EXCELLON

Management's Discussion & Analysis of Financial Results

For the three month period ended March 31, 2014

April 29, 2014

Excellon Resources Inc. (the "Company" or "Excellon") has prepared this Management's Discussion and Analysis of Financial Results ("MD&A") for the three month period ended March 31, 2014 in accordance with the requirements of National Instrument 51-102 ("NI 51-102").

This MD&A contains information as at April 29, 2014 and provides information on the operations of the Company for the three month periods ended March 31, 2014 and 2013 and subsequent to the period end, and should be read in conjunction with the unaudited interim consolidated financial statements for the three month period ended March 31, 2014 and the audited consolidated financial statements for the year ended December 31, 2013 and the related notes for the year then ended filed on SEDAR. The audited consolidated financial statements for the year ended December 31, 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures in this MD&A are in US dollars unless otherwise noted.

This MD&A also makes reference to Cash Cost per Silver Ounce Payable and All-in Sustaining Cost per Silver Ounce Payable ("AISC"), both of which are Non-IFRS Measures. Please refer to the sections of this MD&A entitled "Cash Cost per Silver Ounce Payable" and "All-in Sustaining Cost per Silver Ounce Payable" for an explanation of these measures and reconciliation to the Company's reported financial results.

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COMPANY PROFILE

Excellon is a primary silver mining and exploration Company listed on the Toronto Stock Exchange trading under the symbol EXN. The Company's current activities are exploring, developing and mining the high-grade silver-lead-zinc mineralization on its 40,854-hectare Platosa Property ("Platosa") located in northeastern Durango State, Mexico. The style of mineralization at Platosa resembles that of several of the world-class carbonate replacement deposits ("CRD") of Mexico.

The ore mined is processed at the Company's mill located in Miguel Auza in Zacatecas State, Mexico. At Miguel Auza, the Company produces two concentrates: a silver-lead concentrate and a silver-zinc concentrate. Both concentrates are shipped to the port of Manzanillo where they are purchased by Trafigura Mexico, S.A. de C/V, a subsidiary within the Trafigura group of companies ("Trafigura").

FIRST QUARTER HIGHLIGHTS

(in 000's except ounces, amounts per share and per ounce)		Q1 2014		Q1 2013
Revenues (1)	$	10,536	$	10,055
Gross Profit/(loss) (Earnings from mining operations)	$	2,739	$	4,092
Net income (loss)	$	1,875	$	(601)
Earnings (loss) per share - basic	$	0.03	$	(0.01)
Silver ounces produced		365,941		312,167
Silver ounces payable		349,711		272,049
Silver equivalent ounces produced (2)		589,881		495,529
Silver equivalent ounces payable (2)		565,129		425,861
Total cash cost per silver ounce payable	$	11.76	$	9.09
All-in sustaining cost per silver ounce payable	$	17.28	$	24.06
Average realized silver price per ounce sold(3)	$	20.60	$	29.04

(1) Revenues are net of treatment and refining charges. A reconciliation of revenues can be found in the section "Financial Results of Operations" of this MD&A.
(2) Silver equivalent ounces established using average metal prices during the period indicated applied to the recovered metal content of the concentrates.
(3) Average realized silver price is calculated on current period sale deliveries and does not include prior period provisional adjustments in the period.

MINE OPERATION AND PRODUCTION

Tonnage mined and milled of 19,202 tonnes and 18,890 tonnes reflects a 5% and 3% increase respectively compared to the same period of the prior year. Silver grade of 614 g/t and lead grade of 6.67% were a 5% and 3% improvement respectively compared to Q1 2013. Zinc grades of 8.12% while down 19% compared to Q1 2013 was an improvement from the prior grade in Q4 2013 of 5.08%. Silver production of 365,941 ounces and 589,881 silver equivalent ounces reflect an average increase of 18% compared to Q1 2013. Lead and zinc production of 2.3 million and 2.6 million pounds respectively were a 36% and 42% improvement from Q4 2013. Overall, silver and lead recoveries were comparable to Q1 2013 while zinc recoveries were 4% lower.

Platosa Mine production statistics for the periods indicated were as follows:

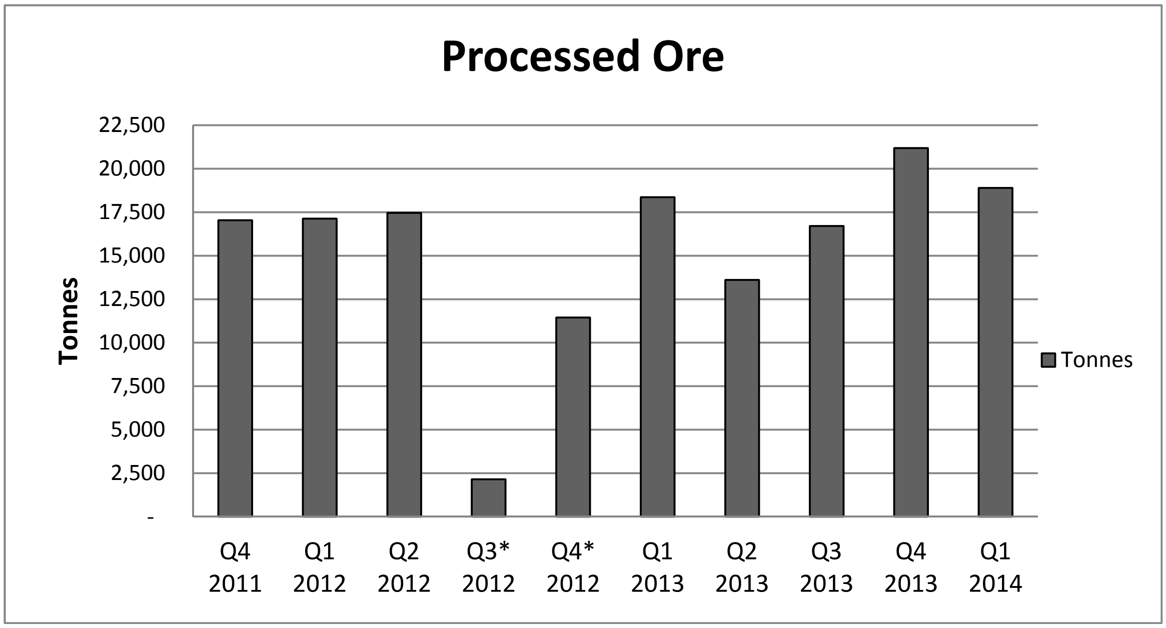
		Q1 2014*	Q4 2013	Q1 2013
Tonnes of ore produced		19,202	20,481	18,283
Tonnes of ore processed		18,890	21,186	18,361
Ore grades:				
	Silver (g/t)	614	684	591
	Lead (%)	6.67	5.27	6.35
	Zinc (%)	8.12	5.08	10.01
Recoveries:				
	Silver (%)	92.7	89.9	93.7
	Lead (%)	84.2	71.2	84.8
	Zinc (%)	80.8	75.8	83.8
Production:				
	Silver – (oz)	365,941	411,277	312,167
	Silver equivalent ounces (oz) (1)	589,881	545,428	495,529
	Lead – (lb)	2,346,766	1,720,303	2,161,223
	Zinc – (lb)	2,629,682	1,857,066	3,506,965
Payable:				
	Silver ounces – (oz)	349,711	360,285	272,049
	Silver equivalent ounces (oz) (1)	565,129	466,391	425,861
	Lead – (lb)	2,358,184	1,453,171	1,985,185
	Zinc – (lb)	2,428,881	1,376,336	2,750,397
Realized prices: (2)				
	Silver – ($US/oz)	20.60	20.02	29.04
	Lead – ($US/lb)	0.94	0.96	1.00
	Zinc – ($US/lb)	0.91	0.87	0.89

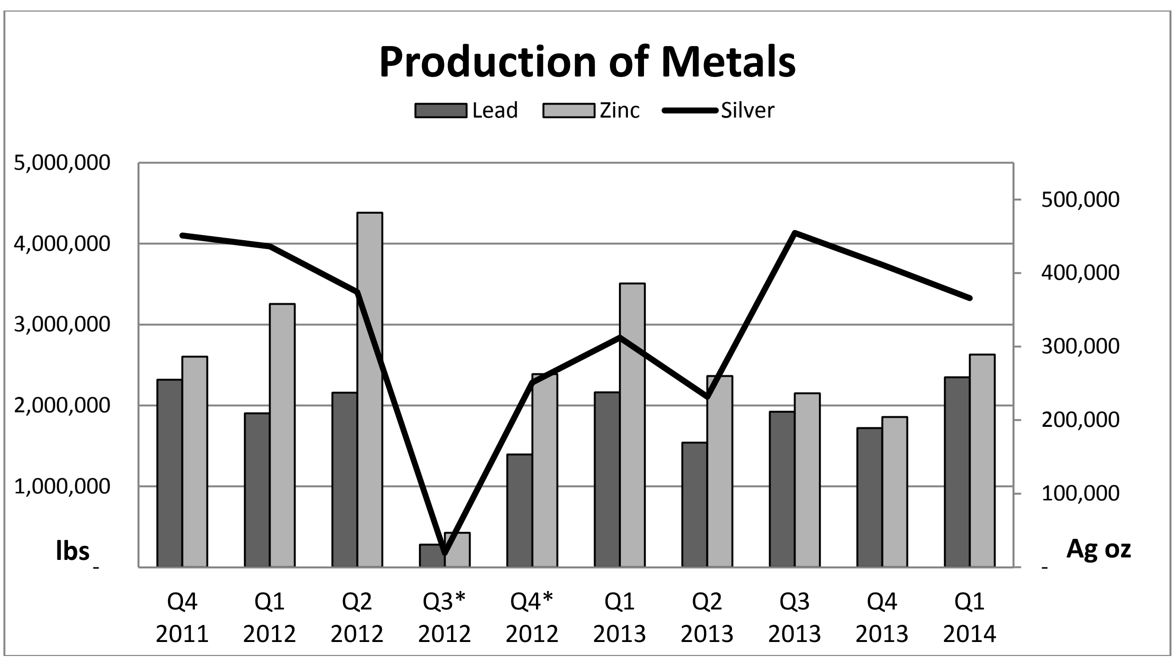
* Q1 data remains subject to adjustment following settlement with concentrate purchaser.

(1) Silver equivalent ounces established using average metal prices during the period indicated applied to the recovered metal content of the concentrates.

(2) Average realized silver price is calculated on current period sale deliveries and does not include the impact of prior period provisional adjustments in the period.

The previous ten quarters of production at Platosa are summarized below:





* Mine production was suspended during Q3 2012 and one month of Q4 2012 due to an illegal blockade.

TOTAL CASH COST PER SILVER OUNCE PAYABLE

Total cash cost net of by-product credits decreased by 11% to $4.1 million in Q1 compared to $4.6 million in Q4 2013. During Q1 2014, the Company delivered 349,711 silver ounces payable verses 360,285 silver ounces payable in the previous quarter. Despite lower silver ounces payable delivered, total cash cost per silver ounce payable decreased to $11.76/oz in Q1, an improvement from $12.77/oz in the previous quarter due to significantly higher by-products credits. Total cash cost per silver ounce payable increased relative to Q1 2013 as significant zinc by-product credits from higher zinc grades mined during the prior period were applied against relatively fewer silver ounces payable, significantly decreasing the total cash cost net of by-product revenues. The Company expects total cash costs net of by-product revenues to vary from period to period as planned production and development accesses different areas of the mine with different ore grades and characteristics. The calculation of total cash cost per silver ounce payable reflects the cost of production adjusted for by-product and various non-cash costs included in cost of sales. Changes in inventory have not been adjusted from cost of sales since these costs are associated with the payable silver ounces sold in the period.

Reconciliation of total cash cost per silver ounce payable, net of by-product credits:

	Q1 2014	**Q4 2013[(4)]**	**Q1 2013[(4)]**
	$ 000's	**$ 000's**	**$ 000's**
Cost of sales	7,797	7,246	5,963
Adjustments - increase/(decrease):			
Depletion and amortization	(993)	(1,260)	(887)
Third party smelting and refining charges [(1)]	1,882	1,242	1,732
Royalties [(2)]	(23)	(21)	(56)
By-product credits [(3)]	(4,550)	(2,606)	(4,279)
Total cash costs net of by-product credits	**4,113**	**4,601**	**2,473**
Silver ounces payable	349,711	360,285	272,049
Total cash cost per silver ounce payable ($/oz)	**11.76**	**12.77**	**9.09**

(1) Treatment and refining charges recorded in net revenues.
(2) Advance royalty payments on the Miguel Auza property that do not relate to production from Platosa.
(3) By-product credits comprise revenues from sales of lead and zinc.
(4) "Total cash costs" differ from "net cash costs" previously reported in these periods as total cash costs reflect payable ounces delivered in the period without inventory adjustments.

Total cash costs net of by-product credits is provided as additional information and is a non-IFRS measure that does not have a standardized meaning. This calculation may differ from that used by other companies in the industry. The Company uses this measure internally to evaluate the underlying operating performance of the Company for the reporting periods presented. This measure should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles and is not necessarily indicative of operating expenses as determined under generally accepted accounting principles. Management believes that total cash cost per silver ounce payable is a key performance indicator of the Company's operational efficiency as it accounts for each payable ounce produced. This measure is increasingly widely used in the mining industry and is intended to provide investors with information about the cash generating capabilities of the Company's operations.

ALL-IN SUSTAINING COST PER SILVER OUNCE PAYABLE

Concurrently with many of its peers, in addition to the total cash cost measure, above, Excellon has adopted the "all-in sustaining cost" measure ("AISC") to provide further transparency on the costs associated with producing silver and to assist stakeholders of the Company in assessing operating performance, ability to generate free cash flow from current operations and overall value. The AISC measure is a non-GAAP measure based on guidance announced by the World Gold Council in June 2013.

AISC per silver ounce is intended to provide additional information only and does not have any standardized definition under IFRS and may not be comparable to similar measures presented by other mining companies. The AISC measure should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

Excellon defines AISC per silver ounce as the sum of total cash costs (including treatment charges and net of by-product credits), capital expenditures that are sustaining in nature, corporate general and administrative costs (including non-cash share-based compensation), capitalized and expensed exploration that is sustaining in nature, and (non-cash) environmental reclamation costs, all divided by the total payable silver ounces sold during the period to arrive at a per ounce figure.

Capital expenditures to develop new operations or capital expenditures related to major projects at existing operations where these projects will materially increase production are classified as non-sustaining and are excluded. The definition of sustaining versus non-sustaining is similarly applied to capitalized and expensed exploration costs. Exploration costs to develop new operations or that relate to major projects at existing operations where these projects are expected to materially increase production are classified as non-sustaining and are excluded.

Cost excluded from AISC are non-sustaining capital expenditures and exploration costs, financing costs, tax expense, transaction costs associated with mergers and acquisitions, and any items that are deducted for the purposes of adjusted earnings.

Refer to the discussion above regarding cash operating cost per silver ounce for the deduction of by-product revenues.

The Company had an AISC per silver ounce payable of $17.28 during Q1 2014, a significant improvement from $18.34 in the previous quarter and $24.06 in the same period of 2013. The Company's current AISC is an indication of the Platosa Mine's sustainable profitability during the recent period of lower silver and can be compared to the current period's realized price of $20.60 in determining profit margins on a payable silver ounce basis.

The table below presents details of the AISC per silver ounce payable calculation.

	Q1 2014		Q4 2013		Q1 2013	
	$ 000's	$/oz	$ 000's	$/oz	$ 000's	$/oz
Total cash costs net of by-product revenue	**4,113**	**11.76**	**4,601**	**12.77**	**2,473**	**9.09**
General and administrative costs (cash)	848	2.42	838	2.33	1,107	4.07
Share based payments (non-cash)	267	0.76	531	1.47	605	2.22
Accretion and amortization of reclamation costs (non-cash)	50	0.14	47	0.13	45	0.17
Sustaining exploration (mantos resource exploration/drilling)	235	0.67	-	-	1,177	4.33
Sustaining capital expenditures (1)	531	1.52	591	1.64	1,138	4.18
Sustaining costs	**1,931**	**5.51**	**2,007**	**5.57**	**4,072**	**14.97**
All-in sustaining costs	**6,044**	**17.28**	**6,608**	**18.34**	**6,545**	**24.06**
Silver ounces payable	349,711		360,285		272,049	
All-in sustaining cost per silver ounce payable in US $/oz (2)	**17.28**		**18.34**		**24.06**	
Realized silver price per ounce sold (3)	**20.60**		**20.02**		**29.04**	

(1) Capital expenditure includes sustaining capital expenditures and capitalized development costs.
(2) Excluding non-cash items, AISC per payable silver ounce was $16.38 (Q1 2014), $16.74 (Q4 2013) and $21.67 (Q1 2013).
(3) Average realized silver price is calculated on current period sale deliveries and does not include the impact of prior period provisional adjustments in the period.

EXPLORATION – MEXICO

Platosa Mine

This Platosa property covers 40,854 ha and the initial mining concessions and private lands were acquired by the Company in 1996. The Platosa Mine exploits a series of typical, though very high-grade, massive sulphide, distal CRD silver, lead, zinc manto deposits located strategically in the middle of the prolific Mexican CRD Belt. Diamond drilling results in 2013 continued to confirm that the Platosa property holds considerable potential for the discovery of additional high-grade manto mineralization and for the discovery of large-tonnage, though lower grade, proximal CRD mineralization. CRDs are epigenetic, intrusion-related, high-temperature, sulphide-dominant, lead-zinc-silver-copper-gold-rich deposits that commonly occur in clusters associated with major regional geologic features. The Mexican CRD Belt is perhaps the world's best developed CRD cluster and Platosa lies in the centre of the northwest-southeast-trending axis of the largest deposits of the belt.

Several features make CRDs highly desirable exploration and mining targets. These include:

- **Size** – Proximal CRDs average 10 to 15 million tonnes of ore and the largest range up to 50 million tonnes;
- **Grade** – Ores are typically polymetallic with metal contents ranging from 60-600 g/t silver, 2-12% lead, 2-18% zinc, up to 2% copper and 6 g/t gold; and
- **Deposit morphology** – Individual CRD bodies within the overall deposit are continuous and average 0.5 to 2 million tonnes in size, with some up to 20 million tonnes. They are typically metallurgically

straight-forward and given that they are limestone-hosted, the environmental impact of tailings disposal is generally minimal.

CRD orebodies take the form of lenses or elongate to elongated-tabular bodies referred to as mantos or chimneys depending on whether they are horizontal or steeply inclined. A spectrum of CRD orebodies exists, ranging from distal manto and medial chimney massive sulphide bodies to proximal sulphide-rich skarns associated with unmineralized or porphyry-type intrusive bodies. Transitions of orebody morphology and mineralogy, and alteration zoning can be used in exploration to trace mantos into chimneys, sulphides into skarn, or skarn into stock contact deposits.

In late-March 2014 the Company disclosed the results of an updated Mineral Resource estimate for the Platosa project. A summary of the estimate is shown in the table below and the NI 43-101-compliant technical report supporting the estimate can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com.

Platosa Project – Mineral Resource Estimate (as at December 31, 2013)

Category	Tonnes (t)	Ag (g/t)	Pb (%)	Zn (%)	Ag Eq (g/t)	Contained Ag (oz)	Contained Pb (lb)	Contained Zn (lb)	Contained AgEq (oz)
Measured	42,000	825	8.62	11.31	1,358	1,108,000	7,939,000	10,416,000	1,824,000
Indicated	443,000	772	8.40	10.05	1,270	10,985,000	81,925,000	98,011,000	18,064,000
M + I	484,000	777	8.42	10.15	1,277	12,094,000	89,864,000	108,427,000	19,888,000
Inferred	3,000	2,324	16.93	1.74	2,922	255,000	1,274,000	131,000	321,000

Notes:

1. *CIM definitions were followed for the classification of Mineral Resources.*
2. *Mineral resources are estimated at an incremental NSR cut-off value of US$189 per tonne.*
3. *NSR metal price assumptions: Ag US$20.00/oz, Pb US$1.00/lb, Zn US$1.00/lb.*
4. *Metal recovery assumptions: Ag 94%, Pb 85%, Zn 84%.*
5. *The silver equivalent (AgEq) is estimated from metallurgical recoveries, metal price assumptions, and smelter terms, which include payable factors, treatment charges, penalties, and refining charges.*
6. *Estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability.*
7. *Mineral Resource estimate prepared by David Ross, P.Geo., of Roscoe Postle Associates Inc., independent geological and mining consultants of Toronto, Ontario. Prepared as at December 31, 2013.*
8. *Totals may not add or multiply accurately due to rounding.*

M+I tonnage decreased by 153,000 t since the previous estimate prepared as at July 31, 2011. Similarly, inferred tonnage decreased by 66,000 t. The decrease in resource tonnage is primarily due to mine depletion, which totalled 167,217 t since the July 2011 estimate. Resource tonnage was further reduced as underground mapping revealed small amounts of waste in areas that were previously interpreted as resources. Mining depletion was partly offset by the discovery of a new zone in the Manto 6A/6B area and further tonnage was added on the fringes of other mantos. Average grades in the M+I category have declined slightly due to mining depletion of exceptionally high-grade areas, primarily in the Guadalupe Manto, since the July 2011 estimate.

As of the date of the present report the Platosa diamond drilling program remains suspended, however, the exploration team continues to plan future programs. Several drills are stored on site and the Company can resume drilling on short notice.

In general, recent exploration at Platosa has focused on two target types.

The first target is located in an irregularly-shaped area extending roughly 1.5 km from the Platosa Mine. In this area the objectives are as follows:

- To further add to the known distal-style, high-grade CRD Mineral Resources and to discover new mantos by drilling the geological, structural and geophysical targets developed by the Company's previous drilling and geotechnical surveys. This follows on the success in adding mineralization to the 6A Manto in 2010 and 2012 and the discovery of the Pierna Manto during 2010. Additional massive sulphide mineralization was encountered in early-2013 drilling and some of this mineralization is included in the recently updated mineral resource.
- Outside of the immediate manto area drilling has been limited and where it has been carried out the favourable heterolithic fragmental limestone unit, which hosts all the high-grade massive sulphide mineralization discovered to date at Platosa, has been intersected consistently. There is ample room to find new mantos or a cluster of mantos in a large area extending north, northeast and southeast of the known mantos. Further drilling is planned for these areas.

The second area encompasses the vast majority of the remainder of the property, including a portion of the first area. Within this area the objectives are as follows:

- To pursue the potential for larger-volume medial and proximal CRD mineralization, referred to as the Source. Geological evidence of this potential has been found in a number of drill holes completed since 2008 in particular in the Rincon del Caido ("Rincon") area approximately 1.0 km NW of the Guadalupe Manto. A concentrated drilling program at Rincon between early 2012 and April 2013 when drilling was suspended resulted in 13 holes intersecting significant Source style skarn sulphide mineralization hosted by marble. The Company believes that the sulphide-rich skarn mineralization at Rincon may be traceable to a large-tonnage proximal CRD deposit that has been the ultimate object of the Company's exploration program since it acquired the Platosa property in 1996; and
- Continue to evaluate geophysical technologies that may complement those which have already demonstrated success as targeting tools. Natural Source and Controlled Source Audio Magnetotelluric ("NSAMT" and "CSAMT," or generally "MT") ground geophysical surveys and airborne electromagnetic ("AEM") surveys carried out at various times during the exploration history of the property have demonstrated such success and it was while testing NSAMT-interpreted structures in 2005 and 2006 that the Guadalupe and Guadalupe South mantos were discovered. During a re-examination of a 2007 AEM survey a subtle anomaly was noted in the Rincon area and was one of the reasons drilling was resumed there in 2012. More recently the Company has begun studying the applicability of seismic methods to the search for both manto and Source mineralization. In recent years seismic surveying, traditionally associated with petroleum exploration, has been tested successfully by several mining companies over known mineral deposits and new targets have been generated on various mineral exploration projects.

When market conditions permit drilling will resume at Platosa with an emphasis on adding to the high-grade massive sulphide manto resource. Planning to date has focussed in part on the possible connection between anomalous gold found in certain drill holes associated with known mantos areas and the source of the mantos. Anomalous gold has been found in various 2013 and historic holes in both the 6A and NE-1 manto areas. In the 6A area the gold is associated directly with the massive sulphides, while in the NE-1 area the gold occurs in a siliceous zone encountered a considerable distance above the massive sulphides. The presence of gold in both areas suggests that feeder zones may be located nearby. Such feeder zones may be conduits channelling the massive sulphides from a much larger mineralized proximal skarn-style body remaining to be found at some depth below the mantos. Company geologists have carried out a comprehensive review of the gold-anomalous drill holes in both areas and while this work is ongoing the results have already been incorporated into draft plans for future manto drilling. In addition a focus has been placed on reviewing historic holes, which have encountered small amounts of sulphide mineralization in the favourable heterolithic fragmental limestone unit. Such minor occurrences may indicate that a manto lies close by. This was the situation in the Pierna and NE-1 mantos areas and follow-up drilling resulted in discoveries.

With regard to exploration for a large-tonnage proximal deposit the focus remains on the Rincon del Caido area. Geological data indicate that Rincon lies on the edge of a much larger system and the 3D model prepared in 2013 and early 2014 has generated vectors and a starting point for future drilling as the Company works to shorten the time line to discovery once drilling resumes.

Results of the Platosa exploration programs can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com.

Miguel Auza Property

The Miguel Auza property encompasses 41,568 ha and lies on the eastern flank of the Fresnillo Mexican Silver Trend some 150-200 km north of Fresnillo and Zacatecas City, both of which areas have and continue to be the source of a large percentage of Mexican silver, lead and zinc production. The property covers numerous high- and low-sulphide epithermal veins carrying Ag, Au, Pb, and Zn. The property has been the site of a large amount of historic mining since the time of the Spaniards and as recently as 2008 when Silver Eagle Mines Inc., through its Mexican subsidiary, carried out mining and milling on the Calvario Vein system.

The Company carried out a modest exploration program at Miguel Auza in 2009 and 2010 and while certain areas were highlighted as meriting further early-stage exploration work, a decision was made to concentrate exploration activities at Platosa. The Company periodically reviews the potential of Miguel Auza, including the potential of the Miguel Auza Mine, which has been closed since December 2008.

EXPLORATION – CANADA

The Company's has two gold projects located in the Abitibi Belt of northeastern Ontario and northwestern Quebec. While both cover gold occurrences as described below, given present market conditions the Company does not plan to carry out work on them in the immediate future. Should market conditions improve the Company will revisit this decision.

DeSantis Property, Northeastern Ontario

The Company holds a 100% interest, subject to a Net Smelter Returns ("NSR") royalty ranging from 1.5% to 3.5% by portion of the property, located five kilometres southwest of downtown Timmins. The Company has the option to buy out portions of each of the NSRs.

The property covers 5 km of the Destor-Porcupine Tectonic Zone ("DPZ"), the main structure controlling gold deposits in the Timmins gold camp and lies approximately 11 km west of the Dome Mine, owned by Goldcorp Inc. and 14 km east of Lake Shore Gold Corp.'s Timmins Mine. Gold deposits in the Timmins camp occur in a variety of forms, but virtually all can be related to structural controls associated with major deformation zones, the foremost being the DPZ.

The property hosts at least five known gold-bearing zones, all of which are located near the area of historic underground mining on the property. The DeSantis Mine produced 35,800 ounces of gold from 178,650 tonnes of ore, which graded 6.2 g/t Au, during its intermittent production history.

Between 2011 and early 2013, Lateegra Gold and the Company completed 43 drill holes on the property. Drilling in 2011 and early 2012 achieved modest success testing Hydrothermal Alteration Zone and Albitite Zone targets. In late 2012 drilling resumed on the Albitite Zone and though no mineralization or recognizable Albitite Zone was encountered, the hole was continued and encountered a significant new hydrothermal alteration system, now referred to as the 16B Zone, 300 m into the footwall at approximately 1,050 m vertical. Sampling of this new zone returned assays of 0.51 g/t Au over 57.60 m, including 1.35 g/t Au over 6.15 m. Hole DS11-016D tested the zone 80 meters above and 20 meters to the west of DS11-016B while DS11-016F intersected the zone 30 meters to the east. DS11-016D returned 0.73 g/t Au over 6.80 m, including 2.88 g/t Au over 0.65 m while DS11-016F assayed 2.16 g/t Au over 31.70 m, including 4.09 g/t Au over 7.20 m. These results indicate that the 16B Zone increases in grade and alteration intensity to the east. The zone is open and most importantly, the up-dip extension of the zone has seen virtually no drilling between DS11-016 and surface. These intersections are core widths. True thicknesses are estimated to range between 35 and 55% of core widths.

Beschefer Property, Northwestern Quebec

The Company holds a 100% interest (subject to a 3% NSR) in the property, which is located within the Abitibi Greenstone Belt approximately 60 km northeast of the Casa Berardi Mine, 80 km east-southeast of the Detour Mine and 12 km east of the past producing Selbaie Mine. The Company has the option to buy out 1.75% NSR of the 3% NSR royalty for $1.5 million.

The property hosts the B14 gold zone, which was discovered in 1995 by Billiton Canada Inc. and apart from a short program by SOQUEM, the property has seen limited exploration since then. The gold mineralization is hosted within an Archean volcanic assemblage and consists of an intensely sheared and strongly sericite-, ankerite-, hematite-altered and sulphide-bearing deformation zone, which trends in a northeast-southwest direction across the property. Felsic to intermediate intrusives form an important component of the stratigraphy in many drill holes.

Following up on a five-hole program carried out in 2011 by Lateegra Gold, the Company completed 49 additional holes on the property during the winters of 2012 and 2013. B14 Zone results included 13.07 g/t Au over 8.75 m including 58.5 g/t Au over 1.50 m in BE12-014, 55.60 g/t Au (uncut) over 5.57 m (13.64 g/t Au cut to 34 g/t), including 224.0 g/t Au over 1.23 m in BE12-038 and 5.49 g/t Au (uncut) over 5.07 m (4.12 g/t Au cut to 34 g/t) in an upper zone and 5.43 g/t Au (uncut) over 8.00 m (3.28 g/t Au cut to 34 g/t) in the B14 Zone in BE13-042. Visible gold was found in two holes. All quoted intersections are core widths. True thicknesses are estimated to range between 75 and 90% of core widths.

Complete results of the 2012 and 2013 drilling programs at DeSantis and Beschefer are available on the Company's website or under the Company's profile on SEDAR at www.sedar.com.

Qualified Person

Mr. John Sullivan, BSc., PGeo., Excellon's Vice President of Exploration has acted as the Qualified Person, as defined in NI 43-101, with respect to the disclosure of the scientific and technical information contained in this MD&A.

Mr. Sullivan is an economic geologist with over 40 years of experience in the mineral industry. Prior to joining Excellon in 2007, he was a senior geologist at a Toronto-based international geological and mining engineering consulting firm where he evaluated properties and prepared NI 43-101 reports on gold and base metal projects in Canada and internationally. In addition, he has held senior positions with two large Canadian mining companies where he directed major exploration programs, managed field offices, and evaluated projects in Canada, Europe, Africa and Latin America. Mr. Sullivan is not independent of Excellon, as he is an officer of the Company.

COMMODITY PRICES AND MARKET CONDITIONS

The spot silver price has averaged $21/oz during Q1 and in the previous quarter as silver price volatility has declined since prices fell from $32/oz to $21/oz during the first half of 2013. Lower silver prices continue to impact the Company's revenues and operating profits for 2014 as silver is the Company's main product, accounting for approximately 63% of the Company's cash inflows from metals sold at current silver prices.

Average Commodity Prices	**Q1 2014**	Q4 2013	**Q1 2013**	**Change from Q1 2013**
Silver ($/oz)[(1)]	**20.49**	20.76	**30.08**	**-32%**
Lead ($/lb)[(2)]	**0.95**	0.96	**1.04**	**-8%**
Zinc ($/lb)[(2)]	**0.92**	0.87	**0.92**	**-**

Historical Average Prices		**Jan**	**Feb**	**Mar**	**Apr**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**
Silver ($/oz)[(1)]	**2014**	**19.91**	**20.83**	**20.74**									
	2013	31.11	30.33	28.80	25.20	23.01	21.11	19.71	21.84	22.56	21.92	20.76	19.61
	2012	30.77	34.14	32.95	31.55	28.67	28.05	27.43	28.70	33.61	33.19	32.77	31.96
Lead ($/lb)[(2)]	**2014**	**0.97**	**0.96**	**0.93**									
	2013	1.06	1.08	0.99	0.92	0.92	0.95	0.93	0.99	0.95	0.96	0.95	0.97
	2012	0.95	0.96	0.94	0.94	0.91	0.84	0.85	0.86	0.98	0.98	0.99	1.03
Zinc ($/lb)[(2)]	**2014**	**0.92**	**0.92**	**0.91**									
	2013	0.92	0.97	0.88	0.84	0.83	0.83	0.83	0.86	0.84	0.85	0.85	0.90
	2012	0.90	0.93	0.92	0.91	0.88	0.84	0.84	0.82	0.91	0.87	0.86	0.92

(1) Source: Kitco
(2) Source: LME

FINANCIAL RESULTS OF OPERATIONS

Financial statement highlights for three-month periods ended March 31, 2014 and 2013 and December 31, 2013 are as follows (in thousands of US dollars):

	Q1 2014 $	Q4 2013 $	Q1 2013 $
Revenues	10,536	7,445	10,055
Production costs	(6,804)	(5,987)	(5,706)
Depletion and amortization	(993)	(1,260)	(887)
Cost of sales	(7,797)	(7,247)	(5,963)
Gross profit	2,739	198	4,092
Expenses:			
General and administration	(1,185)	(1,448)	(1,783)
Exploration	(337)	(212)	(4,839)
Other – including finance cost	1,078	512	2,093
Income tax expense	(420)	(1,457)	(164)
Net income (loss) for the period	1,875	(2,407)	(601)

During the quarter, the Company generated net revenues of $10.5 million compared to $7.5 million in the previous quarter as silver equivalent ounces payable delivered increased from 466,391 oz to 565,129 oz in Q1, primarily due to improved by-product lead and zinc grades. As a result, gross profit improved from $0.2 million in Q4 2013 to $2.7 million in Q1. As the silver price has been stable over the last quarter, revenues were not negatively impacted by any mark-to-market adjustment on provisionally priced sales that had not been settled at the end of the quarter. However, the current period reflects a positive adjustment to sales of $0.9 million, primarily related to the reversal of the mark to market taken at year end as receivables were ultimately settled at higher values.

Sales are recorded using the metal price received for sales that settle during the reporting period. For sales that have not been settled, an estimate is used based on the expected month of settlement and the forward price of the metal at the end of the reporting period. The difference between the estimate and the final price received is recognized by adjusting sales in the period in which the sale is settled (i.e. finalization adjustment). The finalization adjustment recorded for these sales depends on the actual price when the sale settles, which occurs either one or two months after shipment under the current terms of the concentrate purchase agreements. Sales made prior to 2014 were under settlement terms of either one or four months after shipment.

The following table reconciles revenues recognized in the current quarter:

	Silver	Q1 2014 Lead	Zinc	Total
(000's)	**$**	**$**	**$**	**$**
Current period sales [(1)]	7,025	2,240	2,265	11,530
Prior period provisional adjustments [(2)]	843	38	7	888
Sales before TC/RC [(3)]	7,868	2,278	2,272	12,418
Less: TC/RC [(3)]				(1,882)
Total Sales				**10,536**

(1) Includes provisional price adjustments on current period sales.
(2) Prior period sales that settled at amounts different from prior quarter's estimate or remain unsettled at provisional amounts in the current period.
(3) TC/RC (Treatment Charges/Refining Charges).

Cost of sales increased from $5.7 million in Q1 2013 to $6.8 million in Q1 2014 due to (i) greater concentrate sales during the period (totalling a 33% increase in silver equivalent ounces payable delivered) and (ii) increased production costs from water management in the 6A Manto, resulting in increased electricity costs and additional consumable expenses.

Exploration cost during the period was $0.4 million in Q1 2014 compared to $4.8 million in Q1 2013, as both Mexico and Canada drilling programs were limited in consideration of low commodity prices.

Cash general and administrative expenses incurred in Canada decreased by approximately $0.3 million in Q1 2014 relative to the same period in 2013 and remained stable relative to the fourth quarter of 2013 as the Company maintained cost reduction measures in the corporate head office in Toronto. Non-cash general and administrative expenses totaled $0.7 million in Q1 2013 compared to $0.3 million in Q1, primarily relating to differing share based compensation expenses incurred during the period.

Other gains during the period include an unrealized gain of $0.3 million in Q1 2014 (Q1 2013 – loss of $0.3 million) on marketable securities comprising 344,000 units of the Sprott Physical Silver Trust, representing an underlying investment in 134,732 ounces of silver. Other expenses also include unrealized foreign exchange gains and losses of the Company. At the end of the year, the strengthening of the USD relative to the Mexican peso and Canadian dollar resulted in unrealized foreign exchange gains on an intercompany loan that is foreign to the functional currency of the reporting entity. The net impact was an unrealized gain of $0.8 million for Q1 2014 compared to an unrealized gain of $1.9 million in Q1 2013.

On December 11, 2013, the Mexican government enacted a tax reform on mining companies which included a 7.5% mining royalty payable on net profits derived from sales of minerals, 0.5% royalty on net sales from gold and silver, and maintaining the current corporate tax rate of 30% (previously scheduled as 29% in 2014 and 28% in 2015), effective January 1, 2014. The introduction of the royalty results in temporary differences as property plant and equipment will have book basis but no tax basis for the purpose of the royalty. As a result of this royalty, the Company recognized $0.1 million in deferred tax expense in Q1 2014 (Q1 2013 – nil).

SUMMARY OF QUARTER RESULTS

The following table sets forth selected quarterly information for the last eight quarters (in thousands of US dollars except for per share amounts).

Quarter ended		Q1 2014		*Q4 2013		Q3 2013		**Q2 2013
Revenue	$	10,536	$	7,445	$	11,645	$	4,187
Income (loss) before income taxes	$	2,295	$	(950)	$	4,290	$	(6,520)
Net income (loss)	$	1,875	$	(2,407)	$	3,002	$	(5,035)
Earnings (loss) per share – basic	$	0.03	$	(0.04)	$	0.05	$	(0.09)
– diluted	$	0.03	$	(0.04)	$	0.05	$	(0.09)

Quarter ended		Q1 2013		***Q4 2012		***Q3 2012		Q2 2012
Revenue	$	10,055	$	9,113	$	60	$	13,994
Income (loss) before income taxes	$	(437)	$	(1,821)	$	(5,523)	$	1,283
Net income (loss)	$	(601)	$	6,660	$	(4,350)	$	478
Earnings (loss) per share – basic	$	(0.01)	$	0.12	$	(0.08)	$	0.01
– diluted	$	(0.01)	$	0.12	$	(0.08)	$	0.01

* Profits impacted by low silver price and non-cash tax adjustments at year end.
** Revenues impacted by lower tonnage mined and $3.0 million charge against revenues for provisional price adjustments due to significant silver price decline during the quarter.
*** Mine production was suspended during Q3 2012 and one month of Q4 2012 due to an illegal blockade.

Quarterly revenue fluctuations are a function of metal prices and the volume of ore mined as well as ore grades. The Company expenses exploration costs, which creates volatility in earnings from period to period based on planned exploration expenditures.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2014, the Company's cash and cash equivalents were $4.0 million (December 31, 2013 - $2.6 million), and working capital was $11.8 million (December 31, 2013 - $10.3 million). As at March 31, 2014, the Company's trade receivables were $2.3 million (December 31, 2013 - $1.8 million).

The Company has invested $5.0 million in 344,000 units of marketable securities of the Sprott Physical Silver Trust representing an underlying investment of 134,732 ounces of silver. As at March 31, 2014, the value of these securities was $2.9 million (December 31, 2013 - $2.6 million).

Net cash provided by operations was $2.3 million in Q1 2014, an improvement relative to $2.2 million in Q1 2013 despite lower silver prices in the current quarter.

In 2014, the Company entered into new sale agreements with Trafigura with the most notable amendments being the settlement terms of one or two months after delivery (M+1 or M+2) compared to the previous terms of one or four months after delivery (M+1 or M+4). The new agreements have already reduced the Company's exposure to declining prices and provide more certainty in respect of cash inflows.

The Company also secured a $5.0 million line of credit facility (the "Facility") with Trafigura to provide additional working capital flexibility over the next two years. Pursuant to the Facility, Excellon may draw down up to $5.0 million in the minimum amount of $500,000 until no later than December 31, 2014. Any amounts drawn down under the facility bear interest at a rate of one month US LIBOR plus 5% and shall be repaid in twelve equal monthly installments from deliveries made during 2015. The Facility has other terms and conditions customary to a facility of this type. As of April 29, 2014, Excellon had not drawn down any amounts under the Facility nor had it provided any notice to Trafigura of its intention to do so.

The Company invested $0.5 million in capital expenditures for mine development in Q1 compared to $1.1 million in Q1 2013. The Company continuously reviews its capital expenditure program to ensure its capital resources are utilized in a responsible and sustainable manner to conserve cash during periods of low commodity prices.

The primary source of funds available to the Company is cash flow generated by the Platosa Mine.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The corporate secretary of the Company is a partner in a firm that provides legal services to the Company. During the quarter, the Company incurred legal services of $20,000 (Q1 2013 – $43,000) with an outstanding payable balance of $20,000 at March 31, 2014 (March 31, 2013 – $14,000).

COMMON SHARE DATA (as at April 29, 2014)

Common shares outstanding	54,969,597
Stock options granted	3,192,000
Total	58,161,597

RISK AND UNCERTAINITIES

The Company is exposed to many risks in conducting its business, including but not limited to: metal price risk since the Company derives its revenues from the sale of silver, lead and zinc; 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 and risks associated with labour relations issues. The current or future operations of Excellon including ongoing commercial production 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. Further factors affecting the Company are described in the Annual Information Form on SEDAR (www.sedar.com).

During Q3 2012, the Company sued the Ejido La Sierrita (the "Ejido) to terminate a surface rights agreement ("SRA") in respect of the surface rights to 1,100 hectares of exploration ground west and northwest of the La Platosa Mine and for various damages relating to an illegal blockade of the mine during Q3 and part of Q4 2012. The Ejido also sued for termination of the SRA, one week after being advised of Excellon's suit.

During and subsequent to the end of the period, the Agrarian Court held a series of hearings of the suit between the Company and the Ejido. During these hearings, the Company demonstrated its willingness to negotiate a purchase or lease from the Ejido of 10 of the 1,100 hectares on which certain non-essential and movable infrastructure is located. This offer was made to avoid the time, cost and inconvenience of moving this infrastructure. To date, the Ejido has refused to negotiate in respect of these hectares and the Company will take such other legal measures as necessary to further its claims against the Ejido for damages.

The Company determination to sue for rescission of the SRA was driven by a need to limit the risk exposure of the SRA on La Platosa production capabilities. This decision was subsequently validated and solidified by current capital markets conditions and has become an element of Excellon's business strategy. Excellon also intends to continue its suit against the Ejido for damages relating to the illegal blockade of the mine.

Excellon holds approximately 41,000 hectares of mineral and mining rights at La Platosa. These rights entitle the Company to explore for and mine minerals at La Platosa and in an extensive surrounding area. Excellon also owns all surface rights needed to produce silver from the La Platosa Mine and conduct further surface and underground exploration for further high-grade manto mineralization and the CRD/Source of the La Platosa mantos.

The Company's operations in Mexico are subject to Mexican federal and State laws and regulations. In 2013, the Mexican Congress approved a tax reform package, which came into effect on January 1, 2014. The tax reform includes, among other things, repealing the previous planned reduction of corporate tax rates to 29% in 2014 and 28% in 2015, a broadened tax base, the elimination of the single rate business tax, the introduction of a 7.5% mining royalty on profits derived from the sale of minerals and the introduction of an extraordinary mining royalty of 0.5% on the gross income derived from the sale of precious metals. In addition, a new 10% withholding tax on dividend distributions to non-residents (subject to income tax treaty provisions) will be imposed at the distributing company level. The tax reform applies on a prospective basis and therefore could have a material impact on the Company's future earnings and cash flows, and possibly on future capital investment decisions.

In 2013, the Mexican tax authority (Servicio de Administración Tributaria – "SAT") in the state of Zacatecas completed an income tax audit of the 2008 and 2009 years in respect of one of the Company's Mexican subsidiaries. As a result of this audit, on February 24, 2014 and March 13, 2014 the Company received notice of reassessments from SAT for 2009 and 2008 respectively, denying deductions in the amount of 115.2 million pesos (USD$8.8 million) and 72.9 million pesos (USD$5.6 million) respectively that relate primarily to foreign exchange losses. The combined impact of the 2009 and 2008 is a reduction in the available non-capital loss balance totaling 188.1 million pesos (USD$14.4 million), which, consequently, would result in a reduction in the deferred tax asset balance of USD$4.3 million and a corresponding increase in deferred income tax expense. In addition, the Company would be subject to penalty and interest, an amount that has not been included in this estimate.

The Company is of the view, with support from its tax advisors, that there is a strong case to support the Company's position, particularly because the SAT has made adjustments to foreign exchange losses but has not made offsetting adjustments to foreign exchange gains. Accordingly, the Company has appealed the 2008 and 2009 reassessment through the SAT's appeals procedures, a process that could take up to 24 months before a final decision is made.

The Company believes, based on the tax advice from its tax advisors, that it is more likely than not that its position will be sustained and no amounts related to this issue have been recorded in the condensed Interim consolidated financial statements as at March 31, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Management has designed and implemented internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Management has designed disclosure controls and procedures ("DC&P") to provide a reasonable assurance that (i) material information relating to the Company is made known to them by others, particularly during the period in which the annual filings are being prepared and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. There were no changes in ICFR during the quarter ended March 31, 2014.

ADDITIONAL SOURCES OF INFORMATION

Additional disclosures pertaining to the Company, including its most recent audited and unaudited interim financial statements, management information circular, material change reports, press releases and other information, are available on the SEDAR website at www.sedar.com or on the Company's website at www.excellonresources.com.

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation and applicable U.S. securities laws. Except for statements of historical fact relating to the Company, such forward-looking statements include, without limitation, statements regarding the future results of operations, performance and achievements of the Company, including potential property acquisitions, the timing, content, cost and results of proposed work programs, the discovery and delineation of mineral deposits/resources/reserves, geological interpretations, the potential of the Company's properties, proposed production rates, potential mineral recovery processes and rates, business plans and future operating revenues. Forward-looking statements are made based on management's beliefs, estimates, assumptions and opinions on the date the statements are made. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct and the Company undertakes no obligation to update forward-looking statements. Forward-looking statements are typically identified by words such as: believes, expects, anticipates, intends, estimates, targets, plans, postulates, and similar expressions, or are those which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward-looking statements as a result of various risk factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, significant downward variations in the market *price of any minerals produced (particularly silver), the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. A description of the risk factors applicable to the Company can be found in the Company's most recent Annual Information Form under "Description of the Business – Risk Factors." All of the Company's public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties, and particularly the latest NI 43-101-compliant technical report, dated March 25, 2014, prepared by Roscoe Postle Associates Inc. with respect to the Platosa Property. This document is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.*

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The terms "Measured," "Indicated" and "Inferred" Mineral Resources used or referenced in this MD&A are defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves. The CIM standards differ significantly from standards in the United States. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category or that Mineral Resources will ever be upgraded to Mineral Reserves. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies other than a Preliminary Economic Assessment ("PEA"). United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable, or that a Measured or Indicated Mineral Resource is economically or legally mineable.

Cautionary Note to United States Investors regarding Adjacent or Similar Properties

This MD&A 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 United States Securities and Exchange Commission'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.