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## OVERALL PURPOSE AND OBJECTIVES

1. The Audit Committee (“Committee”) is established by and among the Board of Directors (the “Board”) of Excellon Resources Inc. (the “Company”) for the primary purpose of assisting the Board in fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community and others relating to:
  - The integrity of the Company’s financial statements, management’s discussion and analysis (“MD&A”), and financial press releases before publicly disclosed.
  - The Company’s compliance with legal and regulatory requirements.
  - The Company’s public accounting firm’s (independent auditor’s) qualifications and independence.
  - The performance of the Company’s independent auditor which include preparation of the audit committee reports as required by applicable regulators.
  - The Company’s systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Company.
2. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the independent auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company’s business, operations and risks.
3. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures, and practices at all levels. The Committee should also provide for open communication among the independent auditor, financial and senior management, the internal audit function, if any, and the Board.

## AUTHORITY

4. The Board authorizes the Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or other professional advice and to ensure the attendance of Company officers at meetings as appropriate.
5. The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities.
6. In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

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7. The Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this charter.

## **COMPOSITION AND MEETINGS**

8. The Committee will comprise three or more directors as determined by the Board.
9. Each Committee member will meet the applicable standards of independence within the meaning of applicable securities laws, rules, policies, regulations, guidelines and instruments, including National Instrument 52-110 – *Audit Committees* (“NI 52-110”) and by any stock exchanges on which the Company’s securities are listed.
10. Each member of the Committee shall be financially literate. Financial literacy is defined in NI 52-110 as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
11. To help meet these requirements, the Committee will provide its members with access to annual continuing education opportunities in financial reporting and other areas relevant to the Committee.
12. Committee members will be appointed by the Board at the annual organizational meeting of the Board to serve until their successors are elected. Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote.
13. The Committee will meet at least quarterly, or more frequently as circumstances dictate. The internal auditors may request a meeting, if they consider one is necessary, as may any Committee member. Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, and any other person required to attend, no later than 48 hours prior to the meeting.
14. The Committee Chairperson will approve the agenda for the Committee’s meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable.
15. Members may attend meetings either in person, by telephone or through other electronic means of communication. At any meeting of the Committee, a quorum shall be a majority of the members.
16. The secretary of the Committee will keep regular minutes of Committee proceedings, and will circulate them to all Committee members, the Chair of the Board, and to any other director on a timely basis, when requested. Decisions and recommendations of the Committee shall be made by a majority of the members present at the meeting.
17. At the end of the meeting, the Committee shall hold an in camera session with the independent auditors and without any senior officers present at each meeting of the Committee, unless such a session is not considered necessary by the members present.

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18. As part of its responsibility to foster open communication, the Committee will meet periodically with management and the independent auditor in separate executive sessions. In addition, the Committee will meet with the management and the independent auditor to discuss the annual audited financial statements and quarterly financial statements, including the disclosures in the accompanying MD&As.

## **ROLES, RESPONSIBILITIES AND DUTIES**

19. To fulfill its responsibilities and duties, the Committee will:

### Documents / reports / accounting information review

20. Review this charter at least annually and recommend to the board of directors any necessary amendments.

21. Meet with management and the independent auditor to:

- a. review and discuss the Company's annual financial statements and quarterly financial statements (prior to the Company's regulatory filings or release of earnings), as well as all internal control reports (or summaries thereof)
- b. review other relevant reports or financial information submitted by the Company to any governmental body or the public, including MD&As, press releases containing financial information, management certifications and relevant reports rendered by the independent auditor (or summaries thereof).

22. Discuss earnings press releases, including the type and presentation of information, paying attention to any pro forma or adjusted information.

23. Discuss financial information and guidance provided to the public, analysts and ratings agencies, as applicable.

24. Review the regular internal reports to management (or summaries thereof) prepared by the internal audit function, if any, as well as management's response.

### Independent Auditor

25. Appoint, compensate, retain, and oversee the work performed by the independent auditor retained to prepare or issue an audit or review report or related work. Review the performance and independence of the independent auditor and remove the independent auditor if circumstances warrant. The independent auditor will report directly to the Committee and the Committee will oversee the resolution of disagreements between management and the independent auditor if any arise.

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26. Actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take appropriate actions to oversee the independence of the independent auditor.
27. Review the independent auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
28. Review and preapprove both audit and non-audit services to be provided by the independent auditor. The authority to grant preapprovals may be delegated to one or more designated members of the Committee, whose decisions will be presented to the full Committee at its next regularly scheduled meeting.
29. Consider whether the auditor's provision of permissible non-audit services is compatible with the auditor's independence.
30. Review with the independent auditor any problems, difficulties or disagreements with management regarding the preparation of the financial statements and review management's response.
31. Hold timely discussions with the independent auditor regarding the following:
  - a. All critical accounting policies and practices.
  - b. All alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
  - c. Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.
32. At least annually, obtain and review a report by the independent auditor describing:
  - a. The independent auditor's internal quality-control procedures.
  - b. Any material issues raised by the most recent internal quality-control review or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years with respect to independent audits carried out by the independent auditor, and any steps taken to deal with such issues.

This report should be used to evaluate the independent auditor's qualifications, performance, and independence. Further, the Committee will review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements, as promulgated by applicable rules and regulations, are executed. The Committee will also consider whether there should be rotation of the independent auditor itself. The Committee should present its conclusions to the full board.

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33. Review and approve the Company's hiring policies, as applicable, regarding partners, employees and former partners and employees of the present and former independent auditors of the Company.

Financial Reporting Process / Accounting Policies / Internal Control Procedures

34. Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
35. Evaluate the fairness of annual and interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
- a. actual financial results for the interim period varied significantly from budgeted or projected results;
  - b. generally accepted accounting principles have been consistently applied;
  - c. there are any actual or proposed changes in accounting or financial reporting practices; or
  - d. there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
36. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
37. In consultation with the independent auditor and the internal audit function, review the integrity of the Company's financial reporting processes (both internal and external).
38. Periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls. As part of the review, the Committee should gain an understanding of whether internal control recommendations made by the independent auditors have been implemented by management.
39. Understand the scope of the internal and independent auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management responses.
40. Receive and review any disclosure from the Company's CEO and CFO made in connection with the certification of the Company's quarterly and annual reports of: a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial data; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

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41. Review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; major issues as to the adequacy of the Company's internal controls; and any special audit steps adopted in light of material control deficiencies.
42. Review analyses prepared by management and the independent auditor setting forth significant financial reporting issues and judgments made during the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements.
43. Review the effect of regulatory and accounting initiatives, as well as off-balance-sheet structures, on the financial statements of the Company.
44. Review related party transactions to ensure that they reflect market practice and are in the best interests of the Company.
45. Oversee confidential investigation of anonymous submissions by Company employees regarding questionable accounting, auditing, or internal control matters in accordance with the Company's Whistleblower Policy. In accordance with the Whistleblower Policy, establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters.
46. Receive reports from the Company's Chief Financial Officer on the scope and material results of the Company's internal control activities.

#### Internal Audit

47. Review and advise on the selection, reassignment or and dismissal of the internal audit officer (if applicable).
48. Review the activities and organizational structure of the internal audit function, as well as the qualifications of its personnel.
49. Annually, review and recommend changes (if any) to the internal audit charter.
50. Periodically review with the internal audit officer (if any), any significant difficulties, disagreements with management, or scope restrictions encountered while performing the function's work including the resolution of disagreements between management and the internal auditors regarding internal controls.
51. Periodically review, with the independent auditor, the internal audit function's responsibility, budget, and staffing.

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Ethical Compliance/Legal Compliance/Risk Management

52. Oversee, review, and periodically update the Company's code of business conduct and ethics and the Company's system to monitor compliance with and enforce this code.
53. Review, with the Company's counsel, legal compliance and legal matters that could have a significant impact on the Company's financial statements reporting.
54. Discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company's major financial risk exposures and the steps management has undertaken to identify, manage, and mitigate them.
55. Consider the risk of management's ability to override the Company's internal controls.

**Adopted by the Board on December 14, 2004,**

**Last updated and approved by the Board on September 12, 2018**