditional ICP-MS Super Trace analytical methods. A total of 145 samples were collected and assay results were received in Q3. The results confirmed the ability of all three analytical methods to detect mineralization.

Drilling, IP and CSAMT geophysical surveys commenced in Q3 2022 with 80 line-kilometre geophysical survey and 1,922 metres of drilling completed in the quarter. Near-deposit investigation and imaging through combined 3D IP and CSAMT surveying have been completed in Q3 and final results and interpretations are pending. The surveys are expected to generate a deposit profile as well as investigate structural features associated with gold emplacement and will be generative for target identification and sub-surface exploration over high-priority areas considered for drilling.

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.

During Q1 2023, the Company incurred costs on the project as set out in Note 9 of the Company's financial statements.

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

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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 km², 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.

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 km². 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 intends to exercise the option to acquire such licence in 2023, upon which Globex will be 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 km² 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

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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

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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. During Q1 2023, the Company incurred costs on the project as set out in Note 9 of the Company's financial statements.

Platosa Property

The Platosa Mine 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. 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"). During Q1 2023, the Company incurred costs on the Platosa Property as set out in Note 9 of the Company's financial statements.

Evolución Project

The Evolución Project is an exploration-stage project comprising two mineral concessions totaling 31,280 hectares, and 35 kilometres of strike in one of the world's premier silver districts. It is a greenfield stage polymetallic silver-zinc-lead-gold exploration project on the border of northern Zacatecas and southern Durango, on the high plateau of central Mexico. The Evolución Project concessions are held by Excellon's indirect wholly-owned subsidiary Excellon New Mining Projects, S.A. de C.V. The Project formerly included the Miguel Auza concessions (covering approximately 14,080 hectares, comprising 19 mineral concessions) held by San Pedro which was declared bankrupt on March 28, 2023 (for further details see the sections entitled "Provision for Litigation and deconsolidation of San Pedro" above and below in this MD&A).

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The Company's ultimate goal on the project is to discover Fresnillo-style epithermal mineralization. In 2021, the Company completed detailed mapping at 1:1000 scale across the entire mineral concession area. Data collected in the field relating to the structural setting and associated mineralization in the two Evolución Project concessions are being compiled and evaluated by a PhD candidate. This work will contribute to understanding the potential scale and timing of mineralization on the project. Mapping and prospecting continue on the southern part of the Evolution claim block where anomalous silver values have been detected on surface along a well-defined structural trend. During Q1 2023, the Company incurred costs on the project as set out in Note 9 of the Company's financial statements.

CORPORATE RESPONSIBILITY ("CR")

CR Performance

Management continues to evaluate and monitor compliance with legal requirements and manage CR risk.

The Platosa Mine and Miguel Auza processing facility transitioned into care and maintenance (C&M) in Q4 2022. In November, the Company's applicable Mexican subsidiaries, MEM and San Pedro, formally reported the C&M status of their respective sites to the local Environmental Authorities of Mexico (SEMARNAT). Both sites have implemented C&M plans designed to cover the specific environmental needs of each site.

During Q1 2023, MEM and San Pedro continued with the preparation of mandatory semi-annual reports for both sites' environmental performance to Federal and State Environmental Authorities such as SEMARNAT, CONAGUA, and local municipalities. No significant environmental incidents or community-related grievances were reported at any of the Company's locations during Q1 2023.

Tailings Management at Miguel Auza

Miguel Auza hosts two TMFs. TMF I is located immediately northwest of the concentrator and has been decommissioned, rehabilitated with a soil cover and re-vegetated. TMF II is also located on land owned by San Pedro, approximately one kilometer north of the Miguel Auza concentrator. The Federal Environmental Authority in Mexico (SEMARNAT) approved the construction and operation of the new facility (TMF II) in Q1 2017. Construction of the stage-2 raise of the TMF II was completed in early Q4 2020 and had enough capacity to accommodate processing of Platosa's final production in 2022.

By the end of 2022, San Pedro had completed the implementation of a Tailing Management plan, which meets the Mining Association of Canada (MAC) requirements at a "B" level (Protocol Tailing Management, 2021). The site has implemented a Tailing Deposition Plan, an updated Operation, Maintenance and Surveillance plan (Golder, 2022), a Dam Breach Analysis (Golder 2022), an Engineer of Record (Golder 2021), and an Annual Safety Inspection (Golder 2021).

The tailing management facilities transitioned into C&M in Q4, 2022. Physical stability monitoring, maintenance of the runoff drainage systems as well as surveillance of the instrumentation at the tailings management facilities ("TMF") at Miguel Auza are primary activities included in the Miguel Auza site C&M plan.

Management's Discussion & Analysis of Financial Results

For the three months ended March 31, 2023

FINANCIAL REVIEW

Summary of Quarterly Financial Results

Financial statement highlights for the quarter ended March 31, 2023 and the last eight quarters are as follows:

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
(in \$000's)	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	-	2,564	6,982	7,781	8,496	9,306	9,151	9,717
Production costs	-	(2,055)	(4,579)	(5,789)	(5,635)	(7,089)	(5,567)	(5,814)
Mine closure related costs ⁽¹⁾	-	(375)	-	(532)	-	(1,584)	-	-
Depletion and amortization	-	(1,127)	(1,153)	(2,939)	(2,278)	(1,928)	(1,809)	(1,773)
Cost of sales	-	(3,557)	(5,732)	(9,260)	(7,913)	(10,601)	(7,376)	(7,587)
Gross (loss) profit	-	(993)	1,250	(1,479)	583	(1,295)	1,775	2,130
Expenses:								
C&M and wind down expenses	(184)	(771)	-	-	-	-	-	-
General and administrative	(1,306)	(1,169)	(1,279)	(1,191)	(1,311)	(1,255)	(1,453)	(1,640)
Exploration and holding expense	(513)	(1,277)	(2,344)	(839)	(1,116)	(1,783)	(2,538)	(1,800)
Other income (expense)	1,580	325	(247)	45	992	89	(6)	(188)
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	(1,009)	(1,208)	(985)	(1,186)	(915)	(1,242)	(688)	(1,025)
Income tax recovery (expense)	2	(185)	(174)	(90)	67	(167)	(4,921)	(22)
Net income (loss)	15,902	(8,622)	(3,779)	(4,740)	(1,700)	(21,446)	(30,860)	(2,545)
Adjusted loss ⁽²⁾	(1,430)	(4,903)	(3,779)	(4,208)	(1,700)	(4,069)	(4,775)	(2,545)
Income (loss) per share	0.42	(0.23)	(0.11)	(0.14)	(0.05)	(0.65)	(0.94)	(0.08)
Adjusted loss per share ⁽²⁾	(0.04)	(0.13)	(0.11)	(0.12)	(0.05)	(0.12)	(0.15)	(0.08)
Net cash from operations before working capital changes	(1,851)	(1,386)	(1,651)	(41)	1,911	(217)	(9)	959

(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.

Management's Discussion & Analysis of Financial Results

For the three months ended March 31, 2023

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 Q1 2023 and Q1 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 Q1 2023, and as such no variances on these amounts were discussed in this MD&A.

	Q1 2023	Q1 2022
Net income (loss)	15,902	(1,700)
Adjusted loss ⁽¹⁾	(1,430)	(1,700)

(1) Adjusted loss in Q1 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.

Net income increased by \$17.6 million in Q1 2023 mainly driven by the \$24.3 million gain on deconsolidation of San Pedro, partly offset by the related (\$6.9) million currency translation adjustment and the adjusted loss variances described below.

Adjusted loss increased \$0.3 million in Q1 2023, driven by a \$1.1 million increase in foreign exchange gains, the collection of \$0.6 million in insurance in Q1 2022 and a \$0.6 million decrease in gross profit following the shutdown of the Platosa mine in Q4 2022, partly offset by a \$0.5 million reduction in exploration and holding expense.

Exploration and holding expense	513	1,116
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Exploration and holding expense decreased by \$0.6 million in Q1 2023, driven by lower exploration expenditures at the Silver City Project (\$0.3 million), which included drilling costs in Q1 2022, and in Mexico (\$0.3 million) following the shutdown of Platosa in Q4 2022. For detailed breakdown, see Note 9 of the Company's condensed consolidated financial statements for the three months ended March 31, 2023.

General and administrative expense	1,306	1,311
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General and administrative expense, which include personnel costs, office, overhead, corporate development and legal expenses, and public company costs were consistent with the comparative period.

Other income	1,580	992
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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 \$0.6 million increase in other income in Q1 2023 includes an increase in unrealized foreign exchange gains of \$1.1 million, partially offset by \$0.1 million related to other expense recorded in Q1 2023 and \$0.6 million of insurance



Management’s Discussion & Analysis of Financial Results

For the three months ended March 31, 2023

proceeds received in Q1 2022.

	Q1 2023	Q1 2022
Finance expense	1,009	915

Net finance expense in Q1 2023 comprises primarily \$1.0 million of interest expense on the 5.75% secured convertible debentures (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 (Q1 2022 – \$1 million). This interest expense consists of \$0.2 million in coupon interest for Q1 2023 and \$0.8 million accretion in Q1 2023 (Q1 2022 – \$0.6 million) of the face value of the Convertible Debentures using the effective interest rate method.

COMMON SHARE DATA AS AT MAY 15, 2023

Common shares issued and outstanding	38,631,072
Stock options	1,217,807 ⁽¹⁾
DSUs	465,197
RSUs	909,667
Warrants (\$5.75 exercise price)	1,143,428
Fully diluted common shares ⁽²⁾	42,367,171

(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.

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. See the “First quarter highlights and outlook” section of this MD&A for a summary of the La Negra Acquisition and related transactions. 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.

	March 31, 2023	December 31, 2022
Cash and cash equivalents	466	1,468

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The Company's Mexican operations generated net cash flow of \$1.6 million in Q1 2022 from collected revenue of \$8.0 million net of production costs of \$6.4 million, and \$nil in Q1 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 \$0.9 million in Q1 2022 (Q1 2023 – \$nil).

The primary uses of cash for Q1 2023 and Q1 2022 were:

- (i) \$0.5 million spent on exploration – \$0.2 million in Germany, \$0.2 million in the United States, and \$0.1 million in Mexico (Q1 2022 – \$0.6 million in Germany, \$0.2 million in the United States, and \$0.4 million in Mexico);
- (ii) \$1.2 million on general and administrative expenses (Q1 2022 – \$1.1 million); and
- (iii) \$0.2 million spent on care and maintenance and wind down expenses (Q1 2022 – \$nil).

	March 31, 2023	December 31, 2022
Working capital	(20,428)	(18,299)

Working capital, defined as current assets less current liabilities (excluding the Provision for litigation), decreased by \$2.1 million at March 31, 2023 relative to December 31, 2022, reflecting an increase in current liabilities of \$0.6 million, offset by a \$1.5 million decrease in current assets, driven primarily by the \$1.0 million decrease in cash and the collection of trade receivables (\$0.7 million).

As at March 31, 2023, the Company had a net VAT recoverable of \$0.7 million in Germany and \$0.1 million in Canada, and a net VAT payable of \$1.3 million in Mexico (March 31, 2022 – net VAT recoverable of \$0.7 million in Mexico, \$0.7 million in Germany and \$0.1 million in Canada).

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.

	March 31, 2023	March 31, 2022
Net cash from operations before changes in working capital	(1,851)	1,911

Net cash from operations before changes in working capital decreased by \$3.8 million in Q1 2023, principally due to the Platosa Mine shutdown in October 2022, \$0.2 million in care and maintenance costs recorded in Q1 2023 and \$0.6 million cash inflow from insurance proceeds received in Q1 2022.

Financing activities	(45)	(102)
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In Q1 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.

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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	7,804	7,804	-	-	-
Leases	179	179	-	-	-
Convertible Debentures ⁽¹⁾ – principal	13,244	13,244	-	-	-
Convertible Debentures ⁽¹⁾ – 5.75% interest	440	440	-	-	-
Post-retirement benefits	690	690	-	-	-
Rehabilitation provision (discounted)	710	-	-	-	710
Provision for onerous contract	1,137	1,137	-	-	-
Total:	24,204	23,494	-	-	710

(1) Assumes repayments of interest and principal in cash. See the "First quarter highlights and outlook" section of this MD&A for a summary of the La Negra Acquisition, Convertible Debenture Restructuring and related transactions.

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

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For the three months ended March 31, 2023

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):

Project	Type	\$ 000				
		Total	Less than one year	1 – 3 years	4 – 5 years	After 5 years ⁽¹⁾
Platosa	Fees	1,034	207	413	414	-
Evolución	Fees	1,074	82	331	661	-
Kilgore	Fees	650	130	260	260	-
Oakley	Fees	285	57	114	114	-
Total:		3,043	476	1,118	1,449	-

(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



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For the three months ended March 31, 2023

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 March 31, 2023, the Corporation's President & CEO and CFO have certified that the DC&P are effective and that during the quarter ended March 31, 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.

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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 quarter ended March 31, 2023 and the accompanying financial statements for the same period (together, the "Q1 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

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For the three months ended March 31, 2023

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; the La Negra Acquisition and related transactions including the Convertible Debenture Restructuring and the Closing Private Placement (including discussions with potential investors) (collectively, the "La Negra Transactions") and completion thereof (including approvals required therefor and timing thereof and discussions related thereto including with respect such timelines) and value proposition, results and benefits thereof (including timing, completion, quantum and use of proceeds of the Closing Private Placement), and any other acquisition and other strategic opportunities ; restart of mining operations and/or commercial production at La Negra (including strategy, plans, critical work streams, development activities and resulting further analysis, timing, costs, capital requirements, permitting, achieving commercial production, mine plan, production, life of mine or LOM, and tailings management); exploration potential at La Negra and Company's current properties (including infill drilling plans and necessary capital therefor, and openness of the currently defined deposits along strike and at depth); the La Negra PEA including any financial and/or economic metrics and other results, conclusions or recommendations thereof (including restart recommendation and the following which are all estimates only: life of mine or LOM, costs including AISC and capital costs, production, cash flows, NPV, NSR models and payable metals); 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 the ICL/GYC application 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; 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 Q1 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 Q1 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 and the La Negra Technical Report (collectively, the "Technical Reports"), the Company's news releases referenced in the Q1 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.sedar.com) 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,

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contingencies and other factors include, among others, the timing, closing completion or non-completion of the La Negra Transactions, including due to the parties failing to receive, in a timely manner and on satisfactory terms, the necessary securityholder, stock exchange and other approvals or the inability of the parties to satisfy or waive in a timely manner the other conditions to the closing or the conditions precedent or covenants, as applicable, of the La Negra Acquisition (including the timing and outcome of the required meeting of shareholders and completion thereof, as well as the completion of the Convertible Debenture Restructuring and the Closing Private Placement) and the other La Negra Transactions; inability to complete the Closing Private Placement; inability to achieve the benefits or synergies anticipated from the La Negra Transactions; 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 results of the La Negra PEA; 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 and La Negra; capital requirements and operating risks associated with the operations or an expansion of the operations of Excellon including La Negra; dilution due to the La Negra Transactions and any other future acquisitions or other transactions including the Closing Private Placement; fluctuations in silver, lead, zinc, copper, 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 and La Negra; 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 Q1 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 Q1 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 Q1 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 Q1 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 Q1 2023 Financial Disclosure (or as otherwise expressly specified) and the

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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 Q1 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 Q1 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 and La Negra, 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*



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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 or La Negra 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 Q1 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, including the La Negra 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, including the La Negra 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 Q1 2023 Financial Disclosure. Mr. Paul Keller, P. Eng., Chief Operating Officer of the Company and a QP, reviewed, verified and approved the scientific and technical information relating to operations and production results contained in the Q1 2023 Financial Disclosure.