Management's Discussion & Analysis of Financial Results

For the year ended December 31, 2023

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

This MD&A contains information as at April 1, 2024 and provides information on the operations of the Company for the years ended December 31, 2023 and 2022 and subsequent to the period end, and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2023 and 2022 which have been filed under Excellon's profile on SEDAR+ (www.sedarplus.ca). The audited consolidated financial statements for the years ended December 31, 2023 and 2022 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.

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For the year ended December 31, 2023

BUSINESS AND STRATEGIC PRIORITIES

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

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

2023 SUMMARY

Highlights

- Eliminated the US$22 million litigation liability overhang, through the deconsolidation of San Pedro Resources.
- At Kilgore, a positive U.S. District Court ruling upheld Excellon’s Plan of Operations, supporting Excellon’s continued exploration activities in Idaho.
- At Silver City, Excellon completed an extension of its Mohorn, Oederan and Frauenstein licences and drilling operating permits to March 15, 2027.
- Agreed to terms of the restructuring of the Company’s 5.75% secured convertible debentures (the “Convertible Debentures”), reducing indebtedness by 58% or C$10.4 million and provide a clearer runway for equity recovery, which restructuring was completed subsequent to year-end on March 28, 2024.
- Sold non-core Oakley Project for US$1 million in cash.

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

A Mexican former 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.

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. 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 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 (loss).

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

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

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

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

Convertible Debentures

On September 21, 2023, the Company entered into a binding term sheet with holders representing greater than $66^{2/3}$% of the aggregate principal amount of the Convertible Debentures setting forth the principal terms and conditions of the proposed restructuring of the Convertible Debentures to reduce the outstanding principal amount to C$7.5 million, representing a 58% or C$10.41 million reduction in principal, and to amend the terms of the remaining Convertible Debentures to, among other things, further extend the maturity date of the Convertible Debentures to August 31, 2026, increase the interest rate payable in cash from 5.75% per annum to 6.50% per annum and decrease the conversion price from $5.30 to $0.10 (collectively, the "Debenture Restructuring"). In consideration for the repurchase and cancellation of C$10.41 million aggregate principal amount of the Convertible Debentures, the Company agreed to pay the holders of the Convertible Debentures 38,888,878 common shares of the Company, contingent value rights of the Company, providing for aggregate cash payments equal to the equivalent of up to 1,500 troy ounces of gold upon the achievement of certain milestones, a 2% net smelter returns royalty on the unpatented claims comprising the Kilgore Project, and a 25% interest in Saxony Silver Corp., which holds the Silver City Project.

On November 23, 2023, shareholders of Excellon voted in support of the Debenture Restructuring resolution. On March 28, 2024, the Company announced the closing of the Debenture Restructuring.

Sale of interest in non-core Oakley Project

On October 18, 2023, the Company's wholly-owned subsidiary, Excellon Idaho Gold Inc., closed the sale of its minority interest in the Oakley Project ("Oakley") to Centerra (U.S.) Inc. ("Centerra") for US$1 million in cash.

Earlier in 2023, Centerra had met the requirements for, and exercised the First and Second Options to earn a 70% interest in the Oakley Project. Following the exercise of the Second Option, the agreement required the parties to form a joint venture and fund expenditures going forward on a pro rata basis.

Liquidity and capital resources

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

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

ASSET SUMMARY

Refer to the Company's Annual Information Form dated April 1, 2024 ("AIF") for a detailed overview of the Company's exploration projects, including mineral resource estimates.

Kilgore Project

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

Originally interpreted as grading ~0.5 g/t Au over large intervals, Kilgore was viewed as more characteristic of other typical widely disseminated, epithermal-style deposits. Through geologic remodeling, Excellon plans to target controls on higher grade mineralization found throughout the deposit, specifically those controls in the deeper permeable Aspen sediments that appear to host higher grade feeder and stockwork structures.

Higher grade feeder structures have also been identified throughout the Kilgore stratigraphy. The following table previously disclosed by Excellon (see news release of the Company dated March 10, 2022), illustrates selected intervals encountered with previous drilling.

Table 1: Kilgore High Grade Interval Summary(1)

Hole ID	Interval(2)		Interval(3)	Au	Method
	From (m)	To (m)	metres	g/t	
17OKC-373	125.88	128.93	**3.05**	**17.32**	Core
and	136.55	138.07	**1.52**	**30.50**	
16OKC-354	105.16	109.73	**4.57**	**12.18**	Core
and	245.36	251.46	**6.20**	**10.79**	
16OKC-353	225.55	239.27	**13.72**	**9.53**	Core

16OKR-330	65.53	68.58	**3.05**	**24.19**	RC
16OKR-318	146.30	149.35	**3.05**	**19.00**	RC
16OKR-315	108.20	132.59	**24.39**	**27.23**	RC
15OKR-309	126.49	128.02	**1.53**	**12.55**	RC
and	143.26	156.97	**13.71**	**14.26**	
15OKR-308	228.60	231.65	**3.05**	**23.23**	Core
10OKC-228	69.19	76.81	**7.62**	**11.19**	Core
10OKC-220	45.42	54.56	**9.14**	**8.65**	Core
10OKC-215	118.57	121.62	**3.05**	**12.73**	Core
10OKC-210	113.69	116.74	**3.05**	**20.89**	Core
10OKC-208	130.76	133.81	**3.05**	**8.51**	Core
KG04-2	124.97	128.02	**3.05**	**14.46**	Core
95EKC-100	53.64	57.91	**4.27**	**19.75**	Core
95EKR-92	42.67	57.91	**15.24**	**37.66**	RC
95EKM-5	81.38	82.92	**1.53**	**12.75**	RC
And	90.53	95.10	**4.57**	**29.31**	
94EKR-86	77.72	80.77	**3.05**	**46.68**	RC
94EKR-81	44.20	47.24	**3.04**	**8.71**	RC

1. Refer to the technical report, including Section 11, titled “Independent Technical Report and Preliminary Economic Assessment – Kilgore Project – Clark County, Idaho, USA” with an effective date of July 30, 2019, which is available on the Company’s website and under the Otis Gold profile on SEDAR+ (the “2019 Kilgore Technical Report”).
2. From-to intervals are measured from the drill collar.
3. All intervals are reported as drilled length.

The 2019 Kilgore Technical Report includes an Indicated Resource of 44.6 million tonnes at 0.58 g/t Au for 825,000 ounces Au and an Inferred Resource of 9.4 million tonnes at 0.45 g/t Au for 136,000 ounces Au.

Silver City Project

The Silver City Project is an exploration-stage project that comprises the Bräunsdorf, Frauenstein, Mohorn and Oederan exploration licences in Saxony, Germany and totals approximately 340 km^2. In 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 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 licence and, in 2023, exercised the option to acquire such licence, upon which Globex was granted a gross metals royalty of 3% for precious metals and 2.5% for other metals, both of which may be reduced by 1% upon a payment of $1.5 million. Additional one-time payments of C$300k and C$700k are to be made by the Company following any future announcement of a maiden mineral resource estimate on the property and upon achievement of commercial production from the project, respectively.

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

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

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

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

For more information on the 2020 and 2021 drill programs and results thereof (and the project generally) refer to the NI 43-101 technical report for the Silver City Project available on the Company's website and under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

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. 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 metres along strike and confirmed mineralization down to 300 metres 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 737 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 surveys were completed in Q4 2022. The surveys extend over 11 line-kilometres covering the following five targets: Fortuna A & C, Erzengel Michael, Bergmännische Hoffnung, and Reichenbach. 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 have been received and interpretations are ongoing.

In Q4 2023, the exploration licences on the Frauenstein, Mohorn and Oederan permits were extended to March 2027 by the Saxon Mining Authority. Applications for the renewal of DOPs for these three licences were also approved in Q4 2023 and extend to March 2027.

Mexico Operations

The Platosa Mine, owned by Excellon's wholly-owned subsidiary, Minera Excellon de Mexico, S.A. de C.V ("MEM"), was an operating underground polymetallic (silver, lead, and zinc) mine, located in northeastern Durango State, Mexico, until production ceased, and the mine was placed on care and maintenance in early Q4 2022. For Q4 2023, the Platosa Mine remained on care-and-maintenance with no mining or exploration activities conducted on the Platosa Property. There are no mineral or exploration assets related to the Platosa Property capitalized on the consolidated balance sheet of Excellon.

Excellon is undergoing a strategic review of its Mexico Operations, prioritizing a transaction or divestiture involving MEM and all related liabilities. The Company will provide further information as it becomes available.

OUTLOOK

The Company believes in the value potential of the Company's core assets and is reviewing strategic alternatives to return value to Excellon shareholders. The following is subject to obtaining additional financial resources and therefore expectations for the projects may change based on market conditions. While the Company does not anticipate selling or liquidating core assets, there can be no assurance additional financing will be received, or the timing of obtaining additional capital.

Kilgore Project, Idaho

Kilgore is an advanced exploration-stage project located in Clark County, Idaho. A preliminary economic assessment was completed on Kilgore in 2019 that demonstrated potential as a low-cost, open pit, heap-leach mining operation. The Company acquired Kilgore for approximately US$20 million in 2020 at a time when the average gold price was approximately US$1,600/oz.

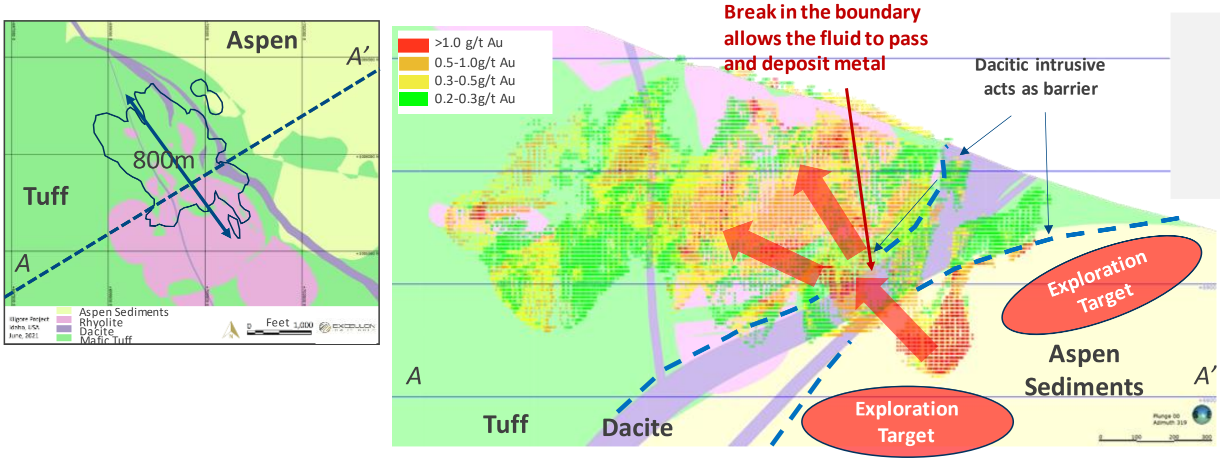
A Renewed Exploration Thesis for Kilgore: Near-Deposit or Resource Mineralization Growth

With most of the historic drilling focused on felsic tuffs, the opportunity for Excellon is to expand on a redeveloped geologic model, focusing on the Aspen sedimentary package. Our interpretation is that the Dacite intrusive acted as a barrier to the transfer of mineralized fluids from the sedimentary package to the tuffs.

Figure 1 illustrates how the dacitic barrier capped mineralized fluid from further precipitation, and therefore, understanding structural controls in the Aspen sediments leads to a better understanding of high-grade emplacement.

When re-inspecting core, mineralization in the Aspen sediments is associated with quartz stockwork, often hosting visible gold. The nuggety effect of coarse gold within the stockwork, and the historic practise of hydraulic core splitting are likely attributing factors to irregular grade distribution within the Aspen sediments. The current exploration model suggests there are likely multiple sub-vertical higher grade structures as yet unplumbed within the Aspen Formation (Figure 1 below).

Figure 1: Kilgore Resource Contour and Structural Controls



The Plan: Drilling to Test Thesis

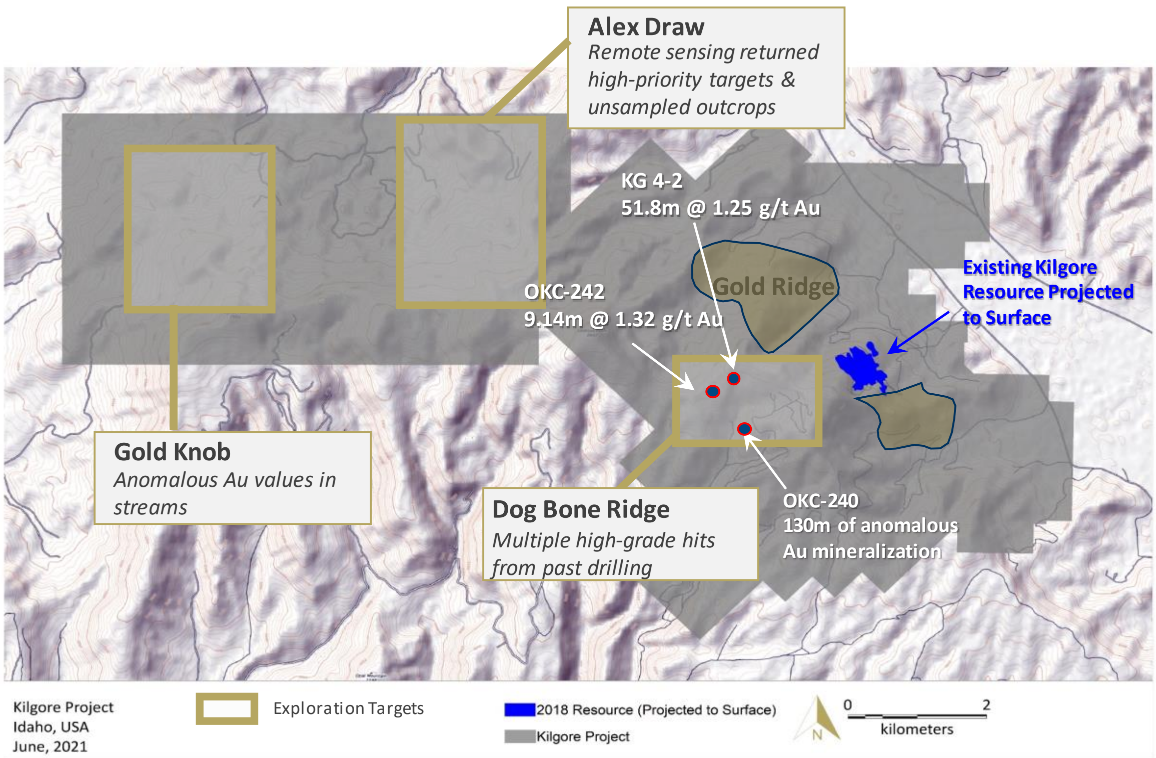
Subject to securing necessary funding, the Company is targeting a Phase I drill program. The drilling would target expansion of the mineralized boundary, specifically the sediments and underexplored areas below the existing deposit. While historic drilling focused on widely disseminated zones, the Company's priority will be narrower but higher grade zones of mineralization.

If Phase I drilling is successful, Excellon expects to scale the drill program accordingly in a larger, Phase II program.

Property Wide Exploration Potential: Numerous Targets for Follow-up

In addition to drilling, the Company plans to build on its surface exploration plan, including both near existing mineralization and high-priority, property-wide targets (see Figure 2 below). These targets were generated through previous prospecting and remote sensing campaigns and largely remain underexplored across a vast 4,917 hectare land package. The purpose of the surface prospecting is to generate the next generation of drill-ready targets to prove out the Company's thesis of potential multiple low-sulphidation epithermal deposits along the caldera similar to the current Kilgore deposit.

Figure 2: Multiple High Priority Exploration Targets at the Kilgore Property



Silver City Project, Germany

Silver City, in the heart of the "Ore Mountains of Germany", is comprised of four mineral licences totalling 340 km^2. Excellon has invested approximately C$8 million in exploration expenditures including over 22,000 metres of drilling over 2021 and 2022.

Excellon believes this is an opportune time to be exploring for minerals in Europe. The European framework for minerals investment is rapidly changing to support domestic supply security and new "Saxon Raw Materials Strategy" was recently published supporting the importance of promoting a local mining industry.

Excellon will continue to assess the market for spin-out of the project. Priorities with a spin-out are to raise sufficient capital to adequately fund the next exploration campaign and a valuation that justifies return on historical exploration capital. As the holding costs for Silver City are exceptionally low relative to other exploration jurisdictions globally, Excellon has the benefit of optionality and timing to successfully deliver the project into the capital markets.

FINANCIAL REVIEW

Summary of Annual and Quarterly Financial Results

Annual financial statement highlights for the previous three years are as follows:

(in $000's)	2023	2022	2021
Revenues	-	25,824	37,955
Production costs	-	(18,055)	(25,472)
Write-down of materials and supplies	-	(907)	(735)
Depletion and amortization	-	(7,497)	(7,300)
Cost of sales	-	(26,459)	(33,507)
Gross (loss) profit	-	(635)	4,448
Expenses:			
Gain on deconsolidation of San Pedro	24,255	-	-
Reclassification of currency translation adjustments	(6,923)	-	-
Care and maintenance (C&M) and wind down expense	(540)	(771)	-
General and administrative	(3,652)	(4,950)	(6,689)
Exploration and holding expense	(1,448)	(5,576)	(7,194)
Other income (expense)	4,475	1,111	(758)
Provision for litigation	-	-	(22,282)
Impairment loss	(5,612)	(3,344)	(16,540)
Net finance expense	(4,764)	(4,294)	(3,680)
Income tax recovery (expense)	743	(379)	(5,078)
Net income (loss) for the year	6,534	(18,838)	(57,773)
Income (loss) per share – basic	0.16	(0.54)	(1.77)
Operating cash flows before changes in working capital	(4,827)	(1,167)	1,652
Total assets	16,641	26,664	41,560
Total liabilities	26,468	48,559	46,047
Total shareholders' deficit	(9,827)	(21,895)	(4,487)
Non-current liabilities	748	2,106	11,896

Summary of Quarterly Financial Results

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

(in $000's)	Q4 2023 $	Q3 2023 $	Q2 2023 $	Q1 2023 $	Q4 2022 $	Q3 2022 $	Q2 2022 $	Q1 2022 $
Revenues	-	-	-	-	2,564	6,982	7,781	8,496
Production costs	-	-	-	-	(2,055)	(4,579)	(5,789)	(5,635)
Mine closure related costs	-	-	-	-	(375)	-	(532)	-
Depletion and amortization	-	-	-	-	(1,127)	(1,153)	(2,939)	(2,278)
Cost of sales	-	-	-	-	(3,557)	(5,732)	(9,260)	(7,913)
Gross (loss) profit	-	-	-	-	(993)	1,250	(1,479)	583
Expenses:								
C&M and wind down expenses	(33)	(187)	(136)	(184)	(771)	-	-	-
General and administrative	(552)	(871)	(923)	(1,306)	(1,169)	(1,279)	(1,191)	(1,311)
Exploration and holding expense	(134)	(311)	(490)	(513)	(1,277)	(2,344)	(839)	(1,116)
Other (expense) income (1)	(1,148)	3,932	111	1,580	325	(247)	45	992
Gain on deconsolidation of SPR	-	-	-	24,255	-	-	-	-
Reclassification of CTA	-	-	-	(6,923)	-	-	-	-
Impairment loss	(48)	(5,564)	-	-	(3,344)	-	-	-
Net finance expense	(1,630)	(808)	(1,317)	(1,009)	(1,208)	(985)	(1,186)	(915)
Income tax recovery (expense) (1)	-	-	-	743	(185)	(174)	(90)	67
Net (loss) income	(3,545)	(3,809)	(2,755)	16,643	(8,622)	(3,779)	(4,740)	(1,700)
(Loss) income per share - basic	(0.08)	(0.10)	(0.07)	0.44	(0.23)	(0.11)	(0.14)	(0.05)

(1) In Q3 2023, the Company recognized a $1.0 million gain on the extension of the Debentures. Upon further review of the estimated fair value of the revised Debentures in Q4 2023, the Company adjusted the estimated discount rate, and as a result the gain on extension by $2.7 million. This adjustment has been reflected in other (expense) income in Q3 2023 above. Similarly, a $0.7 million reversal of a deferred tax liability related to the deconsolidation of San Pedro was reflected in the Q1 2023 income tax recovery above.

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 Q4 2023 and Q4 2022 and the year ended December 31, 2023 versus the year ended December 31, 2022.

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

	Q4		Year ended December 31,	
	2023	2022	2023	2022
Net (loss) income	**(3,545)**	**(8,622)**	**6,534**	**(18,838)**

Net loss decreased by $5.1 million in Q4 2023 over Q4 2022, driven primarily by lower impairment losses by $3.3 million, exploration costs by $1.1 million, gross loss by $1.0 million, care and maintenance costs by $0.7 million and general and administrative costs by $0.6 million in Q4 2023, partially offset by an unfavourable variance of $1.5 million in other income/expense and increase in finance expense of $0.4 million in Q4 2023.

The variance in net income/loss for 2023 compared to 2022, relates primarily to 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 in 2023.

Exploration and holding expenses	**134**	**1,277**	**1,448**	**5,576**

Exploration and holding expense decreased by $1.1 million in Q4 2023, and $4.1 million in 2023 relative to the comparative periods, driven by lower exploration expenditures at the Kilgore and Silver City Projects, which included drilling costs in 2022, and in Mexico following the shutdown of the Platosa Mine in Q4 2022.

General and administrative expense	**552**	**1,169**	**3,652**	**4,950**

General and administrative expense (before care and maintenance and wind down expenses), include personnel costs, office, overhead, corporate development, legal, public company costs, share-based payments and amortization, and were $1.3 million lower in 2023 relative to the comparative period, driven primarily by a $1.3 million reduction in salaries and wages, office and overhead costs and a $0.7 million favourable variance in share-based payment expense, following the reduction in workforce in 2023, partially offset by a $0.8 million increase in corporate development and legal costs related to the La Negra transaction, Convertible Debenture extension, Convertible Debenture restructuring and sale of the Oakley Project in 2023. General and administrative expense (before care and maintenance and wind down expenses), for Q4 2023 were $0.4 million lower relative to the comparative period, as a result of the same drivers noted above.

Other expense (income)	**1,148**	**(325)**	**(4,475)**	**(1,111)**

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

The other income increase of $3.4 million, relates primarily to the gain on Convertible Debenture extension of $3.7 million in 2023, the $1.7 million onerous contract recognized in 2022, partially offset by the $0.8 million Convertible Debenture extension fee paid in shares in 2023 and the $0.6 million insurance proceeds received in 2022. The $1.5 million variance in the Q4 periods is driven primarily by the variance in the foreign exchange gains and losses.

	Q4		Year ended December 31,	
	2023	**2022**	**2023**	**2022**
Impairment loss	**48**	**3,344**	**5,612**	**3,344**

In Q4 2022 the Company recorded an impairment loss of $2.3 million on the Platosa Mine and $1.0 million related to San Pedro's VAT recoverable as disclosed in Note 7 and Note 5 of the Company's consolidated financial statements for the year ended December 31, 2022, respectively. In 2023 the Company recorded an impairment loss of $5.6 million on the sale of the Oakley Project ($4.2 million) and Mexican VAT recoverable ($1.3 million in Q3 and $48K in Q4) as disclosed in Note 7 and Note 5 of the Company's consolidated financial statements for the year ended December 31, 2023, respectively.

Finance expense	**1,630**	**1,208**	**4,764**	**4,294**

Net finance expense comprises primarily interest on the Convertible Debentures using the effective interest rate method. In Q3 2023, the Company extended the Convertible Debentures and as a result a new effective interest rate was determined based on the estimated fair value of the revised Convertible Debentures. As a result, the finance expense for Q4 2023 and 2023 increased by $0.4 million and $0.5 million relative to the comparative periods. The Company has the option to pay the interest on the Convertible Debentures in common shares of the Company.

COMMON SHARE DATA AS AT APRIL 1, 2024

Common shares issued and outstanding	**99,624,946**
Stock options	3,254,807 (1)
DSUs	3,315,266
RSUs	2,198,803
Fully diluted common shares (2)	**108,393,822**

(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 75,000,000 common shares of the Company.

LIQUIDITY AND CAPITAL RESOURCES

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

	December 31, 2023	December 31, 2022
Cash and cash equivalents	**691**	**1,468**

The primary source of cash in 2022 was the Company's Mexican operations, which generated net cash flow of $7.4 million from collected revenue of $23.9 million net of production costs of $16.5 million. The Company also sold marketable securities for proceeds of $0.3 million in 2022. The primary uses of cash in 2022 included exploration expenditures, capital invested in the Mexican operation and working capital. In 2023, the Company sold the Oakley Project for proceeds of US$1 million in cash, an NSR Royalty on the Beartrack-Arnett Project, to Revival Gold Inc. for cash consideration of C$75K and 200,000 shares, and collected trade receivables of $0.7 million and VAT of $0.8 million in Germany and Canada. The primary uses of cash in 2023 included corporate development, legal and overhead costs and working capital.

Working capital	**(24,479)**	**(18,299)**

Working capital, defined as current assets less current liabilities (excluding the Provision for litigation), decreased by $6.2 million at December 31, 2023 relative to December 31, 2022. Current liabilities increased by $1.5 million driven by an increase in trade and other payables of $2.2 million, VAT Payable of $0.6 million, and Convertible Debentures of $0.7 million, partially offset by a $1.8 million reduction in provisions. Current assets decreased by $4.7 million, driven primarily by the $0.8 million decrease in cash, impairment loss of $1.4 million related to Mexican VAT credits, $1.4 reduction in other current assets and collection of trade receivables ($0.7 million) and VAT ($0.8 million).

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

Investing activities	**1,000**	**(738)**

Investing activities in 2023 relate to the proceeds from the sale of the Oakley Project, in the comparative period investing outflows mainly reflect expenditures on dewatering infrastructure, mine development and underground drilling at the Platosa Mine which shutdown in Q4 2022.

Financing activities	**(6)**	**(248)**

The financing activities included interest and lease-related payments, which reduced relative to 2022 following the shutdown of the Platosa Mine in Q4 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, and its corporate office in 2022 and 2023. Failure to obtain additional financing could result in delay or postponement of further exploration and development of the Company’s projects.

There can be no assurances that the Company will be able to obtain adequate funding or that the terms of such financing will be favourable.

Financial instruments

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

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

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

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

Contractual obligations

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

	$ 000				
	Total	**Less than one year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Trade payables	9,987	9,987	-	-	-
Leases	47	47	-	-	-
Convertible Debentures – principal (1)	13,542	13,542	-	-	-
Convertible Debentures – 5.75% interest	453	453	-	-	-
Post-retirement benefits	753	753	-	-	-
Rehabilitation provision (discounted)	748	-	-	-	748
Total:	**25,530**	**24,782**	**-**	**-**	**748**

(1) Note that this table is as at December 31, 2023. See the “2023 Summary” section of this MD&A for discussion of the Debenture Restructuring completed in Q1 2024, which reduced the principal amount to C$7.5 million ($5.7 million).

Commitments

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

In Mexico, commitments relate to annual concession fees and required expenditures associated with the Company's mineral concessions. In Idaho, commitments relate to annual claim fees associated with the Company's mineral claims. There are no annual fees associated with exploration licences 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.

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

		$ 000				
Project	**Type**	**Total**	**Less than one year**	**1 – 3 years**	**4 – 5 years**	**After 5 years(1)**
Platosa	Fees	1,128	251	501	376	-
Evolución	Fees	1,203	100	501	602	-
Kilgore	Fees	650	130	260	260	-
	Total:	**2,981**	**481**	**1,262**	**1,238**	**-**

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

RELATED PARTY TRANSACTIONS

Remuneration to directors and key management who have the authority and responsibility for planning, directing and continuing the activities of the Company:

	2023 $	2022 $
Salaries, fees and benefits	720	932
Director's fees	203	302
Share-based payments	(86)	354
	837	**1,588**

At December 31, 2023, the Company had amounts owing to current management and directors of the Company of $309. Current management and directors agreed to settle the amounts owing through the issuance of RSU and DSUs in 2024.

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

Critical judgements exercised in applying accounting policies and key sources of estimation uncertainty that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- Convertible Debentures – The Convertible Debenture extension was accounted for as an extinguishment of the original compound instrument and the recognition of the revised instrument at fair value, estimated using valuation techniques. The Company exercised judgement in determining the appropriate assumptions, as at the date of the extension, to value the revised debt.

- Rehabilitation provision – the Company records any site rehabilitation obligation as a liability in the period in which the related environmental disturbance occurs, based on the present value of the estimated future costs of rehabilitation. This obligation is adjusted at the end of each reporting period to reflect the passage of time, changes in the estimated future costs and timing of the underlying obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used.

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 plans to operate could have an adverse financial impact on the Company's planned operations and the overall financial results of the Company, the extent of which cannot be predicted. For additional discussion of risk factors refer to the Company's AIF which is available under the Company's profile on SEDAR+.

ADDITIONAL SOURCES OF INFORMATION

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

CAUTIONARY STATEMENTS ON FORWARD-LOOKING STATEMENTS AND OTHER MATTERS

Forward-Looking Statements

*All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion & Analysis of Financial Results for the year ended December 31, 2023 and the accompanying financial statements for the same period (together, the "**2023 Financial Disclosure**") constitute "forward-looking statements" and "forward looking information" (collectively, "**forward-looking statements**") within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as: "advancing", "aim", "alternatives", "believes", "considering", "contemplated", "contingencies", "continuing", "could", "demonstrated", "development", "de-risking", "discovery", "early-stage", "evaluate", "expected", "exploration", "estimate", "focus", "further", "future", "goals", "indicate", "initial", "intention", "investigate", "may", "model", "monitor", "near-term", "new", "observation", "ongoing", "opportunities", "option", "outlook", "pending", "pipeline", "plan", "potential", "priorities", "program", "project", "proposed", "proposition", "prospective", "prospecting", "provide", "provision", "re-assaying", "reassessing", "relogging", "review", "risk", "samples", "seeking", "should", "strategic", "studies", "subject to", "survey", "target", "test", "timelines", "trend", "uncertainties", "viability", "vision", "will" and "would", or variations of such words, and similar such words, expressions or statements that certain actions, events or results can, could, may, should, will (or not) be achieved, happen, occur, provide, result or support in the future or which, by their nature, refer to future events. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements include statements regarding opportunities, outlook and strategic alternatives (including any form, aspect, value or other impacts thereof); advancing a portfolio of assets; mineralization, mineralized area or footprint, or mineral deposits (including potential, grade, further definition or expansion or extension, continuation, openness and location); mineral resource estimates (including tonnes, grade, and any expansion, increase, conversion or reclassification thereof; see also below in these Cautionary Statements under "Mineral Resources", "U.S. Readers" and "Preliminary Economic Assessments (or PEAs)"); exploration programs and activities (including prospectivity or potential (and any increase thereof), targets and assessments or interpretations of drilling and results thereof to date); the implications of the Judgment (including there being no recourse against the Company's other assets in Mexico, Idaho, Germany or Canada); the bankruptcy proceedings of the Company's Mexican subsidiary San Pedro and any currently unknown implications thereof; any other acquisition and other strategic opportunities; closure and reclamation (including activities, expenditures, costs and provisions, and timing thereof); pending or ongoing regulatory, administrative, litigation or other legal proceedings, and provisions therefor, and assessments and outcomes thereof (including the San Pedro bankruptcy declaration, and drilling contractor claim and lien in respect of the Kilgore Project) or recourse thereunder (including recourse relating to the Judgment); compliance with and maintenance and effects of controls, policies, procedures, processes and systems of the Company; 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 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 2023 Financial Disclosure, the Company's AIF, the current technical reports for the Company's projects (collectively, the "**Technical Reports**") and the Company's other applicable public disclosure (collectively, "**Company Disclosure**"), all available under the Company's profile on SEDAR+ (www.sedarplus.ca) and/or on its website at www.excellonresources.com. Forward-looking statements are inherently subject to known and unknown risks, uncertainties, contingencies and other factors which may cause the actual plans, results, performance or achievements of the Company to differ materially from any future results, plans, performance or achievements expressed or implied by the forward-looking statements. Such risks, uncertainties, contingencies and other factors include, among others, that the project infrastructure requirements and anticipated processing methods, risks related to partnership or other joint operations; actual results of current exploration activities; variations in mineral resources, mineral production, grades or recovery rates or optimization efforts and sales; the ability to obtain on a timely basis, and maintain, necessary permits and other approvals; delays in obtaining financing or in the completion of development or construction activities; uninsured risks, including pollution, cave ins or hazards for which insurance cannot be obtained; regulatory changes; defects in title; availability or integration of personnel, materials and equipment; inability to recruit or retain management and key personnel; performance of facilities, equipment and processes relative to specifications and expectations; unanticipated environmental impacts on operations; market prices; production, construction and technological risks related to Excellon; capital requirements and operating risks associated with the operations or an expansion of the operations of Excellon; dilution due to any future acquisitions or other transactions; fluctuations in gold, silver, lead, zinc and other precious metal prices and currency exchange rates; inability to successfully complete new development projects, planned expansions or other projects within the timelines anticipated; adverse changes to market, political and general economic conditions or laws, rules and regulations applicable to Excellon; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; accidents, labour disputes, community and stakeholder protests and other risks of the mining industry; 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 2023 Financial Disclosure, the Technical Reports 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 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 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 2023 Financial Disclosure are expressly qualified by these Cautionary Statements, together with those below, as well as the Cautionary Statements in the Company's AIF, the Technical Reports and other applicable Company Disclosure. Forward-looking statements contained herein are made as of the date of the 2023 Financial Disclosure (or as otherwise expressly specified) and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable laws.*

<u>Mineral Resources</u>

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

U.S. Readers

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

The 2023 Financial Disclosure may also contain information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises United States investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties.

Preliminary Economic Assessments (or PEAs)

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

Qualified Persons

*Mr. Paul Keller, P. Eng., former Chief Operating Officer of the Company and a Qualified Person as defined in NI 43-101 (a "**QP**"), reviewed, verified and approved the scientific and technical information contained in the 2023 Financial Disclosure.*