EXCELLON

Management's Discussion & Analysis of Financial Results
For the three month period ended March 31, 2015
May 13, 2015

Excellon Resources Inc. (the "Company" or "Excellon") has prepared this Management's Discussion and Analysis of Financial Results ("MD&A") for the year ended March 31, 2015 in accordance with the requirements of National Instrument 51-102 ("NI 51-102").

This MD&A contains information as at May 13, 2015 and provides information on the operations of the for the three month periods ended March 31, 2015 and 2014 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, 2015 and the audited consolidated financial statements for the year ended December 31, 2014 and the related notes for the year then ended filed on SEDAR. The audited consolidated financial statements for the year ended December 31, 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures in this MD&A are in U.S. 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 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 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 2015	Q4 2014	Q1 2014
Revenues [(1)]	$ 5,055	$ 4,234	$ 10,536
Earnings/(loss) from mining operations	$ (352)	$ (2,345)	$ 2,739
Net loss	$ (237)	$ (2,586)	$ 1,875
Earning/Loss per share - basic	$ (0.00)	$ (0.05)	$ 0.03
Silver ounces produced	217,079	206,343	365,941
Silver ounces payable	204,224	176,492	349,711
Silver equivalent ounces produced [(2)]	408,095	366,272	589,881
Silver equivalent ounces payable [(2)]	379,279	307,100	565,129
Total cash cost per silver ounce payable	$ 14.24	$ 24.39	$ 11.76
All-in sustaining cost per silver ounce payable	$ 20.69	$ 38.66	$ 17.28
Average realized silver price per ounce sold [(3)]	$ 16.22	$ 16.63	$ 20.60

(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

Tonnages mined and milled of 13,920 tonnes and 13,828 tonnes in Q1 2015 reflect a 28% and 27% decrease, respectively, compared to Q1 2014. Operations during Q4 2014 were development-focused with increased water management activities. Increased development continued in Q1 2015, but tonnage mined and milled improved by 29% and 18% respectively from the previous quarter as the Company increased production from the periphery of the 623 Manto, while mining in areas 6A, Guadalupe North and South as planned.

Silver grades of 533 g/t in Q1 2015 were lower than the 614 g/t mined in Q1 2014, though in line with grades expected from mine planning. Lead grades of 5.37% decreased by 20% compared to Q1 2014, while zinc grades of 8.83% improved by 9% over the same period.

Silver recoveries of 91.7% in Q1 2015 were comparable to 92.7% recoveries in Q1 2014. While lead recoveries of 79.2% represent a 6% declined from Q1 2014, zinc recoveries of 83.7% represent a 4% improvement compared to the same period of last year.

As a result of lower tonnage and grades mined and milled in Q1 2015, silver production decreased by 41% compared to Q1 2014 to 217,079 ounces in Q1 2015. Lead and zinc production were similarly lower by 47% and 15%, respectively, relative to Q1 2014. Improved zinc grades and recoveries in Q1 2015 relative to the comparable period reduced the overall impact of lower mined tonnes, resulting in zinc production of 2.2 million pounds, a 15% decrease from Q1 2014. Overall the Company produced 408,095 silver equivalent ounces in Q1 2015 compared to 589,881 silver equivalent ounces in Q1 2014.

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

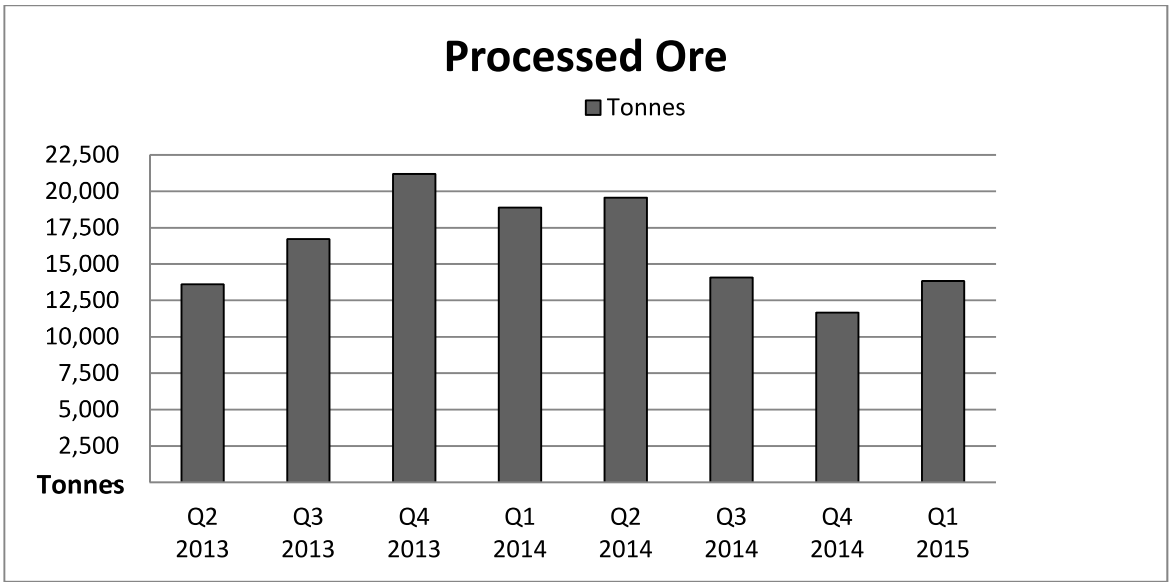
		Q1 2015[(1)]	Q4 2014[(1)]	Q1 2014[(1)]
Tonnes of ore produced		13,920	10,794	19,202
Tonnes of ore processed		13,828	11,671	18,890
Ore grades:				
	Silver (g/t)	533	632	614
	Lead (%)	5.37	6.00	6.67
	Zinc (%)	8.83	8.28	8.12
Recoveries:				
	Silver (%)	91.7	93.1	92.7
	Lead (%)	79.2	75.7	84.2
	Zinc (%)	83.7	79.6	80.8
Production:				
	Silver – (oz)	217,079	206,343	365,941
	Silver equivalent (oz) [(2)]	408,095	366,272	589,881
	Lead – (lb)	1,252,796	1,136,853	2,346,766
	Zinc – (lb)	2,239,313	1,656,332	2,629,682
Payable:				
	Silver – (oz)	204,224	176,492	349,711
	Silver equivalent (oz) [(2)]	379,279	307,100	565,129
	Lead – (lb)	1,253,665	1,013,644	2,358,184
	Zinc – (lb)	1,960,490	1,275,349	2,428,881
Realized prices: [(3)]				
	Silver – ($US/oz)	16.22	16.63	20.60
	Lead – ($US/lb)	0.81	0.90	0.94
	Zinc – ($US/lb)	0.93	0.99	0.91

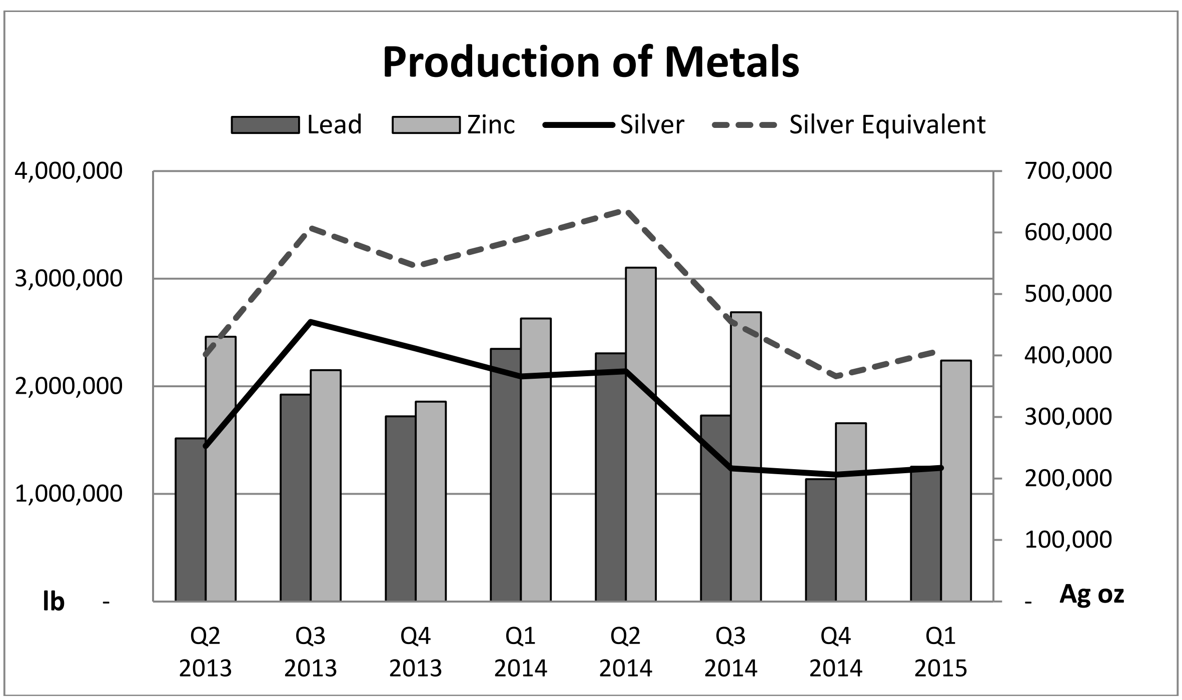
(1) Period deliveries remain subject to assay and price adjustments on final settlement with concentrate purchaser. Data has been adjusted to reflect final assay and price adjustments for prior period deliveries settled during the period.

(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 the impact of prior period provisional adjustments in the period.

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





TOTAL CASH COST PER SILVER OUNCE PAYABLE

Total cash cost net of by-product credits decreased by 29% to $2.9 million in Q1 2015 compared to $4.1 million in Q1 2014. During Q1 2015, the Company delivered 204,224 silver ounces payable compared to 349,711 silver ounces payable in Q1 2014, primarily due to lower tonnes and grades as development and water management efforts continue to be a focus in Q1 as discussed above in "Mine Operation and Production." While costs have improved quarter over quarter, lower grades and lower by-product production resulted in a total cash cost per silver ounce payable of $14.29 for Q1 2015 compared to $11.76 for Q1 2014. The Company's cash cost has improved significantly from $24.39 in the previous quarter as production improved and water management costs lessened. 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, as 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 2015	Q4 2014	Q1 2014
	$ 000's	**$ 000's**	**$ 000's**
Cost of sales	5,407	6,578	7,797
Adjustments - increase/(decrease):			
Depletion and amortization	(847)	(877)	(993)
Third party smelting and refining charges (1)	1,214	1,026	1,882
Royalties (2)	(17)	(22)	(23)
By-product credits (3)	(2,849)	(2,400)	(4,550)
Total cash cost net of by-product credits	**2,908**	**4,305**	**4,113**
Silver ounces payable	204,224	176,492	349,711
Total cash cost per silver ounce payable ($/oz)	**14.24**	**24.39**	**11.76**

(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.

Total cash cost 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

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.

Costs excluded from AISC are non-sustaining capital expenditures and exploration costs (as described above), financing costs, tax expense, and any items that are deducted for the purposes of adjusted earnings.

The Company's AISC per silver ounce payable was $20.69 during Q1 2015 compared to $17.27 in Q1 2014, almost entirely related to lower tonnage and production grades. Quarter-over-quarter, AISC has improved from $38.66 in Q4 2014, when significant sustaining capital expenditures for development were incurred. Total sustaining costs of $1.3 million in Q1 2015 were a 32% improvement from Q1 2014 and a 48% from the prior quarter as low silver prices continue to require considerable cost reductions in general administration and the deferral of sustaining capital expenditures to future periods. Considering the Platosa mine's AISC, current metal prices, increasing unit costs and the remaining life of the Company's Platosa mine, additional financing may be required in the future to increase mine development and to drill for additional mineable resources.

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

	Q1 2015		Q4 2014		Q1 2014	
	$ 000's	**$/oz**	**$ 000's**	**$/oz**	**$ 000's**	**$/oz**
Total cash costs net of by-product revenue	**2,908**	**14.24**	**4,305**	**24.39**	**4,113**	**11.76**
General and administrative costs (cash)	614	3.01	844	4.78	848	2.42
Share based payments (non-cash)	128	0.63	55	0.31	267	0.76
Accretion and amortization of reclamation costs (non-cash)	38	0.19	37	0.21	50	0.14
Sustaining exploration (manto resource exploration/drilling)	146	0.70	203	1.15	235	0.67
Sustaining capital expenditures (1)	392	1.92	1,380	7.82	531	1.52
Sustaining costs	**1,318**	**6.45**	**2,519**	**14.27**	**1,931**	**5.51**
All-in sustaining costs (2)	**4,226**	**20.69**	**6,824**	**38.66**	**6,044**	**17.27**
Silver ounces payable		**204,224**		**176,492**		**349,711**
Realized silver price per ounce sold (3)		**16.22**		**16.63**		**20.60**

(1) Capital expenditure includes sustaining capital expenditures and capitalized development costs.
(2) Excluding non-cash items, AISC per payable silver ounce was $19.87(Q1 2015), $38.14 (Q4 2014), and $16.37 (Q1 2014).
(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

Platosa Property

This Platosa property covers 40,854 ha and the initial mining concessions and private lands were acquired by the Company in 1996. The La 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 and into 2014 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 intrusive contact deposits.

In March 2014, the Company released an updated mineral resource estimate as at December 31, 2013 for the Platosa project. During 2014 only 13% of mine production was mined from areas within the mineral resource model. This equates to only a very small depletion of the measured plus indicated resource during 2014. There was therefore no material change in this estimate, which remains current. The remainder of 2014 production was from outside the model, mainly fringe areas of the mantos where it was not practical to drill holes more tightly than the nominal 15 m spacing employed historically for definition drilling at Platosa. Given the irregular shape of the mantos it is not unusual that their outer edges are not defined precisely by drilling and during mining activities when sulphides are found to extend beyond the model boundaries in economic amounts, mining continues. As part of the PEA discussed earlier in this document RPA will be updating the mineral resource estimate to account for mining depletion. A summary of the current 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 (%)	AgEq (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.*

In Q1 2015, exploration activity at Platosa was kept at a relatively low level as part of the Company’s cash-conservation program.

In general, recent exploration at Platosa has focused on two target types and this focus is being maintained as Company geologists plan future programs on the property, a large portion of which remains underexplored.

The first target is located in an irregularly-shaped area extending roughly 1.5 km from the La 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 various 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 current Mineral Resource estimate;
- 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, east and southeast of the known mantos.

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 resulted in 13 holes intersecting significant Source-style skarn Ag, Pb, Zn sulphide mineralization hosted by marble beneath the contact with a relatively impermeable hornfels unit. The mineralization is also anomalous in Au, a new and positive development at Platosa. In addition to being of potential economic importance Au can serve as a vectoring tool for future drilling. 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; 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 tested 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. In 2014 the Company carried out a 2D seismic reflection survey along a 2.1 km test-line laid out to pass over the high-grade Pierna and NE-1 mantos, neither of which has been mined to date. Several strong, sub-vertical

structures were outlined as were the contacts between the various carbonate, hornfels and marble units. Although the survey did not detect the known mantos structure plays a very important role in the emplacement of both proximal and distal CRD mineralization and having more precise knowledge of the structural environment underlying the property can aid exploration considerably. As such consideration is being given to the future use of 3D seismic surveying as a structural mapping tool in conjunction with other geophysical data as the Company continues the exploration program on largely underexplored portions of the property.

Exploration drilling at Platosa remains temporarily halted due to the continued low price of silver, however, planning for additional drilling continues. Significant potential remains for further new manto discoveries as the deposit area is open to the north, northeast, east and southeast of the known mantos and once drilling resumes additional holes will be drilled in the NE-1 Manto and 6A Manto areas. Holes have also been planned for previously inaccessible areas northeast of but close to NE-1. The planning exercise includes revisiting all the geophysical data gathered for the property, particularly since 2007, with a view to highlighting anomalies and anomalous areas that combined with the Company's now vast drilling-based geological database may be more important than once thought. This review has the potential to impact target generation for both distal and proximal mineralization. With regard to exploration for a large-tonnage proximal deposit the emphasis will again be 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. The following table documents several of the significant intersections cut to date in the Rincon corridor northwest of the La Platosa Mine:

Location	DDH No.	Interval From (m)	Interval To (m)	Interval Width (m)*	Silver (g/t)	Lead (%)	Zinc (%)	Gold (g/t)
Rincon del Caido	**LP1019**	**516.70**	**572.16**	**55.46**	**132**	**3.13**	**1.74**	**0.075**
	incl.	546.83	549.80	2.97	236	7.18	5.46	0.146
	and	562.73	566.00	3.27	264	10.41	7.59	0.041
	LP1023A	513.00	515.00	2.00	610	3.08	0.11	0.571
	and	**525.65**	**569.05**	**43.40**	**146**	**2.76**	**1.85**	**0.216**
	incl.	530.60	536.40	5.80	381	10.63	11.51	0.354
	LP1030	**498.90**	**509.23**	**10.33**	**185**	**5.22**	**5.58**	**0.478**
	and	579.27	581.02	1.75	444	8.81	5.97	0.067
	and	**590.04**	**596.72**	**6.68**	**409**	**10.23**	**8.37**	**0.114**
	LP1038	**491.80**	**499.05**	**7.25**	**21**	**0.74**	**3.57**	**13.066**
	incl.	497.10	499.05	1.95	72	2.40	11.74	39.430
* All intervals are core widths. Further geologic information is required in order to estimate true thicknesses.								

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 Company's Miguel Auza property 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 been 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 Colonial times 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 the Company's 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.

The Property was reduced in size to 14,000 ha at the end of 2014. The heart of the property and areas with the best remaining exploration potential were retained, while peripheral areas of the project were reduced to reduce the carrying costs associated with the property.

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 silver price averaged less than $17/oz during Q1 2014 compared to over $20/oz in Q1 2014. Lead prices declined to an average of $0.82/lb during Q1 2014, 14% lower than Q1 2014**.** Zinc prices averaged $0.95/lb during Q1 2014 or 3% higher than in Q1 2014, though zinc prices were declining during Q4 2014 and Q1 2015. While low silver prices have impacted the Company's revenues and operating profits, lead and zinc account in the aggregate for 46% (Q1 2014 – 36%) of the Company's cash inflows from metals sold at current prices.

Average Commodity Prices	**Q1 2015**	**Q1 2014**	**Change**
Silver ($/oz)[(1)]	16.72	20.49	-18%
Lead ($/lb)[(2)]	0.82	0.95	-14%
Zinc ($/lb)[(2)]	0.95	0.92	3%

Historical Average Prices		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Silver ($/oz) (1)	**2015**	**17.10**	**16.84**	**16.22**									
	2014	19.91	20.83	20.74	19.71	19.36	19.78	20.92	19.80	18.49	17.19	15.97	16.24
	2013	31.11	30.33	28.80	25.20	23.01	21.11	19.71	21.84	22.56	21.92	20.76	19.61
Lead ($/lb)(2)	**2015**	**0.84**	**0.82**	**0.81**									
	2014	0.97	0.96	0.93	0.95	0.95	0.95	0.99	1.01	0.96	0.92	0.92	0.88
	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
Zinc ($/lb)(2)	**2015**	**0.96**	**0.96**	**0.92**									
	2014	0.92	0.92	0.91	0.92	0.93	0.96	1.05	1.06	1.04	1.03	1.02	0.99
	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

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

FINANCIAL RESULTS OF OPERATIONS

Financial statement highlights for the three-month periods ended March 31, 2015 and 2014 and December 31, 2014 as follows (in thousands of US dollars):

	Q1 2015 $	Q4 2014 $	Q1 2014 $
Revenues	5,055	4,234	10,536
Production costs	(4,560)	(5,702)	(6,804)
Depletion and amortization	(847)	(877)	(993)
Cost of sales	(5,407)	(6,579)	(7,797)
Earnings/(loss) from mining operations	(352)	(2,345)	2,739
Expenses:			
General and administration	(792)	(940)	(1,185)
Exploration	(226)	(269)	(337)
Other – including finance cost	524	(1,076)	1,078
Income tax recovery (expense)	609	2,044	(420)
Net income (loss) for the period	(237)	(2,586)	1,875

The Company recorded a net loss of $0.2 million in Q1 2015 compared to net income of $1.9 million in Q1 2014. During Q1 2015, the Company generated lower net revenues of $5.1 million compared to $10.5 million of Q1 2014 primarily due to lower produced tonnage, lower grades and lower silver prices. Increased development and water management resulted in increased consumable and maintenance costs per tonne of ore produced during the period.

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 terms of the current concentrate purchase agreements.

Sales made prior to 2014 were under settlement terms of either one or four months after shipment. The change in settlement terms has reduced the impact of price volatility on revenues and cash flows.

As the silver price was relatively stable during Q1 2015, revenues were not significantly impacted by any marked-to-market adjustment on provisionally priced sales that had not been settled at the end of 2014. During Q1 2014, marked-to-market adjustments on provisionally priced sales at the end of 2013 positively impacted revenues by $0.9 million as provisional priced sales settled at higher prices in 2014.

Revenues recognized in the comparable periods are reconciled below (in thousands of US dollars):

		Q1 2015		
	Silver	**Lead**	**Zinc**	**Total**
	$	**$**	**$**	**$**
Current period sales (1)	3,320	1,020	1,858	6,198
Prior period provisional adjustments (2)	100	(27)	(2)	71
Sales before TC/RC (3)	3,420	993	1,856	6,269
Less: TC/RC (3)				(1,214)
Total Sales				**5,055**

		Q1 2014		
	Silver	**Lead**	**Zinc**	**Total**
	$	**$**	**$**	**$**
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 were unsettled and marked to market at provisional amounts at period end.
(3) TC/RC (Treatment Charges/Refining Charges).

Cost of sales decreased by $2.4 million to $5.4 million in Q1 2015 compared to the same period of 2014. In Q1 2015, production was limited to 13,920 tonnes mined, as discussed above. Development increased by 43% to 306 metres in Q1 2015 compared to 214 metres in Q1 2014, including key access ramp development of 95 metres in Area 6A and 92 metres in Area 623. Maintenance cost decreased in Q1 2015 as significant maintenance overhauls on major pumps and mobile equipment were completed in the prior quarter to improve availability and reduce future repair costs, which have been reflected in the reduced cost in Q1. Overall unit costs continue to improve, despite lower production, and should be reflected in total cash costs when normal operational run rates are achieved. The Company's cost savings initiative programs continue to be implemented at the mine site and are expected to result in ongoing reductions in per unit costs.

Cash general and administrative expenses of $0.60 million in Q1 2015 compared to $0.85 million in Q1 2014 represents a 28% cost reduction reflecting continued cost discipline at the corporate head office in Toronto during both periods.

Exploration cost during the period was $0.2 million in Q1 2015, similar to $0.3 million in Q1 2014, as the Company continues to perform desktop studies on previously completed drilling and surveying results. Exploration in both Mexico and Canada was limited during the quarter to conserve funds in the current silver price environment.

Other expenses include unrealized and realized foreign exchange gains and losses of the Company. The Company recorded foreign exchange gains of $0.5 million in Q1 2015 compared to foreign exchange gains of $0.8 million in Q1 2014. In addition, the Company recorded an unrealized loss of $0.3 million in Q1 2014 on marketable securities that were held at the end of the period.

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 2015**		**Q4 2014**		**Q3 2014[1]**		**Q2 2014**
Revenue	$	5,055	$	4,234	$	7,205	$	8,792
Income (loss) before income taxes	$	(846)	$	(4,630)	$	(2,388)	$	(96)
Net income (loss)	$	(237)	$	(2,586)	$	(17,870)	$	(711)
Earnings (loss) per share – basic	$	(0.00)	$	(0.05)	$	(0.33)	$	(0.01)
– diluted	$	(0.00)	$	(0.05)	$	(0.32)	$	(0.01)
Cash flow from (used in) operations before changes in working capital	$	430	$	(1,528)	$	(1,077)	$	1,620

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)
Cash flow from (used in) operations before changes in working capital	$	2,136	$	790	$	4,766	$	(3,280)

(1) Net income includes recognition of impairment charges of $15.5 million on exploration properties in Canada.

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

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2015 the Company's cash and cash equivalents totaled $1.3 million (December 31, 2014 – $3.5 million) and working capital totaled $5.1 million (December 31, 2014 – $6.2 million). As at March 31, 2015, the Company's trade receivables were $1.9 million (December 31, 2014 – $1.8 million).

During Q1 2015, net cash from operations before changes in working capital was $0.4 million (Q1 2014 - $2.1 million) with overall net cash used in operations of $0.7 million in Q1 2015 (Q1 2014 – $2.3 million provided by operations).

The Company invested $0.4 million in capital expenditures for mine development in Q1 2015 compared to $0.5 million in Q1 2014 and $1.4 million in Q4 2014, during which considerable development was required. Mine development continues to be a priority for 2015 as the Company prepares to access higher grade mantos at lower mining depths. A continuous review of capital expenditure programs ensures the Company's 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. The Company must secure sufficient funding to cover continued reductions on margins should silver price remain at current price levels in order to meet current liabilities and capital expenditure requirements at its operating mine in Mexico. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management is pursuing financing alternatives to fund the Company's operations so it can continue as a going concern. Management plans to secure the necessary financing through a combination of equity and debt instrument arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

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 Q1 2015, the Company incurred legal services of $24,000 (Q1 2014 – $20,000) with an outstanding payable balance of $40,000 at March 31, 2015 (March 31, 2014 – $20,000).

COMMON SHARE DATA (as at May 13, 2015)

Common shares outstanding	54,958,121
Stock options granted	3,392,000
DSUs granted	636,685
RSUs granted	523,507
Total	59,510,313

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 filed 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.

Since filing of the suits, the Agrarian Court has held a series of hearings 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's decision 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 in 2012.

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 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, 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 reassessments 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. Management believed that the Company's position on these deductions was strong, particularly as the SAT made adjustments to foreign exchange losses, but did not make offsetting adjustments to foreign exchange gains recognized in the same periods. Accordingly, the Company appealed the 2008 and 2009 reassessments through the SAT's appeal procedures. As management believed that it was more likely than not that the Company's position would be sustained, no amounts related to this issue were recorded in the financial statements as of December 31, 2013.

In December 2014, the Company was notified by the SAT that a favourable resolution had been issued, confirming the Company's tax treatment of the foreign exchange losses in its 2009 annual tax return. This resolution should also support the tax treatment that was previously denied in the 2008 tax return, for which the appeal remained outstanding at the end of the period. Accordingly, management believes, based on the tax advice from its tax advisors that it is more likely than not that the Company's position will be sustained. Consequently, no amounts related to this issue have been recorded in the financial statements as of December 31, 2014 and as at March 31, 2015.

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. The Company's internal control framework was designed based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO", 1992).

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, 2015.

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.