EXCELLON

Management's Discussion & Analysis of Financial Results

For the three month period ended March 31, 2013

April 30, 2013

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 March 31, 2013 in accordance with the requirements of National Instrument 51-102 ("NI 51-102"). This MD&A contains information as at April 30, 2013 and provides information on the operations of the Company for the three month periods ended March 31, 2013 and 2012 and subsequent to the year end, and should be read in conjunction with the unaudited interim consolidated financial statements for the three month period ended March 31, 2013 and the audited consolidated financial statements for the year ended December 31, 2012 filed on SEDAR.

The unaudited interim consolidated financial statements for the three month period ended March 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.

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Description of Business

Excellon is exploring, developing and mining the high-grade silver-lead-zinc mineralization on its 40,864-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 Consorcio Minero de Mexico Cormin Mex, S.A. de C.V., a Trafigura Group Company.

On October 25, 2011, the Company reported an updated Mineral Resource estimate for the Platosa Mine. The estimate was prepared as at July 31, 2011. The new Measured plus Indicated Mineral Resource estimate was 637,000 tonnes grading 836 g/t (24.4 oz/T) Ag, 8.95% Pb, 10.58% Zn. The report confirmed that the Mineral Resource at Platosa had been maintained and expanded since the previous estimate.

Platosa Project – Mineral Resource Estimate (as of July 31, 2011)

Category	Tonnes (t)	Ag (g/t)	Ag (oz/T)	Pb (%)	Zn (%)	Contained Ag (oz)	Contained Pb (lb)	Contained Zn (lb)
Measured	88,000	1,064	31.0	9.14	11.99	3,016,000	17,760,000	23,301,000
Indicated	549,000	800	23.3	8.92	10.36	14,104,000	107,918,000	125,248,000
M + I	637,000	836	24.4	8.95	10.58	17,120,000	125,678,000	148,549,000
Inferred	69,000	1,011	29.5	11.35	11.34	2,241,000	17,254,000	17,247,000

Notes:
1. *CIM guidelines were followed for the classification of Mineral Resources.*
2. *Mineral Resources are estimated at an incremental NSR cut-off value of US$200 per tonne.*
3. *NSR metal price assumptions: Ag US$25.00/oz, Pb US$1.15/lb, Zn US$1.15/lb.*
4. *Estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability.*
5. *National Instrument 43-101 compliant 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 July 31, 2011.*
6. *Totals may not add correctly due to rounding.*

Mine Operations

Mined tonnage in the first quarter of 2013 exceeded those of the first quarter of 2012 by 7.2%. During the quarter, mine development was undertaken to access higher grade mineralization in the 6A, Guadalupe South and 623 mantos. During this period of development, lower silver grade mineralization was mined. Grades are expected to improve during the rest of the year. Despite the lower grades, the Company was still able to improve its silver and lead recoveries. Due to lower silver grades, silver production was 312,167 ounces, a decrease of 28.5% in comparison to the first quarter of 2012, which was an exceptional quarter in terms of silver grades and well above budgeted ounce production. At the same time, production of lead and zinc increased by 13.6% and 7.7% respectively, reflecting positive increases in the productivity of mining operations at La Platosa.

Following are the Platosa Mine production statistics for the periods indicated:

		3 months ended March, 31 2013	**3 months ended March 31, 2012**
Tonnes of ore processed		18,361	17,132
Ore grades:			
	Silver (g/t)	591	949
	Silver (oz/T)	17.24	27.68
	Lead (%)	6.35	6.60
	Zinc (%)	10.01	10.61
Recoveries:			
	Silver (%)	93.7	91.9
	Lead (%)	84.8	77.1
	Zinc (%)	83.8	84.4
Production:			
	Silver – (oz)	312,167	436,351
	Silver equivalent ounces (oz)	495,529 (1)	588,027 (2)
	Lead – (lb)	2,161,223	1,902,028
	Zinc – (lb)	3,506,965	3,254,953
Sales:			
	Silver ounces – (oz)	302,466	402,096
	Silver equivalent ounces (oz)	476,281 (1)	541,433 (2)
	Lead – (lb)	2,092,963	1,716,172
	Zinc – (lb)	3,275,191	3,021,294
Realized prices:			
	Silver – ($US/oz)	27.60	33.90
	Lead – ($US/lb)	0.95	0.96
	Zinc – ($US/lb)	0.87	0.97

(1) Silver equivalent ounces in Q1 2013 were established using prices of US$29 per oz, US$1.00 per lb, and US$0.90 per lb for silver, lead and zinc, respectively, and applied to the recovered metal content of the concentrates.
(2) Silver equivalent ounces in Q1 2012 were established using prices of US$34 per oz, US$1.00 per lb, and US$1.00 per lb for silver, lead and zinc, respectively, and applied to the recovered metal content of the concentrates.

Cash Cost per Ounce of Silver Produced

Total cash cost of $2.2 million during the first quarter of 2013 were lower than the same period of 2012 ($2.5 million). As a result of accessing lower grade ore in the quarter as part of developing the mine, only 312,167 silver ounces were produced compared to 436,351 silver ounces in the first quarter of 2012. Cash cost per silver ounce produced was consequently impacted increasing from $5.67/oz Q1 2012 to $6.96/oz in the current quarter (as adjusted from previously reported net cash costs of $6.64, due to adjustments following delivery to the concentrate purchaser). The Company expects cash costs to improve during the remainder of the year as higher grade ore is accessed and silver production returns to budgeted levels. The calculation of cash cost per ounce produced reflects the cost of production adjusted for by-product and various non-cash costs included in Cost of Sales. 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. The table below presents the details of the calculation**.**

Reconciliation of Cash Cost per Ounce of Silver Produced, Net of By-Product Credits:

	3 months ended March, 31 2013 $000's	**3 months ended March, 31 2012 $000's**
Cost of sales	5,963	4,841
Adjustments - increase/(decrease):		
Depletion, depreciation and amortization	(887)	(695)
Inventory changes	(300)	401
Third party smelting and refining charges	1,732	1,888
Royalties	(56)	(152)
By-product credits (1)	(4,279)	(3,810)
Cash operating cost	2,173	2,473
Ounces of silver produced	312,167	436,351
Cash operating cost per ounce of silver produced in US $/oz	**6.96**	**5.67**

(1) By-product credits comprise revenues from sales of lead and zinc.

Cash operating 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 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. This measure is intended to provide investors with information about the cash generating capabilities of the Company's operations and the Company uses this information for the same purpose. This analysis excludes capital expenditures and income taxes.

Exploration

MEXICO
Platosa Property

This Platosa property covers 40,864 ha and the initial concessions and private lands were acquired by the Company in 1996. The Platosa Mine exploits a series of typical, although very high-grade, massive sulphide, distal CRD silver, lead, zinc manto deposits located strategically within the prolific Mexican CRD Belt. It is the Company's belief, and diamond drilling results to early 2013 continue 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 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 orebodies 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.

Following up on success achieved during 2012 Q1 2013 exploration drilling focussed on following up on increasingly encouraging results in the search for the source of the high-grade, Platosa mantos at Rincon del Caido ("Rincon"), approximately one kilometre ("km") NW of the known mantos.

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 primary objective is 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/6B Manto and the discovery of the Pierna Manto, both during 2010. Early in 2012 additional high-grade manto sulphides were discovered in the 6A Manto area. The Company expects that this mineralization will add to its Mineral Resource base in the future. In late Q1, the Company resumed drilling in the vicinity of the 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 was found in several drill holes completed since 2008 most particularly in hole EX10-LP763 drilled in 2010 in the Rincon del Caido area approximately 1.0 km NW of the Guadalupe Manto. Exploration drilling resumed at Rincon in early 2012 and 13 holes subsequently intersected significant Source style sulphide mineralization; and
- Continue to employ geophysical methods with demonstrated success as targeting tools. To this end a Natural Source and Controlled Source Audio Magnetotelluric ("NSAMT" and "CSAMT") ground geophysical survey was completed in mid-2012. It was carried out over several areas, including Rincon del Caido, believed to host structures that may be favourable locations for the discovery of large-tonnage proximal CRD deposits. This type of survey has demonstrated its effectiveness at Platosa in the past and it was while testing NSAMT-interpreted structures in 2005 and 2006 that the Guadalupe and Guadalupe South mantos were discovered. The results have been incorporated into the Company's target-generation data base. In addition a downhole mis-a-la-masse electrical geophysical was carried out in two of the Rincon holes in late 2012. The results of this survey suggest the presence of sulphide mineralization for some distance from the centre of the immediate Rincon area although the results provide no quantitative information.

Diamond drilling for the Source continues to meet with success and five drill rigs were deployed in the Rincon area throughout most of Q1. The Company continues to believe the Rincon mineralization may be traceable to the 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.

The Company disclosed the results of seven Rincon drill holes in press releases dated January 17 and April 11, 2013. With the exception of hole LP1041 within which a significant gold intersection was encountered in the hornfels unit, the mineralization is found in a skarnified marble unit located at or close to its contact with an impervious hornfels unit at a depth of between 500 and 600 m vertical and at some distance above the contact of the marble with underlying granite. Anomalous gold continues to be an important component of the mineralization and these values plus the particular style of the sulphides and the alteration encountered in the host rocks lead Company geologists to believe that the intersections are on the edge of the Source itself. In addition, narrow widths of highly anomalous bismuth and anomalous copper have been found in certain of the Rincon holes. The sulphide mineralization demonstrates multi-stage, pyrite-rich, massive to semi-massive textures that clearly overprint earlier pyroxene and garnet-rich skarn. The multi-stage characteristics are similar to those shown by the sulphides being mined from the Platosa mantos, although there are distinct compositional differences reflected by much higher pyrite content, the appearance of anomalous chalcopyrite and much darker-coloured sphalerite. The consistently anomalous gold, bismuth (8,280 ppm over 1.0 m in LP1023A and 1,685 ppm over 2.6 m in LP1024) and copper (0.23% over 1.1 m in LP1024 and 0.12% over 8.1 m in LP1025) combined with the overall skarn mineralogy indicate that this area is still somewhat distal to the Source itself, but may lie along a feeder system leading from the Source. The Source may lie between Rincon and the high-grade Platosa mantos, or elsewhere within a broadly defined corridor extending to the northwest, northeast and east of Rincon. Results for several of the recent Rincon holes are shown in the table below and assay results summarized in the two press releases can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com. The assay intervals mentioned in the Source holes are core widths. Mineralization banding lies at highly-variable angles to core axes and more geometric information is still required to confidently estimate true thicknesses.

Location	DDH No.	Interval From (m)	Interval To (m)	Interval Width (m)	Silver (g/t)	Silver (oz/T)	Lead (%)	Zinc (%)	Gold (g/t)
Rincon del Caido	LP1038	491.80	499.05	7.25	21	0.6	0.74	3.57	13.066
	incl.	497.10	499.05	1.95	72	2.1	2.40	11.74	39.430
	LP1041	465.40	467.00	1.60	-	-	-	0.36	27.425
	LP1044	496.44	501.21	4.77	Tr.	Tr.	0.19	0.60	2.012
	and	600.82	607.05	6.23	123	3.6	4.42	5.05	0.079
	LP1049	534.06	534.52	0.46	136	4.0	2.26	9.89	0.121
		560.77	560.98	0.21	142	4.1	3.57	10.5	0.043
		570.64	575.87	5.23	140	4.1	2.99	3.14	0.006
	incl.	570.64	572.85	2.21	292	8.5	6.39	7.18	0.010

On March 26, 2013 the Company announced a shift in business strategy and refocussed exploration on exploration for additional high-grade massive sulphide mantos near the Platosa mining operation. At the same time two experienced geologists will carry out a detailed study of geotechnical data gathered to date in the Rincon del Caido area to develop vectors from the proximal style sulphide mineralization intersected to date to the heart of the large CRD system that the Company believes remains to be found close-by. There are two drills operating at Platosa, both located near the known mantos. Some of the holes will be drilled to the contact of the carbonate package with the underlying felsic intrusive to determine whether a Source environment is present outside of the Rincon-Mantos Corridor.

<u>**Miguel Auza Property**</u>

The Miguel Auza property encompasses 41,498 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 between the fall of 2009 and the fall of 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.

CANADA AND OTHER

In Q1 2013 the Company continued work on its Beschefer and DeSantis gold exploration projects in the Abitibi Belt of northeastern Ontario and northwestern Quebec and significant gold intersections were encountered on both during the winter drilling programs. The potential to host economic deposits has been enhanced on both projects and planning for future drilling programs began in late April. In addition the

Company continued to weigh its options with respect to its El Condor gold property in southeastern Ecuador. El Condor is located within 3 km of Kinross's Fruta del Norte gold deposit, on which a feasibility study is in progress.

DeSantis Property, Northeastern Ontario

In late April the Company issued 540,000 common shares of Excellon to International Prospectors and Explorers Inc. ("IEP") thereby fulfilling the final obligation under the terms of a 2010 option agreement between Lateegra Gold Corp. ("Lateegra"), now a wholly-owned subsidiary of the Company, and IEP. The Company now holds a 100% interest, subject to a Net Smelter Returns ("NSR") royalty ranging from 1.5% to 3.5% by portion of the original DeSantis property, located five kilometres southwest of downtown Timmins. In addition, in mid-April the Company issued 48,600 shares and made a payment of C$20,000 to a group of three Timmins area prospectors and thereby earned a 100% interest, subject to a 2% NSR royalty, in the contiguous DeSantis West property. Collectively, these two properties are referred to as the DeSantis Property. The Company has the option to buyout portions of each of the NSRs on the overall property.

The property is located along the Destor-Porcupine Tectonic Zone ("DPZ"), the main structure controlling gold deposits in the Timmins gold camp, approximately 11 km west of the Dome Mine, owned by Goldcorp Inc. and 14 km east of Lake Shore Gold Corp.'s Timmins Mine. The property covers approximately 5 km of strike length within highly prospective volcanosedimentary stratigraphy on the north side of the DPZ, including the past producing DeSantis 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 DeSantis 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.

A major exploration effort on the property was undertaken in the mid-1980s by a Noranda Inc.-Stan West Mining Corp. joint venture. Focussed on deeper portions of the Albitite Zone, this advanced exploration program rehabilitated the 379 m deep No. 2 Shaft, several of the lowest levels, and completed test mining and underground drilling from those levels. Resultant from that work and the work of others, a historic resource for the Albitite Zone was estimated to be 65,500 tonnes grading 7.85 g/t Au, while the Hydrothermal Alteration Zone was estimated to contain 117,000 tonnes grading 9.09 g/t Au. These resource estimates, while considered relevant, are historic in nature, do not have currently demonstrated economic viability and should not be relied upon.

In 2011, the Company completed 22 drill holes on the property. The campaign focussed on expansion of the Hydrothermal Alteration Zone, as well as the Albitite Zone, and tested reconnaissance targets located elsewhere on the property. Results from the campaign included an intersection of 3.63 g/t Au over 23.17 m including 14.25 g/t Au over 1.17 m in drill hole DS11-020A. Assay results for the first 10 holes completed during 2011 are summarized in an October 18, 2011 press release, which can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com. The remainder of the holes, while intersecting favourable geology, alteration and occasional quartz veining did not intersect noteworthy gold mineralization.

Between January and April 2012, three additional holes were completed, one on a reconnaissance target on the western portion of the property, one as follow-up within the Hydrothermal Alteration Zone and one at depth testing the down-dip extension of the Albitite Zone. Hole DS12-004 intersected 1.74 g/t Au over 12.00 m including 10.39 g/t Au over 1.50 m on the down-dip extension of the Albitite Zone as disclosed in a press release dated May 30, 2012 .

In mid-October 2012 the Company completed a comprehensive program of geotechnical compilation, relogging and sampling of recent and historic drill core and reviewing the property in a regional context. Based on the results of this work a 6,686 m, 18-hole follow-up drilling program was carried out between late October 2012 and March 31, 2013. The program had two objectives: first, to test the down-dip extension of the Albitite Zone and, second, to explore untested geophysical and geological targets elsewhere on the property.

The Albitite Zone drilling was initiated by deepening DS11-016B, which was drilled in 2011. The Albitite Zone consists of a felsic intrusive that generally occurs within the footwall portion of ultramafic flows at or near the contact with mafic volcanics. Gold mineralization is associated with an increase in brecciation and sulphide mineralization. Though no significant mineralization or felsic intrusive was encountered at the ultramafic/mafic contact, the hole was continued and encountered a significant new hydrothermal alteration system approximately 300 m into the footwall below the contact 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. To better understand the nature and extent of this "16B Zone" two wedge holes were drilled. 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 in all directions and, most importantly, the up-dip extension of the zone has seen virtually no drilling between DS11-016 and surface.

Eight regional holes were drilled to test geophysical targets and the strike extension of the historic McEnaney veins located on the southeastern portion of the property, which saw two campaigns of underground exploration between 1911 and 1923. Of these holes DS13-007 encountered a sequence of hydrothermally-altered mafic volcanics located 450 m northwest of the No. 2 shaft. This zone is a near-surface occurrence being intersected immediately below the overburden and extending for a down-hole length of approximately 70 m. The best assay from this zone was 2.68 g/t Au over 3.10 m. In addition holes DS13-011 and DS13-012 intersected a sequence of well mineralized and altered, pyritic and quartz-ankerite veined mafic volcanics that are interpreted to be the easterly strike extension of the McEnaney veins.

Assays for six holes were disclosed on April 4, 2013 and final assays for the program were disclosed on April 25, 2013. The latter disclosed results from hole DS13-011, the deeper of the McEnaney holes, which intersected 3.26 g/t Au over 1.25 m at a down-hole depth of 163.75 m and 1.09 g/t Au over 1.15 m 133 m deeper in the hole. These releases can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com.

All quoted 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 Selbaie Mine produced 57.5 million tonnes grading 0.56 g/t Au, 38 g/t Ag, 0.87% Cu, and 1.85% Zn over its mine life. The property has little or no bedrock exposure and is muskeg-covered such that drilling is most effectively performed during freezing conditions.

The gold mineralized B14 Zone 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 a typical Archean volcanic 'greenstone' assemblage and is typical of other shear zone-hosted mesothermal gold deposits in that it is hosted within mylonite, highly sheared and altered rock, which also contains increased quartz veining and pyrite. As previously reported, Lateegra carried out 1,523 m of diamond drilling in five holes in early 2011, primarily on the B14 Zone, prior to the involvement of the Company. Results included 3.80 g/t Au over 4.35 m including 13.85 g/t Au over 0.30 m in hole BE11-001 and 12.4 g/t Au over 3.78 m including 63.5 g/t Au over 0.43 m in hole BE11-003.

Between January and late March 2012, the Company completed 33 additional holes on the property. Drilling focused on expansion of the B14 Zone, as well as exploration targets elsewhere on the property. Results included 4.54 g/t Au over 7.80 m including 9.16 g/t Au over 1.35 m in hole BE12-006, 13.07 g/t Au over 8.75 m including 58.5 g/t Au over 1.50 m in hole BE12-014 and 10.50 g/t Au over 1.50 m and 3.56 g/t Au over 6.06 m, both in hole BE12-030. The quoted intersections are core widths and may not represent true thicknesses.

Assay results for all the Company's 2012 drill holes are summarized in press releases issued in March, April and May 2012 and can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com.

The Company's 2011 and 2012 drilling results confirmed that the B14 Zone has the potential to host a gold resource. In mid-December 2012 the Company completed a comprehensive program of geotechnical compilation, relogging and sampling of recent and historic drill core and reviewing the property in a regional context. Based on the results of this work a 6,668 m, 16-hole follow-up drilling program was carried out between early February and March 31, 2013.

The primary focus of this drilling was to follow up on results from the B14 Zone, an intensely sheared and strongly sericite-, ankerite-, hematite-altered and sulphide-bearing deformation zone, which trends in a northeast-southwest direction across the property. Hole BE13-038 returned the best result ever intersected on the project: 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. This hole tested the B14 Zone approximately 100 meters down dip from BE12-014, which returned 13.07 g/t Au (uncut) over 8.75 m (8.87 g/t Au cut to 34 g/t). BE13-035 tested the zone approximately 250 meters along strike to the southwest of BE13-038, intersected the zone over a width of approximately 25 m and returned assays of 1.95 g/t Au over 17.85 m, including 3.08 g/t Au over 2.51 m. Based on these encouraging results additional holes BE13-042, 045, 046 and 047 were drilled as direct follow-ups. Hole BE13-042 drilled below BE13-035 intersected 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. Visible gold was observed in both intersections. Hole BE13-045 was drilled below BE13-042 and intersected 3.03 g/t Au over 11.10 m including 4.25 g/t Au over 6.00 m in the B14 Zone. In addition to the B14 holes two holes tested historic geophysical targets and encountered no significant mineralization.

Assays were disclosed for five holes in a press release dated April 4, 2013 and final assays for the program were disclosed in another release dated April 25, 2013.

All quoted intersections are core widths. True thicknesses are estimated to range between 75 and 90% of core widths.

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 35 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.

Risk and Uncertainties

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. 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.

Subsequent to the end of the period, at a hearing of the Agrarian Court, the Court advised that as both parties wished to terminate the SRA, Excellon would formally return the surface rights effective May 9, 2013 pending further resolutions in respect of ten particular hectares.

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. The termination of the SRA will result in reduced expenditures of over US$600,000 annually and is expected to result in savings of approximately US$600,000 during 2013. 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.

Overall Performance

Mined tonnage for the quarter of 18,361 tonnes was an improvement compared of 17,132 tonnes mined in Q1 2012. Production of silver ounces in the quarter of 312,167 ounces were lower compared to 436,351 ounces in Q1 2012, a result of accessing lower grade ore of 591 g/t as part of the mine development plan. Recoveries for lead significantly improved from 77.1% to 84.8%, representing a 10% increase from the same period in 2012. Recoveries for silver and zinc were consistent with the recoveries in the same period of 2012.

The silver price during the quarter averaged $30.08 per ounce on the London Metal Exchange (Q1 2012 - $32.62) while the Company realized an average price of $27.60 per ounce sold (Q1 2012 - $33.90). Sales declined in the quarter to $10.1 million as compared to $13.1 million in Q1 2012, a result of lower silver ounces produced and lower silver prices.

As at March 31, 2013, cash and cash equivalents on hand were $2.4 million, marketable securities were $3.9 million and trade receivables were $5.2 million as compared to $1.4 million cash and cash equivalents, $4.2 million in marketable securities and $5.5 million accounts receivables as of at December 31, 2012. It is expected that the cash balances will grow in 2013 as the Company continues to maintain its low production cash cost while accessing high silver grade ore.

Results of Operations

Financial statement highlights for the three month period ended March 31, 2013 and March 31, 2012 are as follows (in thousands of US dollars):

	3 months ended March, 31 2013 $	3 months ended March, 31 2012 $
Revenue	10,055	13,106
Cost of sales	(5,963)	(4,841)
Gross profit	4,092	8,265
Expenses:		
Corporate administration	(1,783)	(1,804)
Exploration	(4,839)	(2,080)
Other (includes finance cost)	2,093	2,204
Income tax expense	(164)	(965)
Net income (loss) for the period	(601)	5,620

During the quarter, the Company recorded a net loss of $0.6 million compared to a net profit of $5.6 million in the same period of 2012. The decrease in revenues is mainly a result of the Company mining lower silver grade as the mine plan for the quarter was to further develop the mine requiring accessing those areas with lower grades in order to implement water management initiatives.

Although cost of sales increased by $1.1 million compared to the first quarter of 2012, $0.7 million is non-cash as it relates to inventory adjustment and the Company's cost of sales is in line with management's expectations for 2013.

Exploration cost of $4.8 million increased significantly compared to $2.1 million in the same period of 2012. The Company was drilling with five rigs at La Platosa and two rigs in Canada during most of the period, versus two rigs at La Platosa during the same period in 2012. The Company is currently drilling with two rigs at La Platosa as the Company seeks to build cash reserves during a period of relatively low silver prices.

Corporate administrative expenses represent administrative costs incurred in Canada. Management compensation and stock based compensation are the largest component.

Other expenses include unrealized foreign exchange gains of the Company. During the period, the decrease in the expense is due to the strengthening of the peso relative to the USD since 2012, which resulted in an unrealized foreign exchange gain on an intercompany loan that is foreign to the functional currency of a reporting entity. The loan is not treated as long-term investment as the loan is expected to be repaid in the near future, at which time the gain or loss will be realized.

Summary of Quarterly 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		**March 31, 2013**		**December 31, 2012**		**September 30, 2012**		**June 30, 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	$	(0.00)	$	0.02	$	(0.02)	$	0.00
– diluted	$	(0.00)	$	0.02	$	(0.02)	$	0.00

Quarter ended		**March 31, 2012**		**December 31, 2011**		**September 30 2011**		**June 30, 2011**
Revenue	$	13,106	$	14,009	$	11,174	$	15,442
Income (loss) before income taxes	$	6,585	$	1,401	$	(450)	$	9,419
Net income (loss)	$	5,620	$	(3,101)	$	(976)	$	8,055
Earnings (loss) per share – basic	$	0.02	$	(0.01)	$	0.00	$	0.03
– diluted	$	0.02	$	(0.01)	$	0.00	$	0.03

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 may create volatility in earnings.

Liquidity and Capital Resources

As at March 31, 2013, the Company's cash and cash equivalents were $2.4 million (December 31, 2012 - $1.4 million), and working capital was $13.3 million (December 31, 2012 - $15.4 million). As at March 31, 2013, the Company's trade receivables were $5.2 million (December 31, 2012 - $5.5 million). The Company has invested $5.0 million in marketable securities of the Sprott Physical Silver Trust reflecting an underlying investment of 134,732 ounces of silver. The only 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 period, the Company incurred legal services of $43,000 (March 31, 2011 – $68,000) with an outstanding payable balance of $14,000 at March 31, 2013 (March 31, 2012 – $50,000).

Common share data (as at April 30, 2013)

Common shares outstanding	275,276,567
Stock options granted	12,693,264
Total	287,969,831

At the Company's annual and special shareholders meeting held on April 30, 2013, the shareholders approved the consolidation of the issued and outstanding common shares on the basis of one post-consolidated common share for every five pre-consolidated common share issued and outstanding (the "Share Consolidation"). The Share Consolidation is pending final approval from the Toronto Stock Exchange.

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.

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 November 22, 2011, 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 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 an 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.