EXCELSIOR MINING CORP.
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2015
CONTAINING INFORMATION UP TO AND INCLUDING MAY 28, 2015

GENERAL

Management's discussion & analysis ("MD&A") is intended to supplement and complement the condensed consolidated interim financial statements of Excelsior Mining Corp. (the "Company" or "Excelsior"). The information provided herein should be read in conjunction with the Company's condensed consolidated interim financial statements and accompanying notes for the three month period ended March 31, 2015 and the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2014.

All dollar figures presented are expressed in the United States dollar unless otherwise noted. The Company changed its presentation currency from Canadian dollars to US dollars effective January 1, 2015.

The Company's condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34, *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements. The accounting policies applied in the condensed consolidated interim financial statements are consistent with those applied in the Company's audited annual consolidated financial statements unless otherwise disclosed.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems and procedures and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Directors' audit committee meets with management quarterly to review the financial statements, including the MD&A, and to discuss other financial and operating matters.

The reader is encouraged to review the Company statutory filings on www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of the U.S. Private Securities Litigation Reform Act and applicable Canadian securities laws concerning anticipated developments and events that may occur in the future. Forward-looking information contained in this MD&A includes, but is not limited to, statements with respect to: (i) the estimation of mineral resources and mineral reserves; (ii) the market and future price of copper and related products; (iii) anticipated outcome of future exploration activities; (iv) permitting time lines; (v) requirements for additional capital; (vi) development, construction and production timelines and estimates; (vii) the results of the Prefeasibility Study including statements about estimated future production, future operating and capital costs, the projected IRR, NPV, payback period, construction timelines and production timelines for the Gunnison Project; (viii) the future effects of environmental compliance requirements on the business of the Company; and (ix) the statements under the heading "Outlook" in this MD&A, including statements about the completion of a feasibility study, completion of the resource and hydrological models, completion and analysis of metallurgical test work and progress on permitting.

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this MD&A is based on certain factors and assumptions regarding, among other things, the estimation of mineral reserves and resources, the realization of resource estimates, copper and other metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the Gunnison Project in the short and long-term, the progress of exploration and development activities, the receipt of necessary regulatory approvals and permits, the estimation of insurance coverage, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information including, without limitation, the following risks and uncertainties referred to under the heading “Risk Factors” in the Company’s Annual Information Form for the year ended December 31, 2014:

- risks relating to the fact that the Company depends on a single mineral project;
- risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined including the possibility that mining operations may not commence at the Gunnison Project;
- risks relating to variations in mineral resources and reserves, grade or recovery rates resulting from current exploration and development activities;
- risks related to fluctuations in the price of copper as the Company’s future revenues, if any, are expected to be derived from the sale of copper;
- risks related to a reduction in the demand for copper in the Chinese market which could result in lower prices and demand for copper;
- financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the development and construction activities at the Gunnison Project may not be available on satisfactory terms, or at all;
- the Company has no history of mining operations and no revenues from operations and expects to incur losses for the foreseeable future;
- risks related to the Company obtaining various permits required to conduct its current and anticipated future operations;
- risks related to disputes concerning property titles and interest;
- risks relating to the ability to access infrastructure;
- operational risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process;
- risks related to the significant governmental regulation that the Company is subject to;
- environmental risks;

- reliance on key personnel;
- risks related to increased competition in the market for copper and related products and in the mining industry generally;
- risks related to potential conflicting interests among the Company's directors and officers;
- exchange rate fluctuations between the Canadian and United States dollar;
- the absence of dividends;
- uncertainties inherent in the estimation of mineral resources;
- risks related to current global financial conditions;
- land reclamation requirements may be burdensome;
- risks associated with the acquisition of any new properties;
- the Company may become subject to legal proceedings; and
- risks relating to the Company's Common Shares.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking information is made as of the date of this MD&A.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information and readers should also carefully consider the matters discussed under the heading, "Risk Factors", in this MD&A and under the heading, "Risk Factors", in the AIF.

CAUTIONARY NOTE TO U.S. INVESTORS – INFORMATION CONCERNING PREPARATION OF RESOURCE AND RESERVE ESTIMATES

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. Unless otherwise indicated, all resource and reserve estimates included in this MD&A have been prepared in accordance with Canadian National Instrument 43-101 ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty 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. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

DESCRIPTION OF BUSINESS AND OVERVIEW

Excelsior was incorporated under the *Business Corporations Act* (British Columbia) on June 9, 2005. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "MIN", Frankfurt Stock Exchange under the symbol "3XS", and on QTCQX under the symbol "EXMGF". Currently, the Company is conducting exploration and evaluation activities related entirely to the Gunnison Copper Project located within the copper porphyry belt of Arizona.

MINERAL PROPERTIES

Option Agreements

The Company, through its wholly-owned subsidiary, entered into a series of option agreements to purchase the Gunnison Project located in Cochise County, Arizona. Under the Amended and Restated Option Agreement dated November 12, 2012 (the "Option Agreement"), the Company had the exclusive right to acquire 100% of the Gunnison Project for $350,000 to be paid according to the schedule below. The Company formally exercised the option and acquired 100% of the mineral interest that comprise the Gunnison Project by making all of the following payments on or before December 31, 2014:

- $150,000 to be paid on the execution of the Option Agreement (paid in December 2012);
- $150,000 to be paid on the earlier of:
  - thirty days of the closing of an equity financing greater than $2,000,000; and
  - on or before January 1, 2014 (paid in August 2013); and
- $50,000 payable on or before January 1, 2015 (paid in December 2014).

As a result of the exercise of the option and pursuant to the terms of the Option Agreement, the Company made additional payments in the amount of $246,205 to certain land holders of the Gunnison Project. The acquisition costs were accrued as of December 31, 2014 and paid in February 2015.

Share Purchase and Royalty Agreement

On July 19, 2013, the Company entered into a Share Purchase and Royalty Option Agreement (the "Callinan Agreement") with Callinan Royalties Corporation ("Callinan"), now a wholly-owned subsidiary of Altius Minerals Corporation ('Altius"). Under the terms of the Callinan Agreement, Callinan was to invest CAD$1,000,000 in the Company by way of a non-brokered private placement and up to a further CAD$21,000,000 through the purchase of a staged gross revenue royalty ("GRR") on the Gunnison Project (the "Transaction").

Under the terms of the Callinan Agreement, Callinan made an initial investment as follows:

- Purchased 6,250,000 common shares of the Company at a price of CAD$0.16 per common share for aggregate consideration of CAD$1,000,000 (cash received and common shares issued in July 2013); and

- Paid CAD$2,000,000 to the Company in exchange for 0.5% GRR (the "Initial GRR") (received).

Callinan had the right to require the Company to repurchase all or part of the Initial GRR for CAD$2,000,000 pro-rated for the portion of the Initial GRR purchased by the Company and payable in common shares of the Company priced at CAD$0.25 per common share. This right expired on the exercise of the first royalty option under the Callinan Agreement, discussed further below.

On July 29, 2014, Callinan exercised its first royalty option under the Callinan Agreement. As a result Callinan paid the Company CAD$3,000,000 in return for an additional 0.5% GRR on the Gunnison Project. Combined with the initial GRR that Callinan acquired in July 2013, Callinan now holds a 1.0% GRR on the Gunnison Project.

Callinan has the option to invest up to an additional CAD$16,000,000 into the Company in exchange for a further 2.0% GRR on the Gunnison Project based on development milestones (1%) and a construction option (1%).

1% of the additional GRR is staged and based upon the Company meeting specific development milestones leading up to the construction of a mining facility including completion of hydrology and metallurgy models to feasibility study level and successful administrative review of the key permits (Aquifer Protection Permit and the Underground Injection Control and Aquifer Exemption Permit). Upon the completion of each milestone, Callinan has the option to purchase an additional 0.5% GRR for CAD$3,000,000 each.

The construction option gives Callinan the right to buy a 1% GRR for CAD$10,000,000 following completion of the feasibility study, receipt of all required permits and the Company securing a firm commitment for 50% of the required capital required for mine construction. One half (0.50%) of the construction option has vested and an additional quarter (0.25%) of the construction option will vest with each CAD$3,000,000 paid by Callinan to the Company pursuant to the exercise of any of the two remaining royalty options leading up to the construction option.

The exercise price of the construction option may be adjusted if the feasibility study recommends the construction of a plant with capacity lower than 80 million pounds of copper per year based on an agreed upon schedule.

Should all the royalty options be exercised, Callinan will acquire a 3% GRR on the Gunnison Project for total proceeds of CAD$21,000,000.

Summary of Results & Highlights

The Gunnison Project is located within the copper porphyry belt of Arizona, 65 miles southeast of Tucson and approximately one mile southeast of the Johnson Camp Copper Mine. The Property is located near the I-10 freeway and covers 6,405 acres (2,592 hectares). The Deposit contains a Measured & Indicated mineral resource estimate of 3.21 billion pounds of oxide copper and an additional Inferred mineral resource estimate of 0.83 billion pounds of oxide copper and remains open for expansion.

Gunnison Project Mineral Resource (0.05% Total Cu cut-off grade):

Resource Category	Tons[1] (Mton)	Grade[2] (% Copper)	Cu Metal (Billion lbs)
Measured	136.1	0.41	1.10
Indicated	362.3	0.29	2.11
Measured + Indicated	**498.4**	**0.32**	**3.21**
Inferred	156.2	0.27	0.83

Notes: [1] US short ton, [2] total copper

The oxide copper portion of the deposit has the potential to be mined using in-situ recovery (“ISR”) methods. This could allow the copper to be recovered at a much lower cost than conventional mining methods. Copper has successfully been extracted using ISR in Arizona on numerous occasions.

For further details on the upgraded mineral resource estimate, please refer to the PFS Technical Report (defined below) which is filed on SEDAR at www.sedar.com.

The following represents a brief summary of recent key activities, milestones and deliverables associated with the ongoing advancement of the Gunnison Project. Information related to prior periods is included where contextualization for recent activities is deemed appropriate.

On January 17, 2014, the Company announced the results of the Prefeasibility Study (“PFS”) of the Gunnison Project. The PFS was completed by M3 Engineering & Technology Corporation (“M3”) of Tucson, AZ and is effective as of January 13, 2014. The complete report is entitled “Gunnison Copper Project NI 43-101 Technical Report Prefeasibility Study, Cochise County, Arizona, USA”, and dated effective January 13, 2014 (the “PFS Technical Report”).

The PFS results are positive and support Excelsior’s contention that copper extraction at Gunnison via ISR has the potential to generate positive financial returns. The study showed that the low capital costs and low per pound operating costs provide the Project with significant margins.

The PFS mineral reserve dated January 13, 2014 is based on an economic analysis of the mineral resource using the costs developed during the 2011 Preliminary Economic Assessment, test work to estimate the recovery factors and a $2.75/lb copper price. The economic optimization was performed on Measured and Indicated Resources. Probable Mineral Reserve estimates for oxide and transition copper are 3.61 billion pounds (632 million tons at 0.29% copper). The Mineral Reserve estimate is inclusive of the Measured and Indicated Mineral Resources.

On October 7, 2014, Excelsior announced the results of an Economic Impact Study ("EIS") of the Gunnison Project. The study, completed by researchers at the L.W. Seidman Research Institute, W.P. Carey School of Business, Arizona State University, Tempe, AZ, illustrates that the project would generate significant positive economic benefit at both the State and County level.

Highlights of the Gunnison Copper Project EIS include:

- Creation of an average of **819 jobs** annually state-wide
    - *108 direct, on-site jobs; 711 in-direct or "secondary" jobs*
- **$2.94 billion** added to Arizona's Gross State Product
- **$319.9 million** in additional State revenues generated directly from the project

The numbers and dollar values quoted above are all based on the 2014 Prefeasibility Study and assume that the Company builds its own acid plant.

In September 2014, the Company commenced a metallurgical drill program at the Gunnison Project. The program was comprised of ten diamond-drill holes totaling 5,899 feet of diamond drilling (11,306 feet total). The samples collected will be used to conduct extensive metallurgical testing, including column tests, acid consumption tests and rinse tests. The metallurgy drill program was completed in November 2014 and the Company submitted a total of 23 column test samples as well as 10 box test samples for metallurgical testing to be conducted by the independent laboratory MAG (Mineral Advisory Group). The results of the metallurgical tests will be used to determine copper extraction rates, acid consumption rates and rinsing procedures and rates. The results of the metallurgical testing will be used for both the permitting application process and the feasibility study for the Gunnison Project.

On May 20, 2015, the Company announced interim results from the "fracture simulation" leach tests that are ongoing as part of the metallurgical testing program. The tests demonstrate copper recovery from the fractured rocks occurs rapidly and relatively uniformly across all rock types. The tests have also allowed for detailed and quantitative acid consumption measurements. To date, the results of recovery and acid consumption are entirely consistent with the metallurgical parameters used in the PFS. Final metallurgical test results are expected to be available in July 2015.

In October 2014, the Company commenced a hydrological drill program at the Gunnison Project. This program was completed in March 2015. The primary component of the hydrological program comprised 26 hydrology test and observation wells totaling approximately 25,870 feet. Extensive geophysical logging was completed on all holes. The objective of the program is to characterize the hydrological parameters of the mineralized rocks by measuring groundwater movement through the rocks. Results will be used to construct a numerical groundwater flow model to simulate in-situ recovery operations and to assist with permit applications. Additional long-term aquifer testing will also be conducted on previously constructed wells. Hydrological data and modeling will be used for both the permitting application process and the feasibility study. Results of all drilling, data interpretation, and modeling are expected to be available in July 2015.

In October 2014, the Company also commenced a resource upgrade drill program at the Gunnison Project. Assay results from the drill program consisting of 13 diamond drill holes, totaling 17,110 feet have been returned. Results are consistent with expectations and previous drill holes in the area. The new resource calculation is expected to be complete at the end of Q2 2015.

Excelsior's exploration work on the Gunnison Project is supervised by Dr. Stephen Twyerould, Fellow of AUSIMM, President and CEO of Excelsior, and a Qualified Person as defined by NI 43-101. Except as otherwise noted, Dr. Twyerould has reviewed and approved the technical information contained in this MD&A. Further information about the Gunnison Copper Project can be found in the PFS Technical Report filed on SEDAR at www.sedar.com.

OUTLOOK

The next steps for Excelsior include completing the resource and hydrological models and interpreting metallurgical data to support the Company with respect to initiating and completing a feasibility study and permitting. The collection of hydrological data is largely complete while the metallurgical tests are ongoing. The results will be released and used for permitting and the feasibility study.

Specifically, the results from all the recently completed field activities, as well as the technical data previously acquired and newly collected data will be used to optimize all aspects of the Gunnison Project, including well field design and leaching solution composition. In addition, these results will provide critical information for groundwater quality control and ultimately, project reclamation, as well as provide data that will be critical as the Gunnison Project moves into the permitting phase.

REVIEW OF FINANCIAL RESULTS

Results of operations for the three month period ended March 31, 2015 compared to the three month period ended March 31, 2014:

For the three months ended March 31, 2015, the Company reported a net loss of $3,824,703 ($0.03 per common share) compared to a net loss of $841,757 ($0.01 per common share) for the three months ended March 31, 2014. The Company experienced increased levels of both corporate and exploration activities during the first quarter of fiscal 2015 subsequent to the Company raising financing during fiscal 2014 to allow for the commencement of the feasibility study and sustainability programs.

Significant changes in the expense accounts are described as follows:

Exploration and evaluation, which primarily includes hydrology, metallurgy and geology to support the requirements for a feasibility study as well as for sustainability and permitting, increased to $2,765,685 for the three months ended March 31, 2015 compared to $255,392 for the same period of the prior year. In the first three months of 2015 the Company continued with the collection of geological, hydrological and metallurgical data for feasibility studies and permitting that commenced in the fourth quarter of 2014, subsequent to completing a financing. Feasibility study related activities comprised approximately 55% of the exploration and evaluation amount in the first three months of 2015, while sustainability related activities comprised the remaining 45%. Hydrology related activities accounted for $2,120,892 (or 77%) of the exploration and evaluation expense, being almost evenly split between feasibility and sustainability. The prior period amount largely related to the completion of the PFS, with engineering and geology related expenses comprising the majority of the amount.

Exploration and evaluation expenses are further summarized as follows:

	For the Three Month Period Ended March 31, 2015	2014
Feasibility study		
Administration	$ 131,974	$ -
Geochemistry	24,665	-
Geology	113,306	-
Hydrology	1,076,318	-
Metallurgy	188,446	-
	1,534,709	-
Pre-feasibility study		
Administration	-	43,148
Drilling	-	39,668
Engineering	-	94,434
Geochemistry	-	7,532
Geology	-	43,035
Hydrology	-	17,047
Metallurgy	-	10,528
	-	255,392
Sustainability		
Administration	33,061	-
Geochemistry	30,777	-
Geology	7,302	-
Hydrology	1,044,574	-
Permitting	115,262	-
	1,230,976	-
Total	**$ 2,765,685**	**$ 255,392**

Directors' and officers' fees increased to $209,263 for the three months ended March 31, 2015 compared to $166,557 for the same period of the prior year, as a result of increased compensation to certain executives and the Company appointing an Executive Chairman.

Investor relations rose by $42,295 for the three months ended March 31, 2015 compared to the same period of the prior year as a result of the Company's increased attendance at conferences and roadshows. In addition, the Company engaged a third party consultant to provide investor relation services, starting in August 2014.

Professional fees increased by $247,631 for the three months ended March 31, 2015 compared to the same period of the prior year as a result of the company engaging professionals to assist with the evaluation of strategic opportunities, which management considers from time to time, and overall increased corporate activity.

Office and administration comprises, rent, overhead, insurance, travel and other such corporate costs. The decrease of $6,514 for the three months ended March 31, 2015 when compared to the same period of the prior year was primarily due to lower corporate travel partly offset by higher rent and overhead costs caused by increased corporate activities.

Share-based compensation expense increased by $6,511 for the three months ended March 31, 2015 compared to the same period of the prior year largely due to the issuance of additional stock options subsequent to the first quarter of 2014. Share-based compensation expense has no effect on the Company's cash flows.

Foreign exchange loss increased by $174,057 for the three months ended March 31, 2015 compared to the same period of the prior year as a result of the effect of a strengthening US dollar relative to the Canadian dollar on the Company's Canadian dollar denominated cash and cash equivalents.

Finance income relates to interest income from excess cash on hand held in interest-bearing accounts. The increase during the three months ended March 31, 2015 compared with the same period in 2014 was the direct result of higher cash and cash equivalents balances on hand following the various financings completed during 2014.

SELECTED QUARTERLY INFORMATION

Selected financial indicators for the past eight quarters are shown in the following tables:

	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
Net income (loss) for the period	$ (3,824,703)	$ (4,529,677)	$ 848,218	$ (711,478)
Loss per share (basic and diluted)	(0.03)	(0.06)	0.01	(0.01)
Total assets	5,401,945	10,712,077	11,656,955	3,805,764

	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Net income (loss) for the period	$ (841,757)	$ (1,127,104)	$ 607,913	$ (510,166)
Loss per share (basic and diluted)	(0.01)	(0.02)	(0.02)	(0.01)
Total assets	888,216	1,779,221	3,299,826	1,054,348

The quarterly results presented above do not necessarily reflect any recurring expenditure patterns or predictable trends. The Company has generally incurred losses over the last eight quarters; however, during the third quarters of 2013 and 2014 the Company reported net income as a result of the sale of royalties to Callinan pursuant to the Callinan Agreement (See "Mineral Properties"). Net loss realized for the second quarter of fiscal 2013 was lower as a result of reductions in corporate activities and exploration initiatives to conserve cash. During the fourth quarter of fiscal 2013, the net loss was higher as a result of activities associated with the completion of the PFS. During the fourth quarter of fiscal 2014, there was a significant increase in the net loss due to the increase in exploration activities that occurred in that quarter and continued into the first quarter of 2015 as a result of the completion of financings in the third quarter of 2014.

Fluctuations in net loss for each quarter are generally driven by the amount of exploration activities that the Company undertakes on the Gunnison Project during each quarter.

LIQUIDITY, FINANCING, AND CAPITAL RESOURCES

The Company had cash and cash equivalents of $4,659,415 as of March 31, 2015 (December 31, 2014 - $10,006,114) and working capital of $4,308,420 (December 31, 2014 - $8,084,687). The decrease in cash and cash equivalents of $5,346,699 was almost all driven by cash used in operating activities of $4,832,334, as further described below.

Cash used in operating activities during the three months ended March 31, 2015 amounted to $4,832,334, compared to $866,548 during the same period of the prior year. The increase in cash outflow is primarily attributable to the increased net loss realized during the current period as the Company increased its exploration activities on the Gunnison Project as well as the settlement of accounts payable and accrued liabilities that were recorded as at December 31, 2014.

Cash used in investing activities for the three months ended March 31, 2015 amounted to $319,961 compared to $11,225 for the same period of the prior year. On February 2, 2015, the Company made a payment of $246,205 to certain land holders of the Gunnison project which became due on the exercise of the option to acquire 100% ownership of the Gunnison Project. The $246,205 consisted of a $150,000 payment under the terms of a promissory note and a purchase price adjustment payment of $96,205. The payments were obligations of the vendor of the Gunnison Project that were assumed by the Company on the exercise of the option to acquire the Gunnison Project.

Cash provided by financing activities for the three months ended March 31, 2015 was nil compared to $40,283 for the same period in 2014, when certain stock options were exercised.

At present, the Company has no producing properties and consequently has no current operating income or cash flows. The Company intends to finance its future requirements through a combination of equity, debt or other instruments. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms.

The Company's cash and cash equivalents are held in a Schedule 1 Canadian financial institution and its affiliated brokerage house in highly liquid accounts and interest bearing investments. No amounts have been or are invested in asset-backed commercial paper.

Fixed costs to maintain property title are about $100,000 per year. Corporate and general costs to maintain the requirements of a listed company as well as operations are approximately $1,500,000 per year. Therefore, minimum working capital requirements are estimated at $1,600,000 per year.

As at March 31, 2015, the Company's cash and cash equivalents were $4,659,415. Currently, the Company has sufficient funds to meet its estimated annual corporate and general costs and to complete the current programs which include collecting geological, hydrological and metallurgical data to support the Company with respect to completing a feasibility study and permitting applications. However, the Company does not currently have sufficient funds to complete all the engineering work associated with the completion of the feasibility study or all of the permitting work associated with the filing and receipt of all permits, both of which are scheduled to commence in the second half of 2015. In order to complete this work additional financing will be required. The Company does not have any pre-arranged sources of financing except for the remaining Callinan royalty options (see "Mineral Properties – Share Purchase and Royalty Agreement").

Before the end of 2015, the Company expects to meet the specific milestones relating to the next two 0.5% GRR Callinan royalty options of CAD$3,000,000 each relating to the completion of hydrology and metallurgy models to feasibility study level and the successful administrative review of the key permits (Aquifer Protection Permit and the Underground Injection Control and Aquifer Exemption Permit). The Callinan royalty options are options only and there is no certainty that Callinan will exercise them. In addition, even if they are exercised, the Company will require additional financing to complete the feasibility study and to receive final permits. Such financing will, as discussed above, come in the form of equity, debt or other means of financing. Should the Company not receive any proceeds from the exercising of the Callinan options or be unsuccessful in raising additional funds in 2015, then certain discretionary expenditures may be deferred and measures to reduce operating costs will be taken in order to preserve working capital.

STATEMENT OF FINANCIAL POSITION INFORMATION

The following financial data are selected from the Company's interim and annual statements of financial position:

	As at March 31, 2015	As at December 31, 2014
Cash and cash equivalents	$ 4,659,415	$ 10,006,114
Prepaid expenses	92,379	77,945
Receivables	90,207	80,284
Equipment	138,145	125,935
Reclamation bonds	125,000	125,000
Exploration and evaluation assets	296,799	296,799
Total Assets	$ 5,401,945	$ 10,712,077

	As at March 31, 2015	As at December 31, 2014
Accounts payable and accrued liabilities	$ 454,285	$ 1,868,061
Amounts due to related parties	79,296	211,595
Capital stock	26,768,226	26,768,226
Other equity reserves	5,260,963	5,200,317
Deficit	(26,331,829)	(22,507,126)
Accumulated other comprehensive loss	(828,996)	(828,996)
Total Liabilities and Equity	$ 5,401,945	$ 10,712,077

Assets

Cash and cash equivalents decreased by $5,346,699 during the quarter ended March 31, 2015 as previously discussed in "Liquidity, Financing and Capital Resources".

Prepaid expenses increased by $14,434 as the Company increased deposits to its drilling suppliers, as well as made various prepayments for annual insurance policies, partly offset by the amortization of prepayments made for conferences attended during the period.

Receivables increased by $9,923 during the quarter ended March 31, 2015 as a result of increased corporate activity which resulted in increased Goods and Services Tax input tax credits claimed. In addition, interest income receivable continued to accrue on excess cash on hand.

Equipment increased by $12,210 during the quarter ended March 31, 2015 due to the purchasing of exploration related equipment and computer software, partly offset by depreciation.

Liabilities

Accounts payable and accrued liabilities decreased by $1,413,776 during the quarter ended March 31, 2015 mainly as a result of the payment of various drilling and hydrology related invoices for the exploration work programs which commenced in the fourth quarter of 2014 as well as the payment of acquisition costs related to the Company exercising its final option for the 100% acquisition of the Gunnison Project.

Amounts due to related parties decreased by $132,299 during the quarter ended March 31, 2015 primarily as a result of payment for services rendered by King & Bay West Management Corp. for the fourth quarter of fiscal 2014 which were unpaid as of year-end. For further details related to amounts due to related parties, refer to “Related Party Transactions”.

Equity

During the quarter ended March 31, 2015, the other equity reserve increased by $60,646 as a result of share-based compensation.

Deficit increased by $3,824,703 which was the net loss for the quarter ended March 31, 2015.

Share Capital

The Company’s authorized capital consists of an unlimited number of common shares without par value and an unlimited number of non-voting common shares without par value. The Company has securities outstanding as follows:

Security Description	March 31, 2015	Date of report
Common shares, voting	114,801,562	114,801,562
Common shares, non-voting	-	-
Stock Options	11,686,000	11,686,000
Warrants	8,960,000	8,960,000

There were no common shares issued during the three month period ended March 31, 2015.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying condensed consolidated interim financial statements are summarized below and include transactions with the following individuals or entities:

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company’s Board of Directors, corporate officers, including the Company’s Executive Chairman, Chief Executive Officer, Chief Financial Officer, and Executive Vice Presidents.

Remuneration attributed to key management personnel can be summarized as follows:

	Three Month Periods Ended March 31, 2015	2014
Share-based compensation	$ 19,148	$ 46,054
Short-term benefits*	209,263	166,557
	$ 228,411	**$ 212,611**

* includes base salaries, consulting fees, management fees, director fees, and other employment benefits, pursuant to contractual employment, consultancy or management services arrangements

Other Related Parties

King & Bay West Management Corp, ("King & Bay") is an entity owned by Mark Morabito, the Executive Chairman of the Company which employs or retains certain officers of the Company. King & Bay provides administrative, management, geological, regulatory, tax, corporate development and corporate communications services to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the Company. The amount set out in the table below represents amounts paid to King & Bay for the services of King & Bay personnel and for overhead and third party costs incurred by King & Bay on behalf of the Company. The fees for such services were made on terms equivalent to those that King & Bay charges to arm's length parties.

Transactions entered into with related parties other than key management personnel included the following:

	Three Month Periods Ended March 31, 2015	2014
King & Bay	$ 189,837	$ 127,230

As at March 31, 2015, amounts accrued and due to related parties include the following:

- King & Bay - $70,783 (December 31, 2014 - $173,090)
- Michael Haworth, a director of the Company - $Nil (December 31, 2014 – $5,172)
- Roland Goodgame, Executive Vice President - $8,513 (December 31, 2014 - $Nil)
- SCT Holdings Management LLC, a company controlled by the CEO - $Nil (December 31, 2014 - $33,333)

Transactions with related parties were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

ACCOUNTING POLICIES

A complete summary of the Company's significant accounting policies is provided in Note 2 to the audited consolidated financial statements for the year ended December 31, 2014.

The preparation of financial statements in accordance with IFRS often requires management to make estimates about and apply assumptions or subjective judgment to future events and other matters that affect the reported amounts of the Company's assets, liabilities, expenses and related disclosures. Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the financial statements are prepared. Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates and judgments in order to ensure that the financial statements are presented fairly and in accordance with IFRS.

Functional Currency

Items included in the financial statements of the Company and its wholly-owned subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The functional currency of the Company and its subsidiary is the United States dollar ("US dollar"). Effective January 1, 2015, the functional currency of the Company was changed from the Canadian dollar to the US dollar as a result of a change in underlying transactions, events and conditions, including raising financing in US dollars. The change in functional currency was applied prospectively from January 1, 2015 onwards.

Change in Presentation Currency

Prior to January 1, 2015, the Company reported its annual and quarterly statements of financial position and the related statements of losses, comprehensive losses, and cash flows in Canadian dollars ("CAD"). Effective January 1, 2015, the Company changed its reporting currency to the United States dollar to better reflect the Company's business activities and to facilitate comparability to similar mining companies in the sector. As a result and in accordance with International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates, the consolidated financial statements for all periods presented have been translated into US dollars. The consolidated statements of loss and comprehensive loss and the consolidated statements of cash flows for each period have been translated into the presentation currency using the average exchange rate prevailing during each period. All assets and liabilities have been translated using the exchange rate prevailing at the statements of financial position dates. Equity transactions have been translated at the exchange rate in effect on the date of the specific transaction. All resulting exchange differences arising from the translation are included as a separate component of other comprehensive income or loss. All comparative financial information has been restated to reflect the Company's results as if they had been historically reported in US dollars.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than an entities' functional currency are recognized in the consolidated statement of loss and comprehensive loss.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported.

Critical Judgments

The preparation of financial statements requires management to make judgments regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined to be the United States dollar for the Company and its wholly-owned subsidiary.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Share-based Payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the period along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in the accompanying notes to the financial statements.

Recoverability of Exploration & Evaluation Assets

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

RISK FACTORS

The exploration of mineral deposits involves significant risks and uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. Certain of the more prominent risk factors that may materially affect the Company’s future performance, in addition to those referred to above, are listed hereunder.

Excelsior depends on a single mineral project.

The Gunnison Project accounts for all of Excelsior's mineral resources and mineral reserves and exclusively represents the current potential for the future generation of revenue. Mineral exploration and development involves a high degree of risk that even a combination of careful evaluation, experience and knowledge cannot eliminate and few properties that are explored are ultimately developed into producing mines. Any adverse development affecting the Gunnison Project will have a material adverse effect on Excelsior's business, prospects, financial position, results of operations and cash flows.

The successful start of mining operations at and the development of, the Gunnison Project into a commercially viable mine cannot be assured.

Development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Company's control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render resources and deposits containing relatively lower grades of mineralization uneconomic.

There are numerous activities that need to be completed in order to successfully commence development and production at the Gunnison Project, including, without limitation: completing a feasibility study, optimizing the mine plan; recruiting and training personnel; negotiating contracts for railway transportation and for the sale of copper; updating, renewing and obtaining, as required, all necessary permits, including, without limitation, environmental permits; and handling any other infrastructure issues. There is no certainty that Excelsior will be able to recruit and train personnel, have available funds to finance construction and development activities, avoid potential increases in costs, negotiate railway transportation or copper sales agreements on terms that would be acceptable to Excelsior, or that Excelsior will be able to update, renew and obtain all necessary permits to start or to continue to operate the Gunnison Project. Most of these activities require significant lead times, and Excelsior will be required to manage and advance these activities concurrently in order to begin production. A failure or delay in the completion of any one of these activities may delay production, possibly indefinitely, at the Gunnison Project and would have a material adverse effect on Excelsior's business, prospects, financial position, results of operations and cash flows.

As such, there can be no assurance that Excelsior will be able to complete development of the Gunnison Project at all, or in accordance with any timelines or budgets that may be established due to, among other things, and in addition to those factors described above, the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support operations. Failure to successfully complete these events as expected would have a material adverse effect on Excelsior's business, prospects, financial position, results of operations and cash flows.

There is no assurance that Excelsior will ever achieve production or that Excelsior will ever be profitable if production is achieved.

Excelsior has a history of losses and expects to incur losses for the foreseeable future.

Excelsior has incurred losses since its inception and expects to incur losses for the foreseeable future. Excelsior expects to continue to incur losses unless and until such time as the Gunnison Project enters into commercial production and generates sufficient revenues to fund continuing operations. The development of the Gunnison Project will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration, evaluation and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred, the execution of any agreements with strategic partners, and Excelsior's acquisition of additional properties. Some of these factors are beyond Excelsior's control. There can be no assurance that Excelsior will ever achieve profitability.

Excelsior requires various permits in order to conduct its current and anticipated future operations, and any delays in obtaining or a failure to obtain such permits, or a failure to comply with the terms of any such permits that Excelsior has obtained or will obtain, could have a material adverse impact on Excelsior.

Excelsior's current and anticipated future operations, including further exploration, evaluation and development activities and commencement of production on the Gunnison Project, require permits from various United States federal, state, and local government authorities. Obtaining or renewing governmental permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within Excelsior's control.

Shortage of qualified and experienced personnel in the various levels of government could result in delays or inefficiencies. Backlog within the permitting agencies could affect the permitting timeline of the Gunnison Project. Other factors that could affect the permitting timeline include (i) the number of other large-scale projects currently in a more advanced stage of development which could slow down the review process for the Gunnison Project and (ii) significant public response regarding the Gunnison Project. There can be no assurance that all permits which Excelsior requires for its exploration and development activities and later construction of mining facilities and the conduct of mining operations will be obtainable or renewable on reasonable terms, or at all. Delays or a failure to obtain such permits, or the expiry, revocation or a failure to comply with the terms of any such permits that Excelsior has obtained, could have a material adverse impact on Excelsior.

Title and other rights to the Gunnison Project cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects.

Excelsior cannot guarantee that title to the Gunnison Project will not be challenged. Excelsior may not have, or may not be able to obtain, all necessary surface rights to develop the Gunnison Project. Title insurance generally is not available for mineral properties and Excelsior's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions comprising the Gunnison Project may be severely constrained. The Gunnison Project may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Excelsior has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in Excelsior being unable to operate on all or part of the Gunnison Project as permitted or being unable to enforce its rights with respect to all or part of the Gunnison Project. This could result in Excelsior not being compensated for its prior expenditures relating to the property.

Excelsior needs to enter into contracts with external service and utility providers.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. In order to develop a mine at the Gunnison Project, Excelsior will need to negotiate and conclude various agreements with external service and utility providers for power, water, transportation and shipping and these are important determinants that affect capital and operating costs.

There is no certainty that Excelsior will be conclude various agreements with external service and utility providers on economically feasible terms and this could have a material adverse effect on Excelsior’s results of operations, financial position and cash flows and render the development of a mine on the Gunnison Project unviable.

Excelsior's activities are subject to environmental laws and regulations that may increase Excelsior's costs of doing business and restrict the Company's operations.

All of Excelsior's exploration, potential development and production activities in the United States are subject to regulation by governmental agencies under various environmental laws, including with respect to, air emissions, discharges into water, and management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation, including with respect to climate change, in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of Excelsior and may cause material changes or delays in Excelsior's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect Excelsior's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of Excelsior's business, causing Excelsior to re-evaluate those activities at that time. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulator or judicial authorities, causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Environmental hazards may exist on the Gunnison Project that are unknown to Excelsior at the present time and that have been caused by previous owners or operators or that may have occurred naturally. Excelsior may be liable for remediating such damage.

Excelsior may experience difficulty attracting and retaining qualified management and technical personnel to meet the needs of its anticipated growth.

Excelsior is dependent on the services of key executives including Excelsior's Executive Chairman, Chief Executive Officer and Executive Vice President, and other highly skilled and experienced executives and personnel focused on managing Excelsior's interests and the advancement of the Gunnison Project, and on identifying new opportunities for growth and funding. Due to Excelsior's relatively small size, the loss of these persons or Excelsior's inability to attract and retain additional highly skilled employees required for the development of Excelsior's activities may have a material adverse effect on Excelsior's business or future operations.

In addition, Excelsior anticipates that if it brings the Gunnison Project into production and where appropriate, acquires additional mineral rights, Excelsior will experience significant growth in its operations. Excelsior expects this growth to create new positions and responsibilities for management and technical personnel and to increase demands on its operating and financial systems. There can be no assurance that Excelsior will successfully meet these demands and effectively attract and retain additional qualified personnel to manage its anticipated growth. The failure to attract such qualified personnel to manage growth would have a material adverse effect on Excelsior's business, financial position, results of operations and cash flows.

Excelsior's securities are subject to price volatility.

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations that have not been necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in Excelsior's share price will not occur. It may be anticipated that any quoted market for our common shares will be subject to market trends generally, notwithstanding any potential success in creating revenues, cash flows or earnings. The value of Excelsior's common shares will be affected by such volatility.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to-maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statement of operations. Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest rate method.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	**Category**	**Measurement**
Cash and cash equivalents	Loans and receivables	Fair value
Receivables	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost
Reclamation bonds	Held-to-maturity	Amortized cost

The Company classifies the fair value of financial instruments according to the following hierarchy based on the reliability of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying value of the Company's receivables, accounts payable and accrued liabilities, and due to related parties, approximates their fair values due to their short terms to maturity.

As at March 31, 2015, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at large North American financial institutions some of which are interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's receivables consist mainly of input tax credits receivable due from the Government of Canada. As a result the Company does not believe it is subject to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined in Note 10 of the audited consolidated financial statements for the year ended December 31, 2014. As at March 31, 2015, the Company had a cash and cash equivalents balance of $4,659,415 to settle current liabilities of $533,581. The Company believes it has sufficient cash and cash equivalents to settle current liabilities. See "Liquidity, Financing and Capital Resources" above for further information regarding the Company's liquidity.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices and foreign currency fluctuations.

(a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The risk that the Company will realize a loss as a result of a decline in the fair value of short-term investments is low.

Interest rate risk on cash and cash equivalents is minimal because these investments generally have a fixed yield rate. As of March 31, 2015, the Company did not have any interest bearing debt.

(b) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(c) Currency risk

Currency exchange risk is the risk that the future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates. The majority of the Company's operations are conducted in U.S. dollars; the Company's recent financing was in U.S. dollars but any future equity raised may be in either U. S dollars or Canadian dollars. Approximately 39% of cash and cash equivalents as at March 31, 2015 were held in Canadian dollar bank accounts. A 10% change in the Canadian dollar versus the U.S. dollar exchange rate would affect the loss of the Company by approximately $174,000.

COMMITMENTS

The Company has the following commitments with respect to the lease of its office in Phoenix, Arizona:

Fiscal Year End		Office Lease Payments
2015	$	64,211
2016		87,304
2017		89,557
2018		22,530
Total	**$**	**263,602**

SUBSEQUENT EVENTS

There were no reportable events subsequent to the three month period ended March 31, 2015.

ADDITIONAL INFORMATION

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's consolidated financial statements and notes for the year ended December 31, 2014, which is available on the SEDAR website, www.sedar.com. Additional information relating to the Company is available on SEDAR at www.sedar.com.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

As permitted, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed consolidated interim financial statements and corresponding accompanying Management's Discussion and Analysis. In contrast to the certificates under National Instrument 52-109 (Certification of Disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined by National Instrument 52-109.

APPROVAL

The Board of Directors of Excelsior Mining Corp. has approved the disclosure contained in this MD&A as of May 28, 2015.