Management's Discussion & Analysis of Financial Results

For the year ended December 31, 2024

Excellon Resources Inc. (the "Company" or "Excellon") has prepared this Management's Discussion and Analysis of Financial Results ("MD&A") for the year ended December 31, 2024 in accordance with the requirements of National Instrument 51-102 ("NI 51-102").

This MD&A contains information as at March 27, 2025 and provides information on the operations of the Company for the years ended December 31, 2024 and 2023 and subsequent to the period end, and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2024 and 2023, which have been filed under Excellon's profile on SEDAR+ (www.sedarplus.ca). The audited consolidated financial statements for the years ended December 31, 2024 and 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures in this MD&A are in thousands of United States dollars ($'000) unless otherwise noted.

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BUSINESS AND STRATEGIC PRIORITIES

Excellon's vision is to realize opportunities through the acquisition of advanced development or producing assets with further potential to gain from an experienced management team for the benefit of our employees, communities and shareholders. Excellon is in the process of acquiring the past-producing Mallay Silver Mine and Tres Cerros Exploration Project in Peru. The Company is also advancing a portfolio of gold, silver and base metals assets including Kilgore, an advanced gold exploration project in Idaho; and Silver City, a high-grade epithermal silver district in Saxony, Germany with 750 years of mining history and little modern exploration.

The common shares of Excellon trade on the Toronto Stock Exchange (the "TSX") under the symbol "EXN", OTC Pink Market (the "OTC") in the United States under the symbol "EXNRF", and on the Frankfurt Stock Exchange under the symbol "E4X2".

KEY DEVELOPMENTS

Mallay Acquisition – Definitive Agreement and Transaction Terms

On October 31, 2024, the Company announced entering into a share purchase agreement with Adar Mining Corp. ("Adar") to acquire the outstanding shares in the capital of Minera CRC S.A.C. (the "Minera Shares"), which holds a 100% interest in the Mallay Property including the past producing Mallay Silver Mine and the Tres Cerros Exploration Property, in Peru (the "Acquisition").

On March 11, 2025, Excellon further announced a definitive agreement had been executed between Adar and Premier Silver Corp. ("Premier") whereby Excellon will acquire the Minera Shares through an expedited, court-supervised process, ensuring a legally definitive resolution of all prior disputes.

Key Terms of the Acquisition:

- **Up-front consideration:**
  - US$1.565 million cash to Adar (paid);
  - 12.9% of Excellon's common shares to be issued to Adar, based on current shares outstanding; and
  - C$0.4 million in Excellon shares to be issued to Premier, based on a five-day volume-weighted average price on close of the Acquisition.
- **Deferred Consideration:**
  - 1.0% Net Smelter Returns (NSR) royalty (0.5% buyback for US$1.5M); and
  - 5% to 8% zinc and lead stream.
- **Back-In Right:** Up to 49% interest in Tres Cerros may be repurchased by Adar and a third party at 1.5x attributable historical exploration expenditures incurred.

Mallay Silver Mine Highlights

- **Past producing mine, built and operated by Buenaventura, with US$115 million historical investment.[1]**
- **Fully permitted to restart production, existing infrastructure includes working mill, operational water treatment plant, adit and ramp access to the mine, significant underground development and workforce.**
- **Historical Reserves[2] of 2.67 Moz AgEq @ 626 g/t AgEq and Historical Inferred Resources[2] of 4.57 Moz AgEq @ 564 g/t AgEq.**
- **Excellon to review off-take prepay facilities and other non-equity alternatives for mine restart.**
- **Current mineralized inventory is believed to be sufficient for the basis of a three-year mine plan, and an expected six-month restart period includes mine rehabilitation and mill controls upgrade.**
- **Significant opportunities to expand mineralized inventory through extension of historically mined veins down dip and along strike.**
- **Excellon has an experienced operating team, capable of delivering a mine restart.**

Tres Cerros Exploration Property Highlights

- **Bulk tonnage potential. Area of interest is a 3 km x 0.5 km gold-silver mineralized corridor near, but not related to, the Mallay Mine.**
- **Assays returned gold values of up to 9.313 g/t gold in oxidized quartz-sulfide vein outcrops, confirming the presence of a high-sulfidation epithermal system. Silver grades over 1,000 g/t silver (assay limit) were also identified in brecciated zones, highlighting the potential for robust precious-metal mineralization**
- **Large-scale, classic high sulphidation target. Coincident IP/resistivity anomalies indicative of deep (300m) sulphides overlain by oxide zone +100m thick.**
- **Several drill targets identified, access by truck – no helicopters required.**
- **Large exploration package (~110km^2) in a region which boasts numerous significant current and historic mines.**

Benefits to Excellon Shareholders

- **Fully permitted, near-term silver producing asset in an established mining-friendly jurisdiction.**
- **Acquisition of US$115 million in historical infrastructure investment for total purchase consideration of approximately US$3.4 million in cash[3] and shares plus the Deferred Consideration.**
- **Deferred Contingency Payments are structured to provide a smaller payout stream over a longer period of time, ensuring maximum financial buffer during the sensitive period of mine startup.**

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[1] *Source: Compañía de Minas Buenaventura S.A.A.*

[2] *Historical estimates based on historical audit completed in December 2018 by Geomineria S.A., an independent resource auditor in Peru. Mineral inventories have been worked on in accordance with the standards, procedures and technical specifications approved by Compañía de Minas Buenaventura S.A.A. for all its units, which are described in the "V Geology Workshop 2014 – Chap. Mineral Inventory Manual", in the 2016 Sampling Manual, 2016 Quality Control Manuals and 2017 Geological Modeling and Resource Estimation Procedures of Compañía de Minas Buenaventura S.A.A.; and adapting them to international standards such as the JORC Code or similar. Following closing of the transaction, Excellon will update the resources to become NI 43-101 compliant.*

[3] *Includes US$1.565 million cash plus shares to be issued as purchase consideration, valued at Excellon share price prior to announcement, and the value of the shares to be issued to Premier.*

The completion of the Acquisition is conditional on, among other things, Excellon completing a financing of US$4.5 million, a committed debt facility of US$3 million, and receipt of customary approvals.

If Adar does not acquire the Minera Securities in the Realization Proceedings and instead receives repayment of indebtedness owed to Adar by the parent company of Minera CRC, Adar will pay Excellon a termination fee of US$3.1 million.

Strategic Financings to Advance Mallay

In December 2024, Excellon closed two non-brokered private placements:

- **Unit Offering:** 19.5 million units at $0.105 for gross proceeds of C$2.0 million (~US$1.475 million).
- **Note Offering:** US$1.25 million in an unsecured promissory note accruing 10% interest annually, maturing 18 months from issuance. If the Mallay Acquisition closes, the noteholder may apply principal and accrued interest to the purchase of the Tres Cerros Back-In Right.

Closing of the Debenture Restructuring

On March 28, 2024, the Company announced the closing of the Debenture Restructuring. As a result, the outstanding principal amount of the convertible debentures was reduced to C$7.5 million, representing a 58% or C$10.41 million reduction in principal, the maturity date was extended to August 31, 2026, the conversion price decreased to C$0.10, and the interest rate payable in cash increased to 6.50% per annum while retaining the Company's option to satisfy interest in Common Shares at an effective interest rate of 10% per annum.

In consideration for the repurchase and cancellation of C$10.41 million aggregate principal amount of the convertible debentures, the Company agreed to pay the holders of the convertible debentures 38.8 million common shares of the Company, a 2% net smelter returns royalty on the unpatented claims comprising the Kilgore Project, a 25% interest in Saxony Silver Corp., which holds the Silver City Project, and contingent value rights of the Company. The contingent value rights provide for three equal cash payments equivalent to the value of 500 troy ounces of gold, on achieving certain milestones at the Kilgore Project.

Private placement offering of Units

On April 12 and May 15, 2024, the Company closed a previously announced non-brokered private placement offering of 7.4 million units at a price of C$0.18 per unit for aggregate gross proceeds of C$1.32 million. Each unit comprised one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one Common Share at a price of C$0.27 per Common Share for a period of 24 months from the closing date. The Company paid finder's fees in the amount of C$42 and issued a total of 237,210 finder's warrants. A portion of the proceeds of the Offering were used to receive final assay results form the Company's 2,100 metre drill program at Kilgore in 2022, which were announced on May 7, 2024.

Kilgore exploration update

On May 7, 2024, the Company announced further drill results from the 2022 exploration program at Kilgore. Final assay results included:

- **1.37 g/t Au over 81.21 metres in EX22KG004, including 2.77 g/t Au over 15.64 metres and 5.28 g/t Au over 5.54 metres, confirming high-grade mineralization in the Aspen sediments.**
- **0.53 g/t Au over 56.24 metres in EX22KG005, successfully testing extension of the existing mineralized envelope to the southwest.**
- **0.74 g/t Au over 115.60 metres in EX2KG001, including 26.50 g/t Au over 0.65 metres, improving definition of the mineralized envelope.**
- **Information will be included on future resource and geological modelling to further refine targets.**

The 2022 drill program comprised six diamond drill holes totalling 2,145 metres with oriented core and detailed sampling to improve structural understanding of high-grade mineralization and potential.

Deconsolidation of Mexican subsidiaries

In 2024, Minera Excellon de México, S.A. de C.V. (“MEM”), a subsidiary of the Company, voluntarily filed a petition for insolvency with the Mexican Bankruptcy Court. The Court-appointed auditor completed its review of MEM’s petition and confirmed MEM’s insolvency. As a result of the loss of control, the assets and liabilities of MEM, and its subsidiary Excellon Servicios, S.A. de C.V., were deconsolidated from the consolidated financial statements of the Company.

ASSET SUMMARY

Refer to the Company’s Annual Information Form (“AIF”) for a detailed overview of the Company’s exploration projects, including mineral resource estimates.

OUTLOOK

Mallay Mine – Transitioning to Production

- Excellon expects to close the Mallay Acquisition in April 2025, positioning the Company for a near-term return to silver production.
- Work is underway to:
  - Update the historical resource model, reflecting current silver and base metal prices.
  - Define a three-year mine plan and six-month restart schedule.
  - Advance discussions with offtake partners and evaluate non-dilutive funding options.
- Excellon’s experienced operating team is focused on executing a capital-efficient restart strategy.

Tres Cerros – Large-Scale Epithermal Potential

Following recent surface prospecting and sampling, Tres Cerros has emerged as a compelling gold-silver target:

- **High-Grade Gold Samples:** Assays returned gold values of up to 9.313 g/t gold in oxidized quartz-sulfide vein outcrops, confirming the presence of a high-sulfidation epithermal system.
- **Significant Silver Mineralization:** Silver grades over 1,000 g/t silver (assay limit) were also identified in brecciated zones, highlighting the potential for robust precious-metal mineralization.
- **Broad Alteration Footprint:** Systematic mapping has revealed advanced argillic alteration over a 2,500 metre by 500 metre trend. Mineralization remains open in all directions.
- **Possible Sulphide Anomaly Detected:** Ground-based Induced Polarization (“IP”) geophysical surveys have outlined a broad high-chargeability, low-resistivity anomaly south of the primary alteration zone, suggesting a deeper sulphide-rich feeder system.
- **Evidence of Potential Porphyry System:** Elevated copper content (0.3%-0.6%) in select channel samples suggests a deep porphyry-style target.
- **Historical and Recent Data Alignment:** Over 500 samples collected since 2016 confirm a consistent precious-metal anomaly (+100 ppb Au and/or 1 oz/t Ag) along the full 2,500 metre trend, reinforcing the potential for a large, cohesive mineralized system. Over 19% of these samples assayed above 1 g/t Au and 22% were above 1 oz/t Ag.
- **Potential for Scale:** Tres Cerros shares similar host rocks (Tertiary Calipuy volcanic units abutting Cretaceous Chimu silicified arenites), advanced argillic alteration, and structural controls to the Lagunas Norte deposit, which historically produced >10 Moz Au in the same regional belt.

Kilgore Project, Idaho

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

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

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

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

The Plan: Drilling to Test Thesis

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

Property Wide Exploration Potential: Numerous Targets for Follow-up

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

Silver City Project, Optionality in Germany

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

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

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

FINANCIAL REVIEW

Summary of Annual and Quarterly Financial Results

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

(in $000's)	2024	2023	2022
Revenues	-	-	25,824
Production costs	-	-	(18,055)
Write-down of materials and supplies	-	-	(907)
Depletion and amortization	-	-	(7,497)
Cost of sales	-	-	(26,459)
Gross loss	-	-	(635)
Expenses:			
Gain on deconsolidation of Mexican subsidiaries	8,288	24,255	-
Reclassification of currency translation adjustments	(7,622)	(6,923)	-
Care and maintenance (C&M) and wind down expense	-	(540)	(771)
General and administrative (includes share-based comp)	(2,552)	(3,652)	(4,950)
Exploration and holding expense	(281)	(1,448)	(5,576)
Other (expense) income	(678)	4,475	1,111
Impairment loss	-	(5,612)	(3,344)
Net finance expense	(2,443)	(4,764)	(4,294)
Income tax recovery (expense)	-	743	(379)
Net (loss) income for the year	(5,288)	6,534	(18,838)
(Loss) income per share – basic	(0.05)	0.16	(0.54)
Operating cash flows before changes in working capital	(1,821)	(4,827)	(1,167)
Total assets	18,388	16,641	26,664
Total liabilities	8,940	26,468	48,559
Total shareholders' equity (deficit)	9,448	(9,827)	(21,895)
Non-current liabilities	3,250	748	2,106

Summary of Quarterly Financial Results

Financial statement highlights for the quarter ended December 31, 2024, and the last eight quarters are as follows:

(in $000's)	Q4 2024 $	Q3 2024 $	Q2 2024 $	Q1 2024 $	Q4 2023 $	Q3 2023 $	Q2 2023 $	Q1 2023 $
Expenses:								
C&M and wind down expenses	-	-	-	-	(33)	(187)	(136)	(184)
General and administrative	(751)	(606)	(721)	(474)	(552)	(871)	(923)	(1,306)
Exploration and holding expense	(40)	(154)	(44)	(43)	(134)	(311)	(490)	(513)
Other (expense) income	(3)	280	(235)	(720)	(1,148)	3,932	111	1,580
Gain on deconsolidation	-	-	8,288	-	-	-	-	24,255
Reclassification of CTA	-	-	(7,622)	-	-	-	-	(6,923)
Impairment loss	-	-	-	-	(48)	(5,564)	-	-
Net finance expense	(577)	(295)	(336)	(1,235)	(1,630)	(808)	(1,317)	(1,009)
Income tax recovery	-	-	-	-	-	-	58	743
Net (loss) income	(1,317)	(775)	(670)	(2,472)	(3,545)	(3,809)	(2,697)	16,643
Net (loss) income per share, basic	(0.01)	(0.01)	(0.01)	(0.04)	(0.08)	(0.10)	(0.07)	0.44

The following is a discussion of the material variances between Q4 2024 and Q4 2023 and the year ended December 31, 2024 versus the year ended December 31, 2023.

	Q4		Year ended December 31,	
	2024	**2023**	**2024**	**2023**
Net (loss) income	**(1,371)**	**(3,545)**	**(4,930)**	**6,534**

The net loss decreased by $2.2 million in Q4 2024 over Q4 2023, primarily driven by a decrease in financing expenses ($1.1 million) following the restructuring of the convertible debentures in 2024 and a decrease in other expenses ($1.1 million) driven by the convertible debenture extension fee paid in shares and expensed in Q4 2023.

The net loss/income variance of $11.8 million between 2024 and 2023, was driven primarily by a $16.0 million variance related to the deconsolidation of certain Mexican subsidiaries and a decrease in other expenses/income ($5.2 million) driven by a gain on the convertible debenture extension in 2023. These variances were partially offset by a variance in impairment losses ($5.6 million), decrease in financing expenses ($2.3 million), decrease in exploration and holding expenses ($1.2 million) and a decrease in general and administrative costs ($1.1 million) in 2024, as detailed below.

	Q4		Year ended December 31,	
	2024	2023	2024	2023
Exploration and holding expenses	**40**	**134**	**281**	**1,448**

Exploration and holding expense decreased by $0.1 million in Q4 2024 and $1.2 million in 2024 relative to the comparative periods, driven by lower exploration expenditures and holding expenses at the Kilgore and Silver City Projects.

General and administrative expense	**751**	**552**	**2,552**	**3,652**

General and administrative expense (before care and maintenance and wind down expenses), include personnel costs, office, overhead, corporate development, legal, public company costs, share-based payments and amortization, and were $0.2 million higher in Q4 2024, relative to the comparative period.

General and administrative expense were $1.1 million lower for 2024 over 2023, driven primarily by a $0.9 million reduction in office, insurance and overhead costs, a $0.3 million reduction in salaries, benefits, directors and professional fees, a $0.1 million reduction in public company costs, and a $0.7 million reduction in corporate development and legal expenses, partly offset by a $1.1 million variance in stock-based compensation reversal/expense.

Other expense (income)	**3**	**1,148**	**678**	**(4,475)**

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

Q4 2024 other expense decreased by $1.1 million, driven by the convertible debenture extension fee paid in shares and expensed in 2023. For the year 2024, the other expense/income variance of $5.2 million, relates primarily to the net $3.7 million variance on the convertible debenture extension in 2023 and restructuring in 2024, the $1.6 million unfavourable variance in foreign exchange gains/losses between these periods, and a $0.3 million gain on debt settlement in 2024.

Finance expense	**577**	**1,630**	**2,443**	**4,764**

Net finance expense includes primarily interest on the convertible debentures using the effective interest rate method. In Q1 2024, the Company restructured the convertible debentures reducing the principal amount by $10.4 million. The Debenture Restructuring was accounted for as an extinguishment of the original convertible debentures, and a new effective interest rate was determined based on the estimated fair value of the restructured convertible debentures. As a result, net finance expenses decreased by $1.1 million in Q4 2024 and $2.3 million for 2024, relative to the comparative periods. The Company has the option to pay the interest on the convertible debentures in Common Shares.

COMMON SHARE DATA AS AT MARCH 27, 2025

Common shares issued and outstanding	**144,707,078**
Stock options	6,439,500
DSUs	6,140,884
RSUs	1,273,501
Warrants ($0.27, expiry April and May 2026)	7,593,842
Warrants ($0.15, expiry Dec 2026)	9,750,000
Fully diluted common shares (1)	**175,904,805**

(1) Conversion of all outstanding convertible debentures would result in the issuance of an additional 73,740,000 common shares of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Refer to Note 2 of the consolidated financial statements for discussion of the material uncertainties which may cast significant doubt on the Company's ability to realize its assets and discharge its liabilities in the normal course of business.

The operating cash flows from the Platosa Mine ceased after the wind down of operations in Q4 2022 and therefore the primary source of funds available to the Company is equity and debt financing. A continuous review of the Company's capital expenditure and exploration programs ensures the Company's capital resources are utilized in a responsible and sustainable manner to conserve cash during periods of low commodity prices and economic and market uncertainty. See also the "Commitments," below, for further detail.

	December 31, 2024	December 31, 2023
Cash and cash equivalents	**1,362**	**691**

In May 2024, the Company announced closing of a Private Placement for aggregate gross proceeds of approximately C$1.32 million. In December 2024, the Company closed previously announced agreements with respect to a non-brokered private placement of C$2.0 million, and a non-brokered private placement offering of $1.25 million of an unsecured non-convertible promissory note of the Company. The Debenture Restructuring which closed on March 28, 2024, was a non-cash transaction.

Uses of cash for 2024 included upfront funding and transaction costs related to the Mallay Acquisition, exploration holding costs, general and administrative costs and working capital.

Working capital (deficit)	**(3,864)**	**(24,479)**

Working capital, defined as current assets less current liabilities, improved by $20.6 million at December 31, 2024 relative to December 31, 2023. Current liabilities decreased by $20.0 million driven primarily by the Debenture Restructuring and extension of maturity in Q1 2024, and the deconsolidation of the Mexican subsidiaries in Q2 2024. Current assets increased by $0.6 million driven primarily by the increase in cash at December 31, 2024 compared to December 31, 2023.

The convertible debentures do not include any financial covenants related to working capital and the Company has the option to pay the interest on the convertible debentures in Common Shares.

	December 31, 2024	December 31, 2023
Investing activities	**(1,296)**	**1,011**

Investing activities in 2023 relate primarily to the proceeds from the sale of the Oakley Project, in 2024 the Company invested $1.3 million in upfront funding and transaction costs related to the Mallay Acquisition.

Financing activities	**3,530**	**(17)**

The 2024 financing activities relate to the proceeds of the private placements, net of transaction costs ($2.3 million) and the proceeds from the promissory note ($1.3 million). The 2023 financing activities related to lease payments.

The Company restructured the convertible debentures, completed two equity offerings and the promissory note financing in 2024. There can be no assurances that the Company will be able to obtain adequate funding in future, or that the terms of such financing will be favourable. Failure to obtain additional financing could result in delay or postponement of further exploration and development of the Company's projects and closing of the Mallay Acquisition.

Financial instruments

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

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

The Mexican peso ("MXN"), Canadian dollar ("CAD"), Euro ("Euro") and US dollars ("USD") are the functional currencies of the Company, with currency exposures arising from transactions and balances in currencies other than the functional currencies. The fluctuation of the USD in relation to the CAD, MXN and the Euro impacts the reported financial performance of the Company.

Contractual obligations

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

	$ 000				
	Total	**Less than one year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Payables and accruals	3,450	3,450	-	-	-
Convertible debentures – principal (USD)	5,128	-	5,128	-	-
Convertible debentures – 6.50% interest (1)	412	247	165	-	-
Total:	**8,990**	**3,697**	**5,293**	**-**	**-**

(1) Convertible debenture interest can be paid in Common Shares at the election of the Company, at a 10% interest rate.

Commitments

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

In Idaho, commitments relate to annual claim fees associated with the Company's mineral claims. There are no annual fees associated with exploration licences in Saxony, Germany. The commitments outlined below may vary depending on operational and/or exploration results or geopolitical conditions, which may lead the Company to expand or relinquish all or part of a project.

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

		$ 000				
Project	**Type**	**Total**	**Less than one year**	**1 – 3 years**	**4 – 5 years**	**After 5 years(1)**
Kilgore	Fees	640	128	256	256	-

(1) Concession and claim fees continue until the relinquishment or expiration of the applicable concessions or claims.

CONTINGENCIES

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not within the Company's control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company with assistance from its legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims or actions.

Contingent liability

A company retained to perform drilling services at the Kilgore Project in 2022 commenced legal proceedings against the Company and has separately claimed a statutory lien on six of the project's unpatented mining claims, based on payments alleged as due under the drilling contract in the amount of $1.1 million. Excellon disputed the amounts claimed in such proceedings and asserted under the lien, including the basis therefor. Excellon believes that such legal proceedings and the lien are without merit and vigorously defended itself against such claims, including advancing a rigorous defence and counterclaim in legal proceedings and challenge of the basis for and validity of the lien. In Q1 2025, the plaintiff agreed to a full release of all claims against the Company and its subsidiaries.

RELATED PARTY TRANSACTIONS

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

	2024 $	2023 $
Salaries, fees and benefits	326	720
Director's fees – settled in DSUs	170	203
Share-based compensation	278	(86)
	774	**837**

The Company had amounts owing to management and directors of $144 at December 31, 2024 (2023: $309). Management and directors settled the 2023 amounts through the issuance of RSU and DSUs in 2024. In Q4 2024, the Company received a bridge loan of $100 from a director in connection with the Mallay Acquisition. $38 was repaid in cash in Q4 2024 (including interest of $1), and $62 (in accruals) was settled through the issuance of Shares in Q1 2025.

Off-Balance Sheet Arrangements

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

ACCOUNTING POLICIES AND INTERNAL CONTROLS

Disclosure Controls & Procedures and Internal Control Over Financial Reporting

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the President & CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal control over financial reporting ("ICFR") means a process designed by or under the supervision of the President & CEO and CFO, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management use the criteria set forth in Internal Control – Integrated Framework (2013) ("COSO 2013") issued by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of the Company's ICFR.

The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

As at December 31, 2024, the Corporation's President & CEO and CFO have certified that the DC&P are effective and that during the quarter ended December 31, 2024, the Company did not make any material changes in the ICFR that materially affected or are reasonably likely to materially affect the Company's ICFR.

Accounting policy, estimates and judgements

Accounting standards issued but not yet effective

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Significant accounting estimates and judgements

The Company's significant accounting policies are described in Note 4 to the consolidated financial statements for the year ended December 31, 2024. The preparation of the consolidated financial statements require management to make estimates, assumptions and judgements that may have a significant impact on the consolidated financial statements. These estimates, assumptions and judgements are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances, however actual outcomes can differ. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

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

- Convertible debentures – the Debenture Restructuring was accounted for as an extinguishment of the compound instrument and the recognition of the revised instrument at fair value, estimated using valuation techniques. The Company exercised judgement in determining the appropriate assumptions, as at the date of the restructuring, to value the revised debt.
- Share capital and warrants – the Company exercised judgement in determining the assumptions and valuation techniques used in valuing the private placement equity and warrants.

BUSINESS ENVIRONMENT AND RISKS

Risks and uncertainties

The Company's business entails exposure to certain risks, including but not limited to: metal price risk; foreign exchange risk since the Company reports in United States dollars but operates in jurisdictions that use other currencies; the inherent risk of uncertainties in estimating Mineral Resources; political risk associated with operating in foreign jurisdictions; environmental risks; surface rights and access; enforcement of legal rights; and risks associated with labour relations issues. The current or future operations of Excellon are or will be governed by and subject to federal, state and municipal laws and regulations regarding mineral taxation, mineral royalties and other governmental charges. Any change to the mineral taxation and royalty regimes in the jurisdictions in which Excellon plans to operate could have an adverse financial impact on the Company's planned operations and the overall financial results of the Company, the extent of which cannot be predicted. For additional discussion of risk factors refer to the Company's AIF which is available under the Company's profile on SEDAR+.

ADDITIONAL SOURCES OF INFORMATION

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

CAUTIONARY STATEMENTS ON FORWARD-LOOKING STATEMENTS AND OTHER MATTERS

Forward-Looking Statements

*All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion & Analysis of Financial Results for the years ended December 31, 2024 and 2023 and the accompanying financial statements for the same period (together, the "***2024 Financial Disclosure***") constitute "forward-looking statements" and "forward looking information" (collectively, "****forward-looking statements****") within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as: "advancing", "aim", "alternatives", "believes", "considering", "contemplated", "contingencies", "continuing", "could", "demonstrated", "development", "de-risking", "discovery", "early-stage", "evaluate", "expected", "exploration", "estimate", "focus", "further", "future", "goals", "indicate", "initial", "intends", "investigate", "may", "model", "monitor", "near-term", "new", "observation", "ongoing", "opportunities", "option", "outlook", "pending", "pipeline", "plan", "potential", "priorities", "program", "project", "proposed", "proposition", "prospective", "prospecting", "provide", "provision", "re-assaying", "reassessing", "relogging", "review", "risk", "samples", "seeking", "should", "strategic", "studies", "subject to", "survey", "target", "test", "timelines", "trend", "uncertainties", "viability", "vision", "will" and "would", or variations of such words, and similar such words, expressions or statements that certain actions, events or results can, could, may, should, will (or not) be achieved, happen, occur, provide, result or support in the future or which, by their nature, refer to future events. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements include statements regarding opportunities, outlook and strategic alternatives (including any form, aspect, value or other impacts thereof); advancing a portfolio of assets; mineralization, mineralized area or footprint, or mineral deposits (including potential, grade, further definition or expansion or extension, continuation, openness and location); mineral resource estimates (including tonnes, grade, and any expansion, increase, conversion or reclassification thereof; see also below in these Cautionary Statements under "Mineral Resources", "U.S. Readers" and "Preliminary Economic Assessments (or PEAs)"); exploration programs and activities (including prospectivity or potential (and any increase thereof), targets and assessments or interpretations of drilling and results thereof to date); any other acquisition and other strategic opportunities; closure and reclamation (including activities, expenditures, costs and provisions, and timing thereof); pending or ongoing regulatory, administrative, litigation or other legal proceedings, and provisions therefor, and assessments and outcomes thereof (including the drilling contractor claim and lien in respect of the Kilgore Project) or recourse thereunder; compliance with and maintenance and effects of controls, policies, procedures, processes and systems of the Company; Excellon's vision (including the realization of opportunities, the means thereof and basis therefor); and any benefits or any other implications of any of the foregoing; and future impacts of Covid-19 and actions taken to mitigate such. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct, and any forward-looking statements by the Company are not guarantees of future actions, results or performance. Forward-looking statements are based on assumptions, estimates, expectations and opinions, which are considered reasonable and represent best judgment based on available facts, as of the date such statements are made. If such assumptions, estimates, expectations and opinions prove to be incorrect, actual and future results may be materially different than expressed or implied in the forward-looking statements. The estimates, expectations and opinions referenced or contained in the 2024 Financial Disclosure, which may prove to be incorrect, are subject to a number of assumptions which include those set forth or referenced in the 2024 Financial Disclosure, the Company's Management's Discussion and Analysis, and accompanying financial statements, for the year ended December 31, 2024 (collectively, the "****FYE 2024 Financial Disclosure****"), the Company's AIF, the current technical* *reports for the Company's projects (collectively, the "**Technical Reports**") and the Company's other applicable public disclosure (collectively, "**Company Disclosure**"), all available under the Company's profile on SEDAR+ (www.sedarplus.ca) and/or on its website at www.excellonresources.com. Forward-looking statements are inherently subject to known and unknown risks, uncertainties, contingencies and other factors which may cause the actual plans, results, performance or achievements of the Company to differ materially from any future results, plans, performance or achievements expressed or implied by the forward-looking statements. Such risks, uncertainties, contingencies and other factors include, among others, that the project infrastructure requirements and anticipated processing methods, risks related to partnership or other joint operations; actual results of current exploration activities; variations in mineral resources, mineral production, grades or recovery rates or optimization efforts and sales; the ability to obtain on a timely basis, and maintain, necessary permits and other approvals; delays in obtaining financing or in the completion of development or construction activities; uninsured risks, including pollution, cave ins or hazards for which insurance cannot be obtained; regulatory changes; defects in title; availability or integration of personnel, materials and equipment; inability to recruit or retain management and key personnel; performance of facilities, equipment and processes relative to specifications and expectations; unanticipated environmental impacts on operations; market prices; production, construction and technological risks related to Excellon; capital requirements and operating risks associated with the operations or an expansion of the operations of Excellon; dilution due to any future acquisitions or other transactions; fluctuations in gold, silver, lead, zinc and other precious metal prices and currency exchange rates; inability to successfully complete new development projects, planned expansions or other projects within the timelines anticipated; adverse changes to market, political and general economic conditions or laws, rules and regulations applicable to Excellon; changes in project parameters; the possibility of project cost overruns or unanticipated costs and expenses; accidents, labour disputes, community and stakeholder protests and other risks of the mining industry; risk of an undiscovered defect in title or other adverse claim; and the "Risk Factors" in the Company's AIF, and the risks, uncertainties, contingencies and other factors identified in the 2024 Financial Disclosure, the Technical Reports and other applicable Company Disclosure. The foregoing list of risks, uncertainties, contingencies and other factors is not exhaustive; readers should consult the more complete discussion of the Company's business, financial condition and prospects that is provided in the Company's AIF and the other aforementioned Company Disclosure. Although Excellon has attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in forward-looking statements in the 2024 Financial Disclosure and the other Company Disclosure referenced herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements in the 2024 Financial Disclosure, nor in the documents incorporated by reference herein. Readers are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements referenced or contained in the 2024 Financial Disclosure are expressly qualified by these Cautionary Statements, together with those below, as well as the Cautionary Statements in the Company's AIF, the Technical Reports and other applicable Company Disclosure. Forward-looking statements contained herein are made as of the date of the 2024 Financial Disclosure (or as otherwise expressly specified) and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable laws.*

Mineral Resources

Until mineral deposits are actually mined and processed, mineral resources must be considered as estimates only. Mineral resource estimates that are not classified as mineral reserves do not have demonstrated economic viability. The estimation of mineral resources is inherently uncertain, involves subjective judgement about many relevant factors and *may be materially affected by, among other things, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant risks, uncertainties, contingencies and other factors described in the foregoing Cautionary Statements on Forward-Looking Statements. The quantity and grade of reported "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain if further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. The accuracy of any mineral resource estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. The quantity and grade of an "inferred" mineral resource estimates are uncertain in nature and there has been insufficient exploration to define "inferred" mineral resource estimates as an "indicated" or "measured" mineral resource and it is uncertain if further exploration will result in upgrading "inferred" mineral resource estimates to an "indicated" or "measured" mineral resource category. Mineral resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in mineral prices; (ii) results of drilling and development; (iii) results of geological and structural modeling including stope design; (iv) metallurgical testing and other testing; (v) proposed mining operations including dilution; and (vi) the possible failure to receive and/or maintain required permits, licences and other approvals. It cannot be assumed that all or any part of a "inferred", "indicated" or "measured" mineral resource estimate will ever be upgraded to a higher category including a mineral reserve.*

The mineral resource estimates referenced in the 2024 Financial Disclosure were estimated, categorized and reported using standards and definitions using the CIM Standards in accordance with NI 43-101 of the CSA, which governs the public disclosure of scientific and technical information concerning mineral projects by Canadian issuers such as Excellon.

*The mineral resource estimates disclosed and/or referenced in the 2024 Financial Disclosure were reported in accordance with National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") using Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Definition Standards for Mineral Resources and Mineral Reserves (the "**CIM Standards**") and applying the CIM's Mineral Resources and Mineral Reserves Best Practices guidelines (as applicable). For additional discussion of the Company's mineral resource estimates at the Company's projects, as well as an overall more detailed discussion of such projects, the reader should refer to the Company's AIF and the applicable Technical Reports.*

U.S. Readers

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

The 2024 Financial Disclosure may also contain information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises United States investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties.

Preliminary Economic Assessments (or PEAs)

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

Qualified Persons

*Mr. Steven L. Park, M.Sc., C.P.G., an independent consulting geologist and a Qualified Person as defined in NI 43-101 (a "**QP**"), reviewed and approved the scientific and technical information related to the Tres Cerros Project in this MD&A. Mr. Paul Keller, P. Eng., QP, reviewed, verified and approved the scientific and technical information related to the Kilgore and Silver City Projects contained in this MD&A.*