EXCELLON

EXCELLON RESOURCES INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2011

March 27, 2012

PRELIMINARY NOTES

Words importing the singular number, where the context requires, include the plural and vice versa and words importing any gender include all genders. In this annual information form the terms “we”, “us”, “our” and “ours” refer to the Company.

All dollar amounts herein are in Canadian dollars, unless otherwise stated.

A glossary of certain technical terms and abbreviations that appear in this annual information form is included under the section entitled “Glossary of Technical Terms and Abbreviations”.

Note Regarding Forward-Looking Statements

This annual information form contains “forward-looking statements” within the meaning of applicable Canadian Securities legislation and applicable U.S. securities laws concerning the Company's plans for its properties, operations and other matters. Except for statements of historical fact relating to the Company, certain statements contained herein constitutes forward-looking statements including, but not limited to, statements regarding future anticipated and current exploration programs and expenditures, exploration results, the potential discovery and delineation of mineral deposits/resources/reserves, potential mining and processing scenarios (including the construction of a mill at Platosa), production estimates, the anticipated success of mineral processing procedures, anticipated continued sales of ore and proposed concentrate sales, proposed business plans, anticipated business trends and mineral prices, future anticipated operating costs, reclamation cost estimates, revenues and cash flow, and may relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates”, “believes”, “proposed”, “intends” or “does not intend”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be, or not be, taken, occur or be or not be achieved) are not statements of historical fact and may be “forward-looking statements”.

Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events or results to differ materially and adversely from those reflected in the forward-looking statements. A description of the risk factors applicable to the Company can be found in this annual information form under “Description of the Business – Risk Factors”. Should one or more of the risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially and adversely from those described in forward-looking statements. Forward looking statements are made based on management's beliefs, estimates, assumptions and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates, assumptions and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty or weight to forward-looking statements.

Readers are also cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company’s actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements, and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or that, if any of them do so, what benefits the Company will derive therefrom.

All of the Company's public disclosure filings may be accessed via SEDAR at www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

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

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

United States investors are cautioned not to assume that all or any part of Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable or that an Indicated Mineral Resource is economically or legally mineable.

Cautionary Note to United States Investors regarding Adjacent or Similar Properties

This annual information form 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 U.S. Securities and Exchange Commission's mining guidelines strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties.

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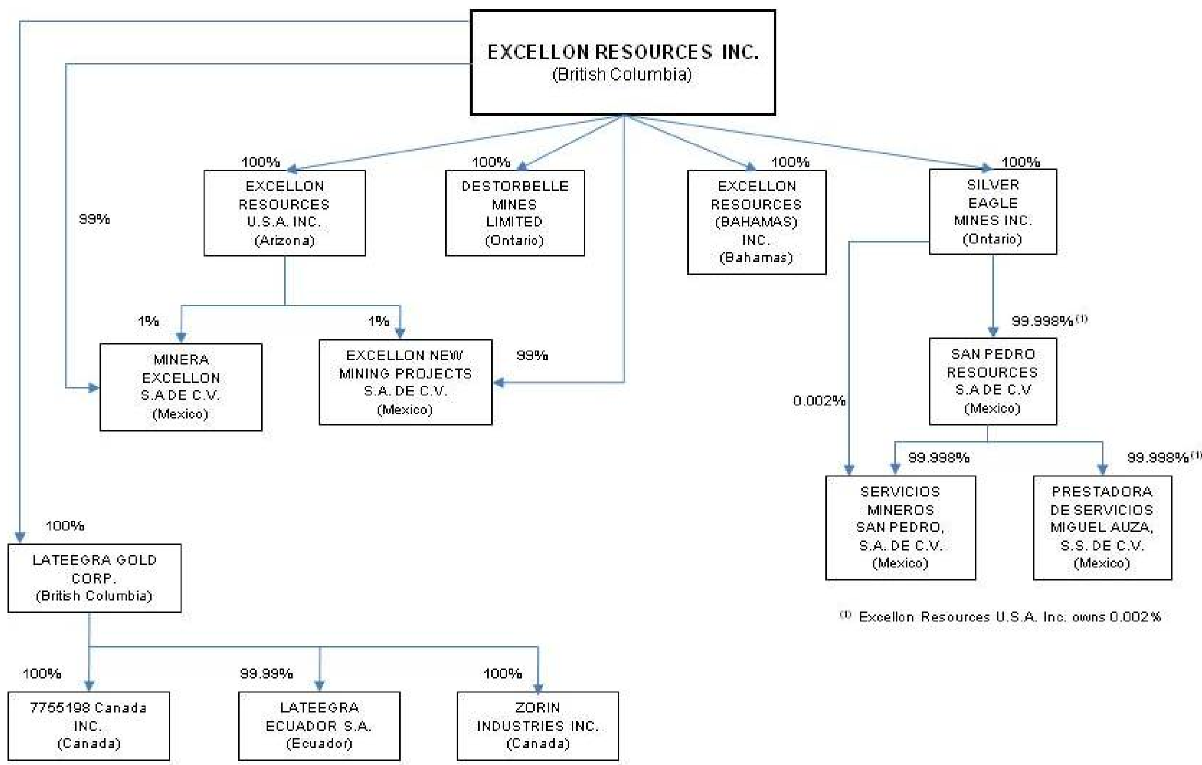
CORPORATE STRUCTURE

Incorporation

Excellon Resources Inc. ("**Excellon**" or the "**Company**") was incorporated under the *Company Act* (British Columbia) on March 4, 1987. The registered office of the Company is located at 1055 West Hastings St., Suite 2200, Vancouver, British Columbia V6E 2E9 and the principal office of the Company is located at 20 Victoria Street, Suite 900, Toronto, Ontario M5C 2N8. The Company's telephone number is (416) 364-1130 and its website address is www.excellonresources.com.

Corporate Structure

The diagram below sets out the organizational structure of the Company. Reference to the "Company" or "Excellon" in this Annual Information Form means Excellon Resources Inc. and its subsidiaries, except as may otherwise be indicated.



GENERAL DEVELOPMENT OF THE BUSINESS

Excellon is a mineral resource company engaged in the acquisition, exploration, development and mining of mineral properties. During the past three years the Company has been involved primarily in the exploration and development of its Platosa property in Durango State, Mexico (the "**Platosa Property**" or "**Platosa**"), where Excellon is producing silver, lead and zinc from high-grade manto deposits on its Platosa Property.

In 1996, Excellon acquired the historic Platosa Mine property and staked the surrounding Excelmex and Poeta claims. At approximately the same time, Exploraciones de Alitplano, S.A. de C.V. ("**Altiplano**") staked the adjacent Saltillera property. Altiplano optioned the Saltillera property to Apex Silver Mines Limited ("**Apex**"), and in 1997, Apex optioned the Platosa Property from Excellon.

In 2001, Excellon and Apex entered into an agreement whereby Excellon was able to earn a 51% interest in both the Platosa and Saltillera properties in return for carrying out certain expenditures on the properties. In January 2004, the Company and Apex renegotiated their agreement with respect to the properties and as a result the properties were divided into three areas, the Excellon 100%/Apex Royalty Area, the Apex Joint Venture Area, and the Altiplano Area. For detail of these areas, please see the section entitled "Description of the Business - Mineral Properties – The Platosa Property - Property Location, Description and Access" section of this report. Subsequently the Company staked additional ground surrounding the three areas.

In August 2004 the Company commenced a program to carry out small-scale test-mining of the existing high-grade Indicated Mineral Resource and a concurrent underground exploration program in the 100%/Apex Royalty Area of the Platosa Property. The Company celebrated the start of its ramp with a "First Blast Ceremony" on September 1, 2004.

In early 2005 the Company entered into an agreement with Minera Maple, S.A. de C.V. ("**Maple**") (formerly known as Compañia Fresnillo Unidad Naica), a subsidiary of Industria Penoles ("**Penoles**"), for the sale of crushed test-mine ore. In June 2005, the Company began shipping crushed ore to the Maple mining and processing facility. Shipments of crushed ore to Maple continued on a regular basis until the end of January 2009 when the Maple-Excellon contract expired. Between 2005 and January 31, 2009 the Company shipped 139,425 tonnes of crushed ore containing 5,661,795 oz of silver, 31,714,193 lb of lead and 33,927,237 lb of zinc to Maple.

Three-Year History

In mid-March 2009 the Company entered into an agreement with Silver Eagle Mines Inc. ("**SEG**" or "**Silver Eagle**") for the toll milling of Platosa ore in SEG's flotation plant located in the town of Miguel Auza located in northern Zacatecas State, approximately 220 km south of Platosa. Between March 19, 2009 and December 31, 2009, 57,209 tonnes grading 994 g/t Ag, 8.04% Pb, 8.81% Zn of Platosa ore were processed at SEG's mill.

On June 2, 2009 the Company completed the acquisition, through a plan of arrangement, of SEG. Under the arrangement, Excellon acquired all of the issued and outstanding common shares of Silver Eagle, with Silver Eagle shareholders receiving 0.2704 Excellon common shares in exchange for each Silver Eagle share held. The Company issued 14,997,000 shares and paid transaction costs for a total purchase price of $5.5 million. The net cash cost to Excellon was $2.1 million. Silver Eagle's primary assets were its Miguel Auza mine, mill and adjacent properties located in Zacatecas State, Mexico. The acquisition of SEG provided Excellon with a fully operational mill and the capacity to process up to approximately 350 tonnes of Platosa ore per day. The Company has been processing its Platosa ore at SEG's Miguel Auza mill since March 19, 2009 and is shipping the resulting concentrates to Manzanillo, a port city on the west coast of Mexico. The Company produces two concentrates; a silver-lead concentrate and a silver-zinc concentrate.

In connection with the establishment of concentrate production, the Company entered into a long-term off-take agreement to sell its silver-lead and silver-zinc concentrates to Consorcio Minero de Mexico Cormin Mex, S.A. de C.V. ("**Cormin")**, a Trafigura Group Company. Cormin Mexico is based in Mexico City, is a trader of base metal concentrates and provides financial services to the mining industry.

On November 13, 2009, Excellon purchased the remaining 49% joint venture interest in the Apex Joint Venture Area from Golden Minerals Company (formerly Apex), for US$2.0 million in cash and a 1% Net Smelter Returns royalty applicable on both the Apex Joint Venture and Excellon 100%/Apex royalty areas.

In October 2010, Excellon entered into an option agreement (the "**Sundance Option Agreement**") with Sundance Minerals Ltd. ("**Sundance**"), a private Canadian company, to acquire up to a 75% interest in the Pluton property in Mapimi, Durango, Mexico, comprising three concessions totalling 17,190.5504 ha located to the west of and contiguous with portions of the Platosa Property. Excellon had an option to earn a 60% interest in the property by making an upfront cash payment of $50,000 (paid on signing) and incurring $1.5 million in exploration expenditures over three years. An additional 15% interest could be earned by completing a pre-feasibility study within another three years. As part of its obligations, Excellon contributed the western 2,568.5 ha of the Venux concession to the overall property area for exploration purposes. Until Excellon exercised the option or if the option was never exercised, the 2,568.5 ha area remained the property of Excellon. In July 2011 Sundance, the project operator, commenced a 3,500 m diamond drilling program to test four out of five identified targets on the Pluton property, and the Company received the final report covering the drilling program in January of 2012. Nine holes totalling 3,925 m were drilled to test a variety of CRD targets on the property. The program results did not meet Company expectations and following consultation with Sundance, in February, 2012 the Company terminated the Sundance Option Agreement.

On May 24, 2011 at the Company's Annual and Special Meeting of Shareholders, Excellon shareholders ratified, confirmed and approved the shareholder rights plan containing the terms and conditions substantially set forth in the shareholder rights plan agreement dated as of April 20, 2011 between the Company and Computershare Investor Services Inc. (the "**Rights Plan Agreement**"). A copy of the Rights Plan Agreement may be viewed in electronic format under the Company's profile on the SEDAR website at www.sedar.com.

On August 5, 2011 the Company completed the acquisition, through a plan of arrangement, of Lateegra Gold Corp. ("**Lateegra**"). Under the arrangement, Excellon acquired all of the issued and outstanding common shares of Lateegra, with Lateegra shareholders receiving 0.54 Excellon common shares in exchange for each Lateegra common share held (the "**Exchange Ratio**"). Lateegra option and warrant holders received, upon exercise thereof, Excellon common shares equal to the product of (a) the number of Lateegra common shares subject to such Lateegra options or warrants immediately prior to the effective time of the Arrangement and (b) the Exchange Ratio. The Company paid transaction costs for a total purchase price of US$19.5 million. The net cost to Excellon was US$18.7 million. Lateegra's primary assets include a 51% interest in the DeSantis Property with an option to acquire the remaining 49% interest, an option to acquire a 100% interest in the DeSantis West Property located in northeastern Ontario, and options to acquire a 100% interest in the Beschefer Property (the "**Beschefer Property**") in northwestern Quebec. Lateegra holds several other Canadian exploration properties and the El Condor gold property in southern Ecuador.

On October 25, 2011, Excellon announced a revised Mineral Resource estimate for Platosa Property as described below. The estimate was prepared by David A. Ross, M.Sc., P.Geo., of Roscoe Postle Associates Inc. ("**RPA")**, independent geological and mining consultants of Toronto, Ontario.

MINERAL RESOURCE ESTIMATE SUMMARY
AS OF JULY 31, 2011
Platosa Property

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

Notes:

1. CIM definitions were followed for the classification of Mineral Resources.
2. Mineral Resources are estimated at an incremental NSR cut-off value of US$200 per tonne.
3. NSR metal price assumptions: Ag US$25.00/oz, Pb US$1.15/lb, Zn US$1.15/lb.
4. Estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability.
5. National Instrument 43-101 compliant Mineral Resource estimate prepared by David Ross, P.Geo., of Roscoe Postle Associates Inc., independent geological and mining consultants of Toronto, Ontario.
6. Totals may not add correctly due to rounding.

In February 2012, Excellon exercised its right to acquire a 100% interest in the Beschefer Property located in Beschefer Township, northwestern Quebec, consisting of 33 claims encompassing 5.3 sq km. Excellon delivered the final tranche of shares required to fulfill the payment obligations contained in an Option to Purchase and Royalty Agreement between its wholly-owned subsidiary, Lateegra Gold Corp., and a group of individuals to acquire their undivided 51% interest, and with Sea Green Capital Corp. to acquire the remaining undivided 49% interest in the property. The 51% property interest is subject to an underlying net smelter royalty of 2% with an option to purchase 1% of the net smelter royalty for $1 million. The 49% property interest is subject to an underlying net smelter royalty of 1% with an option to purchase 0.75% of the net smelter royalty for $500,000. Excellon is in the process of completing the transfer of claims from the optionors.

DESCRIPTION OF THE BUSINESS

Excellon is a mining and exploration company currently focussed on the exploration, development and mining of silver-lead-zinc mineralization on its 40,864-hectare Platosa Property in northeastern Durango State, Mexico. The Company is also exploring for minerals in Ontario and Quebec, Canada on project interests recently acquired on completion of the Arrangement with Lateegra. The common shares of the Company are listed on the Toronto Stock Exchange under the symbol “EXN”.

Principal Product

The Company’s principal product is the production of silver-lead and silver-zinc concentrates. The Company believes that because of the availability of alternative processing and commercialization options for its concentrate, it is not dependent on a particular purchaser with regard to the sale of its products.

Production

Crushed ore mined from the Company’s Platosa Property is shipped to its mill at Miguel Auza for processing, where separate mineral concentrates containing silver-lead and silver-zinc are produced on site. These mineral concentrates are then transported and sold to a third party for further processing.

Production of silver in 2011 was 1.3 million ounces as compared to the same amount in 2010. Tonnes of ore processed in 2011 was 59,405 as compared to 64,462 for 2010. The lower tonnage processed accounts for the majority of the decrease in cost of goods sold from US$18.9 million in 2010 to US$17.2 million in 2011. The overall grade of silver processed in 2011 was down slightly from 2010 levels at 796 g/t compared to 814 g/t for the prior year. Compensating for the decrease in tonnage and grade in the year over year comparison was an improvement in overall recovery of silver of 88.9% for 2011 compared to 85.4% for 2010. These factors have all contributed to a production profile that is virtually unchanged in the year to year comparison.

Planned production for mining and processing is 72,000 tonnes for 2012. The increase in tonnage through-put, increased development activity, deeper mining depths and the operation of increased water pumping capacity will put upward pressure on operating costs in 2012. With the significant investment in water control procedures, the Company is now in a good position to manage the underground water flows with the increased pumping capacity and the installation of watertight control doors in key operating areas of the mine in order to facilitate the expected tonnage increase.

The silver price in 2011 averaged $35.12 per ounce on the London Metal Exchange (2010: US$20.20). The Company realized an average price of $34.16 per ounce sold in 2011. The realized price for silver in 2010 was US$19.78 per ounce. Sales during 2011 totalled US$48 million as compared to US$29.4 million in 2010.

Due to the strength exhibited in 2011 in commodity prices as compared to 2010, the cash position of the Company has improved significantly. At December 31, 2011 cash and cash equivalents on hand were US$22.3 million as compared to US$2.0 million in 2010. It is expected that cash balances will continue to grow in 2012 reflecting the continuing strength of commodity prices. Operating activities, exploration programs and capital investments planned for 2012 are expected to be funded solely from internally generated cash flow.

Economic Dependence

Currently, the Company's metal production from the concentrate stage is managed and commercialized by Consorcio Minero de Mexico Cormin Mex, S.A. de C.V. ("**Cormin**"), a Trafigura Group Company, which is arms length to Excellon and which has accounted for 100% of sales during the years 2011 and 2010. The Company believes that because of the availability of alternative processing and commercialization options for its concentrate, it would suffer no material adverse affect if it lost the services of Cormin.

Competitive Conditions

The precious metal mineral exploration and mining business is a competitive business. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive precious metal mineral properties, and with a number of other producers of silver. The ability of the Corporation to acquire precious metal mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration.

Foreign Operations

The Company's revenue is currently dependent on production from the Platosa Property, its material producing property located in Mexico. The Company's operations are exposed to various levels of political, economic and other risks and uncertainties as discussed in "Risk Factors" below.

Employees

As at December 31, 2011, the Company and its wholly-owned subsidiaries employed 271 individuals. In addition, the Company employs several outside contractors on a fee-for-service basis for conducting exploration and mining activities.

Environmental Protection

The Company conducts mining and processing activities in Durango and Zacatecas State, Mexico, and exploration in Mexico and in the provinces of Ontario and Quebec, Canada. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including requirements for closure and reclamation of mining properties.

In the jurisdictions where the Company operates, specific statutory and regulatory requirements impose standards which must be met throughout the exploration, development and operational stages of a mining property with regard to air quality, water quality, fisheries and wildlife protection, solid and hazardous waste management and disposal, noise, land use and reclamation. Changes in any applicable governmental regulations to which the Company is subject may adversely affect its operations. Failure to comply with any condition set out in any required permit or with applicable regulatory requirements may result in the Company being unable to continue to carry out its activities. The impact of these requirements cannot accurately be predicted.

The financial and operational effects of environmental protection requirements on the Company's capital expenditures, earnings and competitive position have not been significant in the year ended December 31, 2011, and are not expected to become significant i) in Canada until and unless the Company discovers a potentially economic deposit on one of its exploration properties; and ii) in Mexico, until the closure of existing mining operations and the Company undertakes reclamation activities on its properties. Details and quantification of the Company's reclamation and closure costs are discussed in the Company's audited consolidated financial statements and MD&A for the year ended December 31, 2011, available on SEDAR at www.sedar.com, as well as in the section entitled "Description of the Business - Risk Factors" below.

MATERIAL MINERAL PROJECTS

Pursuant to National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102"), the following properties and projects have been identified by Excellon as being material: the Platosa Property in Durango State, Mexico, and the DeSantis Project in Ontario, Canada.

The Company's principal producing property is the Platosa Property in Durango State, Mexico. It also holds the Miguel Auza property located in northern Zacatecas State, acquired via the SEG transaction as described above. Ore produced at the Platosa mine is processed at the Company's mill located on the Miguel Auza property. The mine on the Miguel Auza property is currently being kept on care and maintenance. The Company does not plan to explore or develop mineral resources at Miguel Auza for the foreseeable future and is focusing its efforts on the Platosa Property.

PLATOSA PROPERTY, DURANGO STATE, MEXICO

The following information regarding the Platosa Property is an extract of the Executive and Technical Summaries from the NI 43-101 report entitled "Technical Report on the Platosa Property, Bermejillo, Durango State, North Central Mexico," prepared for Excellon by David A. Ross, M.Sc., P.Geo, of Roscoe Postle Associates Inc. dated November 22, 2011 and is current to July 31, 2011 (the "**Platosa Property Report**"). Mr. Ross is an independent "qualified person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**"). Reference should be made to the full text of the Platosa Property Report which is incorporated by reference in its entirety into this AIF, and which is available for review under the Company's profile on SEDAR at www.sedar.com, and on the Company's website at www.excellonresources.com.

Executive Summary

Roscoe Postle Associates Inc. was retained by Excellon to prepare an independent technical report on the Platosa Property. This report conforms to National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Excellon requires this report to support the updated Mineral Resource estimate for the Platosa Property prepared by RPA and disclosed in a press release dated October 25, 2011. RPA has visited the property multiple times, most recently between September 14 and 16, 2011.

Excellon's wholly-owned subsidiary, Minera Excellon de Mexico S.A. de C.V., operates a polymetallic (Ag, Pb, Zn) mine on the Platosa Property, exploiting a series of high-grade mantos, located five kilometres north of the village of Bermejillo, northeastern Durango State, Mexico, approximately 45 km north of the major city of Torreón.

In the spring of 2009, Excellon acquired Silver Eagle Mines Inc. (“**Silver Eagle**”). Silver Eagle’s primary asset is the Miguel Auza mine, flotation mill, and exploration property located 220 km south of Platosa in Zacatecas State.

An underground test-mining program to access the mantos and to extract, crush, and sell mineralized material began in August 2004. During 2008, Excellon received permits from Mexican authorities for the construction of a flotation mill and tailings management facility at Platosa. With receipt of these permits, the Platosa operation transitioned from a “test-mine” to a “mine” under the Mexican regulatory system. Mill construction began in September 2008 but was temporarily suspended in mid-December 2008 in response to declining metal prices and technical difficulties encountered underground at Platosa. Until the end of January 2009, crushed material was sold to Minera Maple, S.A. de C.V. (Maple), a subsidiary of Industria Peñoles (Peñoles). Since March 2009, Excellon has been shipping all the Platosa crushed ore to the mill at Miguel Auza for processing.

RPA (and its predecessor Scott Wilson Roscoe Postle Associates Inc., or Scott Wilson RPA) has previously prepared six independent NI 43-101 Technical Reports on the Platosa Property. These include a Mineral Resource estimate in 2002, a mine plan for underground and surface exploration in 2003, an update to the Mineral Resource estimate in 2006, a report to support Excellon’s move from the TSX Venture Exchange to the Toronto Stock Exchange in mid-2007, an update of the Mineral Resource estimate in 2008, and another resource update in late-2009/early-2010.

Conclusions

The Platosa Property is underlain by folded and faulted Mesozoic sedimentary rocks, locally intruded by dykes and sills of Laramide age. The Platosa mineral deposit is thought to represent the distal portion of a high-temperature epigenetic silver-lead-zinc carbonate replacement deposit (“**CRD**”). This distal portion, located at the intersection of the Platosa Structural Zone with a northeast-striking lineament, is characterized by a series of mantos collectively forming the current Mineral Resource. A regional exploration program is underway to search for proximal-style CRD mineralization. This could be a mineralized intrusive body and/or a mineralized skarn adjacent to such an intrusive and may represent a large-tonnage deposit.

Following disclosure of the previous Mineral Resource estimate on December 10, 2009, Excellon continued surface diamond drilling and underground development and mining in the area of known silver-lead-zinc mineralization. Ongoing mining results continue to confirm the existence of economically mineable silver-lead-zinc mineralization. Since early 2009, drilling has outlined additional silver-lead-zinc mineralization associated with the NE1, 623, and 6A/6B mantos. In addition, the high-grade Pierna Manto was discovered in late 2010.

Mineral Resources were estimated and classified by RPA following CIM best practices. Using a nominal incremental US$200/t Net Smelter Return (“**NSR**”) cut-off, Measured plus Indicated Mineral Resources are estimated to total 637,000 tonnes grading 836 g/t Ag, 8.92% Pb, and 10.36% Zn, containing 17.120 million ounces Ag, 125.678 million pounds Pb, and 148.549 million pounds Zn. Inferred Mineral Resources are estimated to total 69,000 tonnes grading 1,011 g/t Ag, 11.35% Pb, and 11.34% Zn, containing 2.241 million ounces Ag, 17.254 million pounds Pb, and 17.247 million pounds Zn. RPA notes that the sulphide mineralization intersected to date has not been completely closed off by drilling. There is excellent potential to discover additional Mineral Resources at Platosa.

As of September 2011, drilling was ongoing with two drill rigs in the general mine area. In addition, one rig was working on the Pluton Property optioned from Sundance in October 2010 and located 23 km west of the mine and immediately north of the historic mining town of Mapimi. Sundance was the project operator and commenced the initial diamond drilling program in early July. It was completed in late September. Nine holes tested surface sulphide showings, soil geochemical and geophysical CRD targets developed by Sundance prior to the involvement of Excellon. As of mid-November 2011, logging and sampling of the drill core was complete, however, only a small number of assays had been received. The Company expects a comprehensive report, including recommendations for a 2012 exploration program and budget near year end. A decision regarding this work program and budget will be made in early 2012.

The exploration work conducted by Excellon on the Platosa Property has been performed in a competent manner according to accepted industry standards. The exploration methods and strategies are appropriate for the geological environment and styles of mineralization present.

Recommendations

Excellon has proposed a 2012 work plan and budget totalling US$6.5 million for the Platosa Property. A portion of the proceeds from exploiting the Platosa deposit finances the exploration program, as it has done since August 2005.

Excluding $894,000 in land lease payments and mining concession taxes, approximately 83% of the proposed Platosa expenditures are budgeted for diamond drilling. The proposed 2012 drilling budget is split between an area within roughly two kilometres of the mine and the remainder of the property. Targeting is for additional high-grade manto CRD sulphides (distal to an intrusion), similar to that currently being mined at Platosa, and a high-tonnage intrusive-related CRD deposit (proximal to an intrusion), which may represent the source of the mantos. Within the two-kilometre area, the target is both distal and proximal mineralization, while on the remainder of the property the target is mainly proximal mineralization. Outside of the two-kilometre area, the drill targets will be mainly of a stratigraphic nature and, depending on the results of ongoing interpretation, some additional targets generated by the 2010 ZTEM airborne geophysical survey. In addition, a small portion of the budget will be devoted to rare earth element exploration.

Technical Summary

Property Description and Location

The Platosa Property is located in the State of Durango, north-central Mexico, approximately 45 km north of the city of Torreón. Torreón is an industrial centre of more than one million people when combined with the adjacent cities of Gomez Palacio and Lerdo. The Torreón International Airport is serviced by several daily non-stop flights to and from Mexico City and the United States. The property is approximately a one-hour drive from the airport, via Mexico Highway 49, which is a major north-south trucking route. Rail and power transmission lines run parallel to the highway, and the entire project area is easily accessible year-round with two-wheel-drive vehicles.

The property consists of 79 Mining Concessions covering a total area of approximately 58,054 ha, including the Sundance Option property in which Excellon may earn up to a 75% interest. With the exception of the Sundance Option, these concessions and fractional concessions are held directly by Excellon, although some are subject to royalty agreements. Excellon reports that it is current with respect to all applicable taxes and work commitments. Excellon also holds certain surface rights for portions of the property.

Site Infrastructure

The Platosa Property site and mine facilities include the following:

- The surface mine site and associated facilities, including offices, shops, compressors, fuel storage, electric substations, standby generators, crushing and stockpile facilities, portal, ventilation fan, run-of-mine ("**ROM**") ore storage, underground and surface water settling ponds, diamond drill core logging and storage facilities, and dry facilities.
- Facilities providing basic infrastructure to the mine, including access roads, electric power distribution, and septic treatment.
- Underground infrastructure, including ramps, raises, ventilation/service raises, explosives magazines, dewatering pumps, and underground mobile equipment fleet.
- Excellent access by paved highway and gravel roads to the company-owned mill at Miguel Auza.
- Grid electric power supply to the site.

History

Records of the early history of prospecting and mining in the Platosa area are not known to exist, however, it is speculated that the deposits were discovered by Spanish explorers in the 16th or 17th century. Small-scale mining was carried out at Platosa sporadically from that period up to the 1970s. The Villalobos family mined at Platosa in the early 1970s. Production records from the historic workings are poor, but from the extent of these mine workings, the total historic production from Platosa is estimated to be in the range of 25,000 t to 50,000 t.

Excellon acquired the historic Platosa mine property from the Villalobos family in 1996 and conducted reconnaissance mapping and sampling in 1997, after which time, Apex optioned the Platosa Property from Excellon.

Apex carried out mapping and geochemical sampling in 1998, and a diamond drilling program in 1999. The drilling discovered a sulphide body to the east of the old mine workings. In 1999, Apex carried out a Controlled Source Audio-Frequency Magnetotelluric ("**CSAMT**") survey and an orientation soil gas mercury sampling program. In 2000, Apex completed additional drilling at Platosa. Excellon participated to some extent in the Apex exploration programs and then assumed control of the project in 2001 and continued the exploration work.

Geology

The Platosa area is underlain by Mesozoic shelf and slope facies sedimentary rocks which lie atop of the Coahuila Platform, which is a fault-bounded uplifted basement block measuring approximately 100 km by 150 km. Surrounding the Coahuila Platform are Jurassic and Cretaceous sedimentary rocks of the Chihuahua Trough and Central Mexican Basin. Basement rocks are part of the Paleozoic Coahuila Terrane. Platosa lies near a major northwest fault structure on the southwestern margin of the Coahuila Platform, along a northwest-trending line of major CRDs.

The Platosa-Saltillera area is underlain by Cretaceous-age sedimentary rocks that have been intruded by Tertiary felsic to intermediate dykes and plutons. The sedimentary rocks strike generally northwest-southeast and have been extensively folded and faulted, with variable development of hornfels, marble, skarn, and recrystallization. The principal fault system in the property area is the Platosa Structural Zone ("**PSZ**"), a 250 m to 1,500 m wide zone of fractures and shearing that traverses the eastern margin of the Sierra Bermejillo. The fault comprises at least five separate fault planes that strike north-northeasterly and dip steeply east and west. The structure has been traced for five kilometres northwest and southeast of Platosa. The Platosa Mine, along with the recent discoveries, lies near the intersection of the PSZ with northeasterly-trending fractures that are also controls to mineralization at other occurrences in the area.

Exploration

To July 31, 2011, a total of 270,301 m in 1,127 diamond drill holes had been completed at Platosa. Apex drilled 33 holes, totalling 4,660 m, and Excellon has drilled 265,641 m in 1,094 holes.

In September 2011 during the most recent RPA site visit, diamond drilling was ongoing in the mine area and on the Pluton property located some 23 km west of the Platosa Property.

In addition, there have been geological mapping, soil geochemical, biogeochemical, and ground and airborne geophysical surveys carried out on the property. To date, biogeochemical results combined with ground geophysical results plus knowledge of regional and local geology and characteristics of mineralization have proved to be the most effective exploration tools.

Mineral Resources

RPA prepared an updated Mineral Resource estimate for the Platosa Property based on production and drill hole data current to July 31, 2011. The previous resource estimate was current to October 31, 2009.

RPA employed a block model constrained by wireframes, with an inverse distance method of grade interpolation. Block size was 5 m by 5 m by 2 m, and an initial search ellipsoid was spherical with a radius of 25 m followed by a second search with a radius of 50 m. The influence of high-grade composites was restricted to 25 m. The sample database comprised drill hole samples composited to two-metre downhole lengths. The minimum width for the mineralization used in construction of the wireframe models was 1.5 m and an NSR incremental cut-off cost of US$200/t was used (Table 1-2).

TABLE 1-2 MINERAL RESOURCE ESTIMATE SUMMARY
AS OF JULY 31, 2011
Platosa Property

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

Notes:
1. CIM definitions were followed for the classification of Mineral Resources.
2. Mineral Resources are estimated at an incremental NSR cut-off value of US$200 per tonne.
3. NSR metal price assumptions: Ag US$25.00/oz, Pb US$1.15/lb, Zn US$1.15/lb.
4. Estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability.
5. National Instrument 43-101 compliant Mineral Resource estimate prepared by David Ross, P.Geo., of Roscoe Postle Associates Inc., independent geological and mining consultants of Toronto, Ontario.
6. Totals may not add correctly due to rounding.

The following additional information, some of which, such as that concerning property holdings, diamond drilling carried out, and the approved 2012 exploration budget, supersedes or replaces that in the Platosa Property Report above, has been prepared by the Company under the supervision of John R. Sullivan, Excellon's Vice President, Exploration, who is a Qualified Person for the purposes of NI 43-101.

Exploration and Development

Since the preparation of the Platosa Property Report the Company has terminated the Sundance Option Agreement and the Platosa Property now encompasses 76 concessions totalling 40,864 hectares in area.

Between August 1, 2011 and February 29, 2012, the Company drilled an additional 69 exploration holes totalling 17,231.22 m. Total drilling on the property at February 29, 2012 amounts to 287,532.38 m in 1,196 holes of which Excellon drilled 1,163 holes totalling 282,872.33 m and Apex drilled 33 holes totalling 4,660.05 m.

In a news release dated October 17, 2011, the Company announced assays for nine holes, all from the immediate mine area of the Platosa Property, including LP942 off the southeast corner of the Rodilla Manto, which intersected 3.53 m of massive sulphides grading 912 g/t (26.6 oz/T) Ag, 8.36% Pb, and 12.48% Zn, and LP919 on the northern fringe of the high-grade Pierna Manto, which intersected 142 g/t (4.1 oz/T) Ag, 5.59% Pb, 6.28% Zn over 1.58 m. Completed assay results summarized in the press release can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com.

The Company announced assays for five new drill holes located near to but outside of the known massive sulphide mantos being exploited at Platosa by news release on December 2, 1011, including LP965 between the two main portions of the 623 Manto which intersected 1,955 g/t (57 oz/T) Ag, 14.99% Pb, 28.76%Zn over 4.08m, and LP971 drilled east of the 623 Manto in a relatively open area which intersected 1,028 g/t (30 oz/T) Ag, 10.47% Pb, 12.74% Zn over 4.53 m. Completed assay results summarized in the press release can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com.

The Company has budgeted an estimated US$7.3 million for the 2012 exploration program on the Platosa Property. Subject to change, depending on results, the budget will be split roughly evenly between the search for additional high-grade distal manto sulphides and the high-tonnage proximal source of the manto mineralization. A portion of the proceeds from exploiting the Platosa deposit finances the exploration program, as it has done since August 2005.

Excluding US$638,000 in land lease payments and mining concession taxes, approximately 78% of the proposed Platosa expenditures is budgeted for diamond drilling. The proposed 2012 drilling budget is split between an area within roughly 1.5 kilometres of the mine and the remainder of the property. Within the 1.5-kilometre area the target is both high-grade massive sulphide manto mineralization and high-tonnage proximal mineralization, while on the remainder of the property the target is mainly proximal mineralization. Outside of the 1.5-kilometre area, the drill targets will be mainly of a stratigraphic nature and, depending on the results of ongoing interpretation, there may be additional targets generated by the 2010 ZTEM airborne geophysical survey. In addition, a small portion of the budget will be devoted to rare earth element ("**REE**") exploration, following up on low-grade but persistent anomalous REE mineralization found in historic drill holes in the Cañón Colorado area some six kilometres northwest of the Platosa Mine.

As of the date of this report, two drills are operating at Platosa. One continues the search for the large-tonnage proximal source of the massive sulphide mantos and the other is testing targets within the 1.5 kilometre area discussed above in the continued search for additional high-grade manto sulphides. Company geologists are also in the final stages of planning Natural Source Audio Magnetotelluric ("**NSAMT**") ground geophysical surveys over several areas of the property believed to host structures that may be favourable locations for the discovery of large-tonnage proximal CRD deposits. This type of survey has demonstrated its effectiveness at Platosa and it was while testing NSAMT-interpreted structures that the Guadalupe and Guadalupe South mantos were discovered in 2005 and 2006 respectively. These surveys will be carried out in Q2, 2012.

PROPOSED EXPLORATION WORK PLAN AND BUDGET - PLATOSA
Excellon Resources Inc. – Platosa Property

Work Type	Units	Unit Cost (US$)	Total Cost (US$'000)
Gridding and NSAMT surveys	30 line km	3,000	90
Other ground geophysics, incl. consulting fees			14
Geology (incl. one Canadian contract geologist)	100 man days	600	60
Geochemical & biogeochemical surveying			30
Specific Gravity determinations	250 samples	40	10
Diamond drilling – contractor, water & general costs	40,000 m	130	5,200
Local supervisory & core logging labour (geologists)			430
Field technicians labour			90
Core handling & splitting labour			45
Core assaying	8,000 samples	39	312
Drill hole orientation surveying			30
Software/hardware, technical studies, research & QA/QC consulting fees			70
Property submissions, seminars, Mexican staff travel			25
Government payments/holding costs			256
Land Lease costs			638
Total			**7,300**

DESANTIS PROPERTY, ONTARIO, CANADA

Certain of the following information regarding the DeSantis Property has been summarized or extracted from the NI 43-101 report entitled "Technical Report on the DeSantis Property, Porcupine Mining Division, Ogden Township, Ontario, Canada," originally prepared for Lateegra Gold Corp. by J. Douglas Blanchflower, P. Geo., of Minorex Consulting Ltd. dated May 30, 2011 and readdressed to the Company on March 20, 2012 (the "**DeSantis Property Report**"). Mr. Blanchflower is an independent "qualified person" as defined in National Instrument 43-101. Reference should be made to the full text of the DeSantis Property Report which is incorporated by reference in its entirety into this AIF and which is available for review under the Company's profile on SEDAR at www.sedar.com, and on the Company's website at www.excellonresources.com.

Additional information since the effective date of DeSantis Property Report has been prepared by the Company under the supervision of Heather L. Miree, Excellon's Vice President, Exploration, who is a Qualified Person for the purposes of NI 43-101.

Executive Summary

The DeSantis property (the "DeSantis Property") is situated 4.5 kilometres southwest of the City of Timmins within the northeastern part of Ogden Township in the Porcupine Mining Division of Ontario, Canada. The geographic coordinates of the Property are within N.T.S. 42-A-06NW at 48° 25' 50.25" North latitude by 81° 22' 59.25" West longitude, or NAD 83, U.T.M. Zone 17 at 5,364,234.991 m North by 471,659.284 m East.

The author, an independent qualified person according to NI 43-101 and consulting geologist with Minorex Consulting Ltd. ("Minorex"), was originally retained by Lateegra Gold Corp. ("Lateegra") to conduct a property examination, review the exploration results, and prepare an independent technical report with recommendations for the future exploration of the Property. The author visited the DeSantis Property on November 30 and December 1, 2010 during which time the stored drill core from the 2010 exploration program was examined and sampled, ten verification samples were collected, and the results of historical and 2010 exploration programs were reviewed with the project geologists. Lateegra provided the author with an exploration database, maps, company reports and other public and private information pertaining to the Property. Documents pertaining to the locations of the relevant mining claims and their status were obtained online from the Ontario Ministry of Northern Development, Mines and Forestry website.

The DeSantis Property is comprised of two mining leases (15 claims), one patented mining claim (20 parcels) and six unpatented mining claims (18 units) that are contiguous and cover approximately 850 hectares. These leases, patented, and mining claims are operated by Lateegra, subject to Option to Purchase agreements with International Explorers & Prospectors Inc. and partnership owners Croxall, Kangas and Bryant. Lateegra became a wholly-owned subsidiary of Excellon in August 2011.

Vehicular access to the DeSantis Property is possible by driving south from central Timmins along Pine Street South for 3 kilometres to the DeSantis Mine road and then westwardly on a series of gravel roads for 4 kilometres. Local logging, township and drill site access roads provide good, local four-wheel vehicle access. The claim holdings are extensively covered by a mixture of spruce and fir in poorly drained areas with birch and alder along hillocks. The topography is relatively flat, averaging approximately 290 m above sea level, and the bedrock exposure is less than five percent, mainly restricted to ridge tops, road cuts and other excavations.

There are adequate areas within the DeSantis Property that are readily available for potential tailings storage, waste disposal and processing plant sites. In addition, it has good existing road access, abundant water for most exploration purposes, plus a major electrical transmission line crosses the southeastern claim holdings.

The Timmins region has a humid continental climate with average mean temperatures ranging from -17.5° to +17.4° C with annual average precipitations of 558 mm of rain and 313 cm of snow. Local lakes usually freeze over in mid November, and thaw in early to mid May. Work can be carried out on the DeSantis Property throughout the year.

The first recorded exploration activity on the DeSantis Property dates back to 1914 when a 70-foot shaft was sunk on an exposed gold-bearing quartz vein. This work was followed by further underground development in 1922 by Langmuir and later from 1930 to 1944 by DeSantis Gold Mining Company Ltd. which was renamed the DeSantis Porcupine Mines Limited. During these periods two vertical shafts were sunk to depths of 200 feet and 1,244 feet with 10,711 feet of drifting, 5,716 feet of cross-cuts, 7,059 feet of raises, plus about 50,000 feet of surface and underground diamond drilling. From May, 1939 to October, 1942, the DeSantis Mine produced 196,928 tons of ore with an average mill head grade of 0.19 ounces per ton gold at an average gold recovery rate of 90%.

A tailings pond, covering an area of approximately 200 m by 250 m situated south of the old DeSantis mill, and three temporarily-fenced raise openings to the underground workings would require reclamation upon any permanent closure or remediation plan. In addition, the two concrete caps covering the No. 1 and 2 shafts may require upgrading and certification upon permanent closure of the DeSantis mine.

In 1960, New Hope Porcupine Mines Ltd. drilled 41 holes to delineate the known mineralization; later optioning the property to Kenilworth Mines Ltd. from 1965 to 1967. During their tenure Kenilworth Mines Ltd. dewatered and rehabilitated the underground workings before developing more drifts and crosscuts, plus diamond drilling, hoisting 1,490 tons of ore from the mine, and conducting ground geophysics.

Surface diamond drilling programs were completed by Biko Resources Inc. in 1973 and J. V. Bonhomme and Prospector's Alliance Corporation from 1978 to 1981. An estimated 86 drill holes, totalling 20,131 m (66,045 ft), were completed in the vicinity of the DeSantis mine workings from 1934 to 1981. More recently, Stan West Mining Corp. drilled 44 holes, totalling 16,235 m (53,265 ft), from 1985 to 1986, and Lake Shore Gold Corp. drilled 10 holes, totalling 7,428.3 m, from November 2005 to November 2006.

The DeSantis Property is situated in the southwestern part of the Abitibi Subprovince, within the Superior Province of the Canadian Shield. This greenstone terrane is comprised east-west trending supracrustal strata and massive unfoliated intrusives ranging in age from 2,730 to 2,670 Ma. The DeSantis Property is underlain by three major stratigraphic units: 1) the Deloro Group of calc-alkaline mafic to felsic metavolcanics, 2) the Tisdale Group volcanics with basal ultramafics and overlain by iron tholeiites and calc-alkaline metavolcanics, and 3) the Porcupine Group metasediments comprised of interlayered wackes and siltstones with minor conglomerates. These strata trend west-southwesterly and dip -45° to -50° southward; paralleling the apparent strike of the Destor Porcupine Fault Zone ("DPFZ") that forms the structural contact between the Deloro and Tisdale Groups and crosses the extreme southern claim holdings in a west-southwesterly direction. Magnetic data indicate several late left-lateral brittle faults and northerly trending Proterozoic Matachewan diabase dykes cutting the stratigraphy mostly in a north-south direction.

All strata underlying the property have been metamorphosed to greenschist facies. Near the mine workings there is a zone of hydrothermal alteration with quartz-carbonate veining, pyritization and associated tourmaline flooding up to 46 m wide that is spatially associated with known gold-bearing mineralization.

Gold-bearing quartz vein mineralization on the DeSantis Property is typical of other Archean mesothermal gold vein deposits within the Porcupine mining camp. It is reportedly hosted by: 1) flat quartz vein structures within the brown pillow lava near its contact with a green carbonatized flow and where the best values occur with massive to finely disseminated crystalline pyrite and very minor amounts of galena, sphalerite, chalcopyrite and scheelite; 2) lenticular quartz veins in interflow tuff beds; and 3) silicified, carbonatized and tourmalinized quartz porphyry dykes.

Since the 1930's there have been at least eight major drilling campaigns directed at evaluating the goldbearing mineralization near the old DeSantis mine, including Lateegra's 2010 program. Various other exploration companies have drilled their claim holdings that at the time were either situated within or near the current property holdings. There are 364 surface and underground holes, totalling 75,841.4 metres, in the current DeSantis drilling database that include documented drill holes from various public and private reports.

Historic drilling near the DeSantis Shaft No. 2 discovered the Hydrothermal Alteration Zone that is spatially associated with a zone of hydrothermal alteration up to 46 m wide and a drag fold situated west of the shaft. This mineralized zone is approximately 137 m long with a 107 m downdip extension, between 152 m and 229 m vertically beneath the surface, and up 6.7 m wide. The zone strikes west-southwesterly and dips -40° to -50° southward. Gold values are genetically associated with relatively sparse and irregular quartz-carbonate stringers, minor tourmaline and up to 5 per cent pyrite.

Lateegra completed 15 diamond drill holes, totalling 5,887.6 m, between June and October, 2010. These drill holes were directed at evaluating the known gold mineralization within the Hydrothermal Alteration and Albitite Zones that are situated within 400 metres of the DeSantis Shaft No. 2. The drilling results from the Hydrothermal Alteration Zone confirmed its location, dimensions, and type and tenure of gold-bearing mineralization. The Albitite Zone was intersected by two 2010 drill holes. Within this zone the gold mineralization appears to be at least 221 m long downdip with an apparent -80° southerly dip and -80° to -85° westerly rake, about 50 m wide east-west, up to 6 m thick north-south, and open down dip and along strike.

The Arsenopyrite Zone was intersected by two 2010 drill holes on the south side of the nearby Albitite Zone. Its gold-bearing mineralization appears to be vein-like and relatively narrow but with gold values of 25.0 gpt and 6.2 gpt gold in drill holes DS-10-02 (290.0 m to 290.6 m) and DS-10-03 (322.5 m to 323.5 m) respectively. Two other 2010 drill holes intersected gold-bearing mineralization associated with a green carbonate alteration, called the Green Carbonate Zone, situated on both sides of the Albitite Zone. These drill holes returned gold values of 1.3 gpt and 3.65 gpt gold over drilling lengths of 1.3 m and 0.6 m respectively. Both of these zones remain open for expansion along strike and down dip.

Recent gold discoveries at Lake Shore's Thunder Creek and 144 Zones occur near the contact of volcanic sequences with Porcupine metasedimentary rocks and in shear zones proximal to porphyritic intrusions within the Porcupine metasedimentary sequence. A similar geological setting may exist in the poorly exposed and largely untested northern portion of the DeSantis Property.

Conclusions and Recommendations

Diamond drilling and geophysical surveying have proven to be the most effective methods for exploring this poorly exposed property, and most of this exploration work has been concentrated in the immediate vicinity of the DeSantis Shaft No. 2. Given its known mineralization, favourable geological setting on the north side of the Destor-Porcupine Fault and close proximity to current and past gold producing mines this property has good exploration potential of hosting undiscovered gold mineralization.

Recent exploration work on the nearby Timmins West property has shown that the mesothermal vein mineralization along this portion of the Destor-Porcupine Fault may be well buried at depths of 200 m to 600 m and that the Porcupine Group of metasedimentary rocks, largely ignored by past operators, has the potential for hosting significant gold mineralization. Thus, deep drilling to test for strike and down dip extensions of the Albitite Zone and its associated Arsenopyrite and Green Carbonate Zones is highly recommended. Furthermore, exploratory drilling of high priority geological and geophysical targets underlain by metasedimentary rocks of the Porcupine Group in the northern portion of the property should be undertaken.

The DeSantis Property has received considerable exploration attention but there is still good potential for discovering significant gold mineralization in the vicinity of Shaft No. 2 and elsewhere on the property. Accordingly, the author has recommended a two-phase exploration program comprising data compilation, geophysical surveying and diamond drilling in Phase 1 and follow-up geophysical surveying, metallurgical testing and diamond drilling in Phase 2. The estimated exploration budgets for these two phases are $1.5 million and $3.0 million respectively.

Exploration

In 2011, the Company completed a total of 7,997 m of diamond drilling in a total of 22 drill holes, of which four were abandoned prior to reaching intended length due to operational or technical issues. The 2011 drill campaign focussed on expansion of primarily the Hydrothermal Alteration Zone, as well as the Albitite Zone, which are both located in the vicinity of the DeSantis No. 2 Shaft, as well as tested reconnaissance targets located elsewhere on the DeSantis Property.

On October 18, 2011, Excellon announced initial drill results from the DeSantis Property. Results from the first 10 holes of the drill campaign included an intersection of 3.63 grams per tonne (gpt) gold over 23.17 m including 14.25 pgt over 1.17 m returned in drill hole DS11-020A. Assay results for the first ten holes completed during 2011 are summarized in the press release which can be viewed on the Company's website or under the Company's profile on SEDAR at www.sedar.com.

Subsequent to the October 18, 2011 release of information, the 2011 DeSantis drilling program returned only anomalous gold contents over relatively narrow widths for additional holes completed in the Hydrothermal Alteration Zone, the Albitite Zone and reconnaissance targets on the property. Although geologically significant and potentially economic-hosting rock types (quartz veins) and alteration were intersected by many of the drill holes completed after the October 2011 release, the remainder of the holes completed during 2011 did not intersect noteworthy gold mineralization.

In January 2012, two drill holes totalling 882 m were completed on the DeSantis Property; one on a reconnaissance target on the western portion of the property, and one as follow-up within the Hydrothermal Alteration Zone. Although each of these drill holes intercepted geologically significant and potentially economic rock types (quartz veins) and alteration, only low gold values over narrow widths were contained in these holes.

Exploration plans for the remainder of 2012 on the DeSantis Property include data compilation, geological modelling, downhole geophysics, and additional diamond drilling. The Company continues to believe that the DeSantis Property has excellent potential for hosting gold resources additional to those resources previously mined or contained within historical (non NI 43-101 compliant) estimates.

OTHER PROPERTIES

BESCHEFER PROJECT, QUEBEC, CANADA

Lateegra acquired its interest in the Beschefer property, a grassroots exploration project, via an option agreement dated January 31, 2011. Under the terms of the agreement, Lateegra earned a 100% interest in the property by making cash payments totalling $50,000 and issuing 6,000,000 Lateegra shares which were both completed by February 15, 2012. As per the transaction whereby Lateegra became a wholly-owned subsidiary of Excellon, the final tranche of Excellon shares have been issued in place of the Lateegra shares due under the terms of the option agreement at a rate of 0.54 Excellon shares for each Lateegra share. The property is subject to an underlying 3% net smelter return with an option at any time to purchase 1.75% of the net smelter return for $1.5 million. As of the date of this AIF, the Beschefer Project is in the early exploration stage and the Company does not consider the project to be a material property to the Company pursuant to National Instrument 43-101, pending the completion and analysis of further exploration work to be undertaken in 2012.

The Beschefer Property is located within the Abitibi Greenstone Belt approximately 75 km west of Matagami, in northwestern Quebec, 12 km east of the past producing Selbaie Mine. The Selbaie Mine produced 57.5 million tonnes grading 0.56 g/t gold, 38 g/t silver, 0.87% copper, and 1.85% zinc over its mine life. The property has little or no bedrock exposure and is muskeg covered such that drilling is most effectively completed under winter conditions. The Beschefer property consists of 33 claims covering 5.3 sq. km. Access to the property is excellent with a regional road and power line passing 3 km north of the property and an access road cross-cutting the property.

The Beschefer property is situated within intermediate to mafic volcanic rocks of the Broulan Volcanic Complex on the east flank of the Broulan batholith. The property hosts the “B-14” Zone, a gold mineralized shear zone, hosted within a typical Archean volcanic ‘greenstone’ assemblage.

As reported by Lateegra in a news release filed on SEDAR on May 11, 2011, a copy of which can be viewed at www.sedar.com, 1,520 m of diamond drilling in five holes were completed in early 2011, primarily on the B-14 Zone. Results include 3.80 gpt gold over 4.35 m including 13.85 gpt over 0.30 m in hole BE11-001, and 12.4 gpt gold over 3.78 m including 63.5 gpt gold over 0.43 m in hole BE11-003 (all reported gold grades are uncut). In addition, hole BE11-002 intercepted 2.3% copper over 2.58 m. Intersections are reported as core intercept length and no top cutting factors have been applied to the gold grades reported.

Certain of the exploration results reported in a May 11, 2011 news release issued by Lateegra are based on historical work by others and are identified in the news release as such. Those reports of work cannot and have not been fully verified by Lateegra. Investors or potential investors should take this into account.

In January 2012, the Company commenced its 2012 drill campaign on the Beschefer property. As of March 1, 2012, 5,284 m in 17 holes have been drilled of a planned 8,000 m program at Beschefer. Drilling in the current program is focused on expansion of the previously discovered "B-14" Zone, as well as exploration targets elsewhere on the property. Thus far in the program, geological and analytical results are consistent with those encountered in the Company's 2011 drill program and with historical results on the property. To date, no mineral resource estimate has been completed for the property or the B-14 Zone, the only known significant gold mineralized zone on the property. Completed assay results for the Company's 2012 drill holes are summarized in a press release issued on March 5, 2012 and can be viewed on the Company’s website or under the Company’s profile on SEDAR at www.sedar.com. In the March 5, 2012 release, the Company reported initial results of its 2012 drill campaign, highlights of which include the interception of 4.54 gpt gold over 7.80 m including 9.16 gpt over 1.35 m and 27.3 gpt over 0.30 m in hole BE12-006.

The Company’s exploration programs are subject to QA/QC and security programs which conform to industry standard best practices in the sampling and analysis of drill core and are in compliance with NI 43-101. In 2011, diamond drilling on the Beschefer Project was conducted by Bradley Bros. Drilling Ltd. of Rouyn-Noralda, Quebec. In 2012, diamond drilling has been conducted by N.P.L.H. Drilling of Timmins, Ontario. Analytical work in both 2011 and 2012 has been performed by ALS Chemex Ltd., an ISO 9001-2000 and ISO 17025 certified laboratory with its own internal QA/QC procedures. Lateegra utilizes, as part of its QA/QC program, the insertion of standard reference materials and blanks representing approximately 5% of the total sample population. Drill core is sampled according to standardized technical procedures, which include the core being sawn in half, with half of the core being retained, while the other half is sampled for gold analysis via Fire Assay-Atomic Absorption finish using a 50 g assay aliquot. Intervals where visible gold has been identified are analyzed via gravimetric or screened metallic procedures. Samples are securely packed for shipment utilizing security seals noted on Chain of Custody documents, which are confirmed as intact upon receipt at ALS’s sample receiving facility.

The Company’s 2011 and preliminary 2012 drilling results confirm that the B-14 Zone has the potential to host a significant gold resource. Also, the Company continues to believe other portions of the property should be further investigated for gold as well as base metal potential.

The Company’s Canadian exploration programs are conducted under the supervision of its Vice President, Exploration for Canada, Ms. Heather Miree, B.Sc., P.Geo. Ms. Miree is a Qualified Person as defined by NI 43-101and has prepared or supervised the preparation of those portions of the technical activities completed during 2011 on which such disclosure contained in this AIF is based, and has verified technical information related to 2010 exploration activities completed by the Company’s wholly-owned subsidiary, Lateegra.

RISK FACTORS

An investment in the Common Shares of the Company involves a high degree of risk and must be considered speculative due to the many risk factors facing companies in the mining industry that could materially affect the Company. Certain of such risks are:

Fluctuation of Metal Prices

Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals contained in a deposit will be such that the Company's properties can be mined at a profit. The Company is particularly exposed to the risk of movement in the price of silver. Declining market prices for silver could have a material effect on the Company's profitability, and the Company's policy is not to hedge its exposure to silver.

No Assurance of Profitability

The Company has a limited history of earnings and due to the nature of its business there can be no assurance that the Company will be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the anticipated cash flow generated by the Company's mining activities at the Platosa Mine or through the sale of its equity shares, short-term high-cost borrowing, or the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through cash flow from mining operations, further equity offerings, short-term borrowing or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Resource Exploration and Development is a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, and government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Dependence on Operations in Mexico

The Company's operations at the Platosa mine and the Miguel Auza mill in Mexico will account for all of the Company's commercial production in 2012, and will continue to account for all of the Company's commercial production until such time as any other potential mines on the Company's properties are developed and placed into commercial production, or the Company makes an acquisition of a producing mine. Any adverse condition affecting mining or milling conditions at the Platosa mine or the Miguel

Auza mill could be expected to have a material adverse effect on the Company’s financial performance and results of operations. The Company also anticipates using revenue generated by its operations at Platosa to finance a substantial portion of the capital expenditures required at its exploration projects. Unless the Company can successfully develop and bring into production other mineral projects on its existing properties or otherwise acquire mineral-producing assets, the Company will be dependent on Platosa for its commercial production. Further, there can be no assurance that the Company’s current exploration and development programs at its projects will result in any new economically viable mining operations or yield new mineral resources to replace and expand current mineral resources.

Failure to Achieve Production Estimates

Estimates of future production from the Platosa Mine operations as a whole are derived from a mine plan prepared by Platosa’s engineering staff on an annual basis and adjusted during the year to reflect conditions encountered during underground development and mining activities. These plans are reviewed by senior management and are subject to change. The Company cannot give any assurance that it will achieve its production estimates. The failure to achieve the anticipated production estimates could have a material and adverse effect on any or all of the Company's future cash flows, results of operation and financial condition. The mine plan has been developed based on, among other things, mining experience, Mineral Resource estimates, assumptions regarding ground conditions and physical characteristics of the Platosa mineralization (such as hardness, specific gravity and presence or absence of certain metallurgical characteristics) and estimated rates and costs of production.

Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed above, and as set out below:

- actual ore mined varying from estimates in grade, tonnage and metallurgical recoveries and other characteristics;
- mining dilution;
- excessive water encountered during mine development and production;
- ramp wall failures or cave-ins;
- ventilation and adverse temperature levels underground;
- industrial accidents;
- equipment failures;
- natural phenomena such as inclement weather conditions, floods, blizzards, droughts, rock slides and earthquakes;
- encountering unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants;
- restrictions imposed by government agencies;
- labour shortages or strikes;
- civil disobedience and protests; and
- inability to find and retain qualified personnel.

Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to the Company's property or the property of others, environmental damage, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable.

Uncertainty of Resource Estimates

The Mineral Resource estimates in respect of the Platosa property are based on limited information acquired through drilling and, in some cases, through underground exploration and mining. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The grade of mineralization actually recovered may differ materially and adversely from the estimated average grades in the resource estimate. Future production could differ dramatically from resource estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect Mineral Resources;
- the grade of the Mineral Resources may vary significantly from time to time and there is no assurance that any particular level of silver, lead or zinc may be recovered from the Mineral Resources; and
- declines in the market price of silver, lead or zinc may render the mining of some or all of the Mineral Resources uneconomic.

Any of these factors may require the Company to reduce its Mineral Resource estimates or increase its cost estimates. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair the Company's profitability. Should the market price of metals fall, the Company could be required to materially write down its investment in mining properties or delay or discontinue production or the development of new projects.

Mineral Reserves

The Company has not defined any Mineral Reserves on its concessions at Platosa and there can be no assurance that any of the concessions under exploration contain commercial quantities of any minerals. Even if commercial quantities of minerals are identified, there can be no assurance that the Company will be able to exploit the resources or, if the Company is able to exploit them, that it will do so on a profitable basis. Substantial expenditures may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing may be required. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) metal prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; and (v) availability and cost of additional funding. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Surface Rights and Access

Although the Company acquires the rights to some or all of the minerals in the ground subject to the mineral tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore it may be unable to carry out planned mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate.

Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company currently has all permits and licences that it believes are necessary to carry out its current exploration, development and mining operations at its projects including, without limitation, the permits required to construct and operate a mill at Platosa. The Company may require additional licences or permits in the future and there can be no assurance that the Company will be able to obtain all such additional licenses and permits. In addition, there can be no assurance that any existing licences and permits will be renewable if and when required or that such existing licences and permits will not be revoked.

The Company is dependent on its workforce at Platosa and is therefore sensitive to labour disruptions at Platosa

The Company is dependent on its workforce at its material producing property in Mexico. The Company endeavours to maintain good relations with its workforce in order to minimize the possibility of strikes, lock-outs and other stoppages at the site. Relations between the Company and its employees may be impacted by changes in labour relations which may be introduced by, among other things, employee groups, competing labour unions, and the relevant governmental authorities in whose jurisdictions the Company carries on business.

In August and September of 2011, the Company experienced work stoppages at its Platosa mine due to illegal demonstrations as part of a campaign by competing unions to unseat the union currently representing Excellon’s workforce. The illegal blockades impeded access to the mine and resulted in the loss of seven days’ production. Further labour disruptions at the Platosa mine could have a material adverse impact on the Company’s business, results of operations and financial condition. The Company’s employees are represented by a labour union under a collective labour agreement. The Company may not be able to satisfactorily renegotiate the collective labour agreement when it expires. In addition, the existing labour agreement may not prevent a strike or work stoppage at our facilities in the future, and any such work stoppage could have a material adverse effect on the Company's earnings.

Mining Industry is Intensely Competitive

The Company's business is the acquisition, exploration, development, and exploitation of mineral properties. The mining industry is intensely competitive and the Company competes with other companies that have far greater financial resources, more significant investments in capital equipment and mining infrastructure for the ongoing development, exploration and acquisition of mineral interests, as well as for the recruitment and retention of qualified employees.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company’s business.

Uninsured or Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the Common Shares.

As of the date of this annual information form, the Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Government Regulation

Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes, health and safety, and employment standards. As indicated above, the Company requires permits and licenses from a variety of governmental authorities. The Company's mining, exploration and development projects could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in policies affecting foreign trade, investment, mining and repatriation of financial assets, by shifts in political attitudes and by exchange controls and currency fluctuations. The Company cannot predict the extent to which future legislation and regulation could cause additional expense, capital expenditures, restrictions, and delays in the development of its properties, including those with respect to unpatented mining claims. Further, there can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Environmental Matters

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit the mining properties is subject to various reporting requirements and to obtaining certain government approvals and there is no assurance that such approvals, including environmental approvals, will be obtained without inordinate delay or at all.

Environmental legislation is evolving in a manner which will require, in certain jurisdictions, stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. No certainty exists that future changes in environmental regulation, if any, will not adversely affect the Company's operations or development properties. Environmental hazards may exist on the Company's properties which are unknown to management at present and which have been caused by previous owners or operators of the properties.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of exploration properties may be required to compensate those suffering loss or damage by reason of such parties' activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Decommissioning and Site Rehabilitation Costs

During the year ended December 31, 2011, the Company re-assessed its reclamation costs at each of its mines based on updated mine life estimates, rehabilitation and closure plans. The total undiscounted amount of estimated cash flows required to settle the Company's obligations is US$1.9 million, which has been discounted using a risk free rate of 1.94%, of which US$0.8 million of the reclamation obligation relates to the Platosa mine, and $0.3 million relates to the Miguel Auza mine. The present value of the reclamation liabilities may be subject to change based on management's current estimates, changes in the remediation technology or changes to applicable laws and regulations. Such changes will be recorded in the accounts of the Company as they occur.

The costs of performing the decommissioning and reclamation must be funded by the Company's operations. These costs can be significant and are subject to change. The Company cannot predict what level of decommissioning and reclamation may be required in the future by regulators. If the Company is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Foreign Countries and Regulatory Requirement

Certain of the Company's projects and interests are located in Mexico and Ecuador, where mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, expropriation or nationalization of property and changes in government regulations such as tax laws, business laws, environmental laws and mining laws, affecting the Company's business in these countries. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in these countries. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Dependence Upon Others and Key Personnel

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including [i] the ability to produce minerals; [ii] the ability to attract and retain additional key personnel in sales, marketing, technical support and finance; and [iii] the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of personnel and consultants hired or retained by the Company. There can be no assurance of success with any or all of these factors on which the Company's operations will depend.

Currency Fluctuations

The Company maintains its accounts in Canadian and US dollars and Mexican pesos. The Company's operations are in Mexico and some of its payment commitments and exploration expenditures under the various agreements governing its rights to the Platosa and Miguel Auza properties are denominated in US dollars, making these rights subject to foreign currency fluctuations. Such fluctuations may materially affect the Company's financial position and results. The Company does not currently engage in any hedging or price protection programs to manage such risk.

Price Fluctuations and Share 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 price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual severe fluctuations in price will not occur.

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 has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis, to support its exploration plans, and to ensure that it will have sufficient liquidity to meet its liabilities when due. To the extent the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity or debt transactions. As at December 31, 2011, the Company had outstanding accounts payable excluding accrued liabilities which are due within 90 days or less. In addition, annual payments of US$520,000 under a surface rights lease with Ejido La Sierrita are payable until 2037. The Company believes it has sufficient cash on hand to meet operating requirements as they arise for at least the next twelve months.

Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalent. Management believes the credit risk on cash and cash equivalents is very low since the Company's cash and cash equivalents balance are held at large international financial institutions with strong credit ratings.

The Company is exposed to credit risk from its customer, which is a large multi-national corporation operating in the mining and oil & gas industries. Accounts receivable are subject to normal industry credit risks and are considered low.

Acquisition Strategy

As part of the Company's business strategy, it has sought and will continue to seek new exploration, development and mining opportunities in the resource industry. As a result, the Company may from time to time acquire additional mineral properties or securities of issuers which hold mineral properties. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Company.

Conflicts of Interest

Certain directors and officers are directors and/or officers of other mineral exploration companies and as such may, in certain circumstances, have a conflict of interest, if any, which arise will be subject to and governed by procedures prescribed by the Company's governing corporate law statute which requires a director of a corporation who is a party to, or is a director or an officer of, or has some martial interest in any person who is a party to, a material contract or proposed material contract with the company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under such legislation.

DIVIDENDS

The Company currently intends to retain future earnings, if any, to finance the growth and development of its business. During the last three fiscal years ended December 31, 2011, the Company did not pay any dividends. The Company does not intend to pay dividends in the foreseeable future.

SHAREHOLDER RIGHTS PLAN

The Company has adopted a shareholder rights plan (the "**Plan**") on the terms and conditions substantially set forth in the Rights Plan Agreement which was ratified, confirmed and approved by the Company's shareholders at its Annual General and Special Meeting held on May 24, 2011. The principal terms and conditions of the Plan are summarized below. This summary is qualified in its entirety by the full text of the Plan, a copy of which is available by request made in writing to the Company at Suite 900, 20 Victoria Street Toronto, Ontario, Canada. M5C 2N8, or made by phone at (416) 364-1130 or facsimile (416) 364-6745 or e-mail at info@excellonresources.com. A full text of the Rights Plan Agreement may also be viewed in electronic format under the Company's profile on the SEDAR website at www.sedar.com.

Rationale for the Plan

The Company adopted the Plan to ensure the fair treatment of shareholders in connection with any takeover bid for Common Shares of the Company. The Plan seeks to provide shareholders with adequate time to properly assess a take-over bid without undue pressure. It is also intended to provide the Board with more time to fully consider an unsolicited take-over bid and, if considered appropriate, to identify, develop and negotiate other alternatives to maximize shareholder value.

Term

The Plan as ratified by the Company's shareholders will continue in force up to the end of the Company's third annual meeting of shareholders after such approval.

Issue of Rights

The Board implemented the Plan by authorizing the issue of one Right in respect of each outstanding Common Share to holders of record as at the close of business on April 20, 2011 (the "**Record Time**"). The Board also authorized the issue of one Right in respect of each Common Share issued after the Record Time and prior to the Separation Time (as defined below) and the Expiration Time (as defined in the Plan).

Exercise of Rights

The Rights are not exercisable initially. The Rights will separate from the Common Shares and become exercisable at the close of business on the tenth (10th) business day after the earlier of the first public announcement of facts indicating that a person has acquired Beneficial Ownership (as defined in the Plan) of twenty percent (20%) or more of the Common Shares or the commencement of, or first public announcement of, the intent of any person to commence a take-over bid which would result in such person Beneficially Owning twenty percent (20%) or more of the Common Shares, or the date upon which a Permitted Bid or Competing Bid (as defined in the Plan) ceases to be such, or such later time as the board of directors of the Company (the "**Board**") may determine in good faith (in any such case, the "**Separation Time**"). After the Separation Time, but prior to the occurrence of a Flip-in Event (as defined below), each Right may be exercised to purchase one Common Share at an exercise price per Right of $50.00. The exercise price payable and the number of securities issuable upon the exercise of the Rights are subject to adjustment from time to time upon the occurrence of certain corporate events affecting the Common Shares, as detailed, described and established in the Plan.

Flip-in Event and Exchange Option

Subject to certain customary exceptions, upon the acquisition by any person (an "**Acquiring Person**") of twenty percent (20%) or more of the Common Shares (a "**Flip-in Event**") and following the Separation Time, each Right, other than a Right Beneficially Owned by an Acquiring Person, its affiliates and associates, their respective joint actors and certain transferees, may be exercised to purchase that number of Common Shares which have a market value equal to two (2) times the exercise price of the Rights. Rights beneficially owned by an Acquiring Person, its affiliates and associates, their respective joint actors and certain transferees will be void. In addition, the Plan permits the Board to authorize the Company, after a Flip-in Event has occurred, to issue or deliver, in return for the Rights and on payment of the relevant exercise price or without charge, debt, equity or other securities or assets of the Company or a combination thereof.

Certificates and Transferability

Prior to the Separation Time, certificates for Common Shares will also evidence one Right for each Common Share represented by the certificate. Prior to the Separation Time, Rights will not be transferable separately from the associated Common Shares. From and after the Separation Time, the Rights will be evidenced by Rights certificates which will be transferable and trade separately from the Common Shares.

Permitted Bids

The Plan will not be triggered by a Permitted Bid or Competing Permitted Bid. A Permitted Bid is one that: (i) is made by means of a take-over bid circular; (ii) is made to all holders of voting Common Shares; (iii) is open for at least sixty (60) days; (iv) contains a condition that no Common Shares will be taken up and paid for until at least fifty percent (50%) of the independent shareholders have tendered and not withdrawn; (v) contains a condition that Common Shares may be deposited at any time and withdrawn until they are taken up and paid for; and (vi) contains a provision that, if fifty percent (50%) of the independent shareholders tender, the bidder will make an announcement to that effect and keep the bid open for at least ten (10) more business days.

Redemption and Waiver

The Rights may be redeemed by the Board at a redemption price of $0.0001 per Right at any time prior to the occurrence of a Flip-in Event without the prior approval of the holders of Common Shares or Rights. The Board is obligated to redeem the Rights if a person who has made a take-over bid in respect of which the Board has waived the application of the Plan takes up and pays for Common Shares pursuant to the terms and conditions of such take-over bid. The provisions of the Plan which apply upon the occurrence of a Flip-in Event may be waived at the option of the Board and without the prior approval of the holders of Common Shares or Rights and in certain circumstances prior to the occurrence of a Flip-in Event. The Board would, however, by virtue of such waiver be deemed to have waived the Plan with respect to any other Flip-in Event. In addition, the operation of the Plan may be waived where a person has inadvertently become an Acquiring Person and has reduced its beneficial ownership of Common Shares such that it is no longer an Acquiring Person.

Amendment of the Plan

Amendments to the Plan, other than those required to correct clerical or typographical errors or to maintain the validity of the Plan as a result of a change of law, will require shareholder approval.

DESCRIPTION OF CAPITAL STRUC TURE

Common Shares

The Company's authorized share capital consists of an unlimited number of common shares without par value (the "**Common Shares**") of which there were 278,297,733 Common Shares issued and outstanding as at December 31, 2011. The holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders with each Common Share entitling the holder to one vote on all matters voted on by shareholders, including the election of directors. Holders of Common Shares are entitled to receive dividends when, as and if declared by the Board. The *Business Corporations Act* (British Columbia) provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that the corporation is, or would after the payment of the dividend, be unable to pay its debts as they become due in the ordinary course of business. In the event of the dissolution, liquidation, or winding up of Excellon, holders of Common Shares are entitled to share rateably in any assets remaining after the satisfaction in full of the prior rights of creditors, including holders of Excellon's indebtedness. As of March 27, 2012, there were 277,862,233 Common Shares issued and outstanding as fully paid and non-assessable.

On November 28, 2011, the Company announced Toronto Stock Exchange approval of its notice of intention to make a normal course issuer bid, pursuant to which Excellon may purchase its own Common Shares for cancellation at the prevailing market price of the Common Shares. The maximum number of Common Shares purchased will not exceed 13,957,462 or approximately 5% of the total issued and outstanding Common Shares as of that date, with a maximum daily purchase of 65,530 Common Shares. Excellon may effect purchases at varying times commencing December 1, 2011 and ending on November 30, 2012. To March 27, 2012, a total of 2,367,000 Common Shares have been purchased by the Company.

Options to Purchase Common Shares

The Company's incentive stock option plan permits its Board to grant to directors, officers, employees and service providers of the Company incentive stock options to purchase a designated number of authorized but unissued Common Shares up to but not exceeding 10% of the issued and outstanding Common Shares at any point in time. As of March 27, 2012, there were 12,914,956 stock options outstanding. Of this number, 1,044,900 represent the number of Excellon stock options allocated for the exchange of Lateegra stock options subsequent to the Company's acquisition of Lateegra in August of 2011. Also, a total of 3,335,000 stock options granted in 2011 included in the March 27, 2012 outstanding amount are subject to shareholder approval.

Warrants

As of March 27, 2012, there are 1,768,082 Excellon warrants outstanding allocated for the exchange of Lateegra warrants subsequent to the Company's acquisition of Lateegra in August of 2011. Each warrant is exercisable for one Common Share of Excellon at a price of $0.75 per Common Share and has an expiry date of April 21, 2012.

MARKET FOR SECURITIES

The Company's Common Shares are listed and posted for trading on the TSX under the symbol "EXN". The table set out below present the high and low sale prices for the Common Shares and trading volume, on a monthly basis on the TSX during the fiscal period ended December 31, 2011.

Month and Year	High ($)	Low ($)	Volume
2011			
December	0.59	0.485	4,021,048
November	0.66	0.465	5,091,591
October	0.66	0.54	3,769,501
September	0.80	0.55	3,178,576
August	0.85	0.63	9,657,252
July	0.82	0.67	4,606,176
June	0.83	0.67	4,848,309
May	0.95	0.67	6,849,209
April	1.03	0.75	6,915,550
March	1.00	0.80	9,966,849
February	1.10	0.93	8,041,758
January	1.38	0.97	8,329,200

PRIOR SALES

The following table sets out stock options and warrants issued by the Company during the fiscal year ended December 31, 2011.

Date of Issuance	Number of Securities	Type of Security	Price per Security
February 14, 2011	1,650,000	Stock Options	$0.62
March 22, 2011	200,000	Stock Options	$0.88
June 27, 2011	220,000	Stock Options	$0.72
July 18, 2011	500,000	Stock Options	$0.77
August 5, 2011	183,600 243,000 189,000 178,200 221,400 148,500 29,700	Converted Lateegra Stock Options	$0.75 $0.71 $0.65 $0.56 $0.52 $0.50 $0.47
August 5, 2011	6,244,650	Converted Lateegra Warrants	$0.65 - $0.93
August 12, 2011	1,400,000	Stock Options	$0.81
December 15, 2011	1,035,000	Stock Options	$0.50

DIRECTORS AND OFFICERS

The names, provinces and country of residence, period during which each has served as a director where applicable, positions held with the Company and principal occupation for the past five years of the directors and executive officers are as set out below. The term of office of each current director will expire at the next annual meeting or when his or her successor is duly elected or appointed. The directors who are members of the Company's Audit Committee, Nominating and Corporate Governance

Committee, Compensation Committee and Health, Safety and Environmental Committee are noted below.

Name, Province and Country of Residence and Position with the Company	Director/Officer since	Principal occupation
PETER A. CROSSGROVE Executive Chairman, Director Ontario, Canada	January 25, 2005	Businessman; Member, Order of Canada; Chief Executive Officer of the Company April 2008 to July 2011; Director of Barrick Gold Corporation since 1993; Director of Lake Shore Gold Corp. since 2009; Co-Chairman and Lead Director of Detour Gold Corporation since March 2009; Director of QLT Inc.; Director of Pelangio Exploration Inc. since February 2008; Non-executive Chairman and director of Masonite International Corporation, an international door producer, 1989 to 2005; Trustee of Dundee Real Estate Investment Trust; Chairman of the Canadian Association of Provincial Cancer Agencies.
THOR E. EATON (1) (2) (3) (4) (5) Director Ontario, Canada	August 8, 2011	Businessman; Chairman of Notae Investments Ltd. Since 1998; Trustee of The Thor E. & Nicole Eaton Family Charitble Foundation since 1999; Director of Metaris Inc. since 1993; Director of Lateegra Gold Corp. from October 2010 to August 2011; Director of Attwell Capital Inc. from June 2009 to September 2010; Director of West Timmins Mining Inc. from September 2006 to November 2009; Director of Fralex Therapeutics from March 2005 to June 2009; Director of Band-Ore Resources Ltd. from 1996 to 2006.
ANDRÉ Y. FORTIER (1) (3) (4) Director Quebec, Canada	March 16, 2005	Corporate Director, President & Chief Executive Officer, Campbell Resources Inc. June 2001 until December 2009.
ALAN R. MCFARLAND (1) (2) (4) Director New York, USA	November 23, 2006	Businessman; Managing Member of McFarland Dewey & Co. since 1989.
TIMOTHY J. RYAN (1) (2) (3) Director British Columbia, Canada	March 27, 2006	Businessman; President of First General Securities Inc. since 1982.
JEREMY L. WYETH President and Chief Executive Officer Ontario, Canada	July 18, 2011	President and Chief Executive Officer of the Company since July 2011; Chief Technical Officer, Iron Ore Brazil, 2009 to 2011; Head of Mining, Angloferrous Metal and Industries July to September 2009; Managing Director, De Beers Russia, September 2008 to June 2009; Sr. Vice President, External January to September 2008; Vice President, Victor Project, De Beers Canada Inc. 2002 to 2007.
STEVEN W. E. POAD Chief Financial Officer Ontario, Canada	June 27, 2011	Chief Financial Officer of the Company since June 2011; Chief Financial Officer, Colossus Minerals Inc. Sept. 2009 to March 2011; Chief Financial Officer of High River Gold Mines Ltd. 2003 to 2009.
ROBERT R. MOORE Chief Operating Officer NWT, Canada	June 2, 2009	Chief Operating Officer of the Company since June 2009; Mine Manager, Silver Eagle Mines Inc. June 2007 to June 2009; Mine Superintendent, North American Palladium, March 2006 to June 2007.
JOHN R. SULLIVAN Vice President, Exploration Ontario, Canada	January 1, 2007	Vice President, Exploration of the Company since January 2007; Senior Geologist with Watts, Griffis and McOuat Limited from March 2003 to December 2006.

HEATHER L. MIREE Vice President, Exploration Ontario, Canada	August 5, 2011	Vice President, Exploration of the Company since August 2011; Vice President, Exploration Lateegra Gold Corp. February to August, 2011; Sr. Project Manager, St. Andrews Goldfields Ltd. March 2010 to February 2011; Senior Project Geologist, Lake Shore Gold Corp. December 2009 to January 2010, Chief Mine Geologist, Timmins Mine, Lake Shore Gold Corp. January 2009 to November 2009; Manager, Mines Geology, FNX Mining Company Inc. May to December 2008; Chief Mine Geologist, Levack Mine, FNX Mining Company Inc. May 2006 to April 2008.
JOANNE JOBIN Vice President, Investor Relations Ontario, Canada	March 1, 2012	Vice President, Investor Relations of the Company since March 2012; Principal, Investor Relations Services Inc. 2010 to February 2012; Vice President Corporate Communications, Noront Resources Inc. 2009 – 2010; Principal, Focused Investor Relations Marketing Inc. 2002-2009.

Notes:

(1) Member of the Audit Committee
(2) Member of the Nominating and Corporate Governance Committee
(3) Member of the Compensation Committee
(4) Member of the Health, Safety and Environmental Committee
(5) Mr. Eaton was appointed as a Director on August 8, 2011 to fill the vacancy on the Board resulting from the passing of Wayne O'Connor in June of 2011.

Based on the disclosure available on the System for Electronic Disclosure by Insiders, as of March 27, 2012, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over approximately 9,837,243 Common Shares, representing approximately 3.5% of the total number of Common Shares issued and outstanding.

Company Cease Trade Orders and Bankruptcies

Except as disclosed below, to the best knowledge of the Company, no director or officer or principal shareholder of the Company is, as at the date hereof or has been within the last ten years prior to the date hereof, (a) subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the director or officer of the Company was acting in the capacity as director, chief executive officer or chief financial officer of that company; (b) subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer of that company and which resulted from an event that occurred while that person was acting in such capacity; (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (d) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets. André Fortier was the President and Chief Executive Officer of Campbell Resources Inc. ("Campbell"), which made application under the *Companies' Creditors Arrangements Act* in January 2009. Mr. Fortier was also President of Campbell's subsidiary Meston Resources Inc., which made a petition for bankruptcy in October 2009. Steven Poad was an officer of High River Gold Mines Ltd. when in late 2008, management cease trade orders were issued as a result of the late filing of the third quarter and 2008 year-end financial statements. The financial statements were subsequently filed and the management cease trade orders lifted.

Penalties and Sanctions

None of the directors or executive officer of the Company or, to the Company's best knowledge, shareholders holding sufficient Common Shares to materially affect the control of the Company has been subject to:

(i) any penalties or sanctions proposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority, or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of the Company, no director or officer of the Company has an existing or potential conflict of interest with the Company or any of its subsidiaries except to the extent that certain officers and directors of the Company also act as officers and directors of other corporations active in mining and exploration, which may compete with the Company for business opportunities. Such directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Mr. Peter Crossgrove, a director since 2005, Mr. Timothy Ryan, a director since 2006, and Mr. Thor Eaton, a director since August 8, 2011, were each directors of Lateegra, which amalgamated with the Company in the transaction described under "General Development of the Business - Three Year History". Messrs. Crossgrove and Ryan recused themselves from the consideration of the amalgamation transaction, which was reviewed and recommended by the Special Committee appointed by the Board, comprised of independent directors Mr. Andre Fortier, a director since 2005 and Mr. Alan McFarland, a director since 2006.

Audit Committee's Charter

The purpose of the Company's Audit Committee is to provide assistance to the Board in fulfilling its responsibilities with respect to matters involving the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. A copy of the Company's Audit Committee Charter is attached as Schedule "A" and is available on the Company's website at www.excellonresources.com.

Composition of the Audit Committee

The members of the Audit Committee are Timothy J. Ryan (Chairman), Andre Y. Fortier, Alan R. McFarland and Thor Eaton. All current members of the Audit Committee meet the independence criteria set out in National Instrument 52-110 – Audit Committees ("**NI 52-110**").

Based on information provided by each director, the Board determined that all members of the Audit Committee are "financially literate" as that term is defined in NI 52-110.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of Audit Committee responsibilities is described below:

Timothy J. Ryan: Mr. Ryan holds an undergraduate degree in Commerce from the University of Saskatchewan and an MBA from the University of Western Ontario and, since 1982, has been founder and president of First General Securities Inc., a private venture capital investment and advisory firm. In addition, he is the former chairman of Discovery Enterprises Inc., a British Columbia Crown Corporation formed to apply capital and advisory resources to early stage innovative enterprises. In those capacities, and as a director and chair of audit committees in other public companies (including publicly traded mining companies), Mr. Ryan has had extensive experience in analyzing and evaluating financial statements and in the general application of applicable accounting standards and principles.

André Y. Fortier: Mr. Fortier was President and Chief Executive Officer of Campbell Resources Inc., a public mining company, from 2001 to 2009. Prior to that, he was Chairman and Chief Executive Officer of MSV Resources Inc. and GeoNova Explorations Inc. and a director of Mazarin Mining Corporation and Southern Africa Corporation, all of which are public mining companies. In his position as such, Mr. Fortier has gained extensive experience with understanding the accounting principles used by mining and exploration companies in their financial statements, as well as analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues likely to be raised by the Company's financial statements. In his capacity as Chairman and Chief Executive Officer, he has also had significant experience in understanding internal controls and procedures for financial reporting.

Alan R. McFarland: Mr. McFarland has over 35 years experience in the field of investment banking. His work has covered a range of investment banking activities including general corporate advisory work on financial strategies, mergers, acquisitions and divestitures, public and private financings, venture capital, tax shelters, securities analysis, and corporate restructurings. He was a director of Placer Dome, Inc. and Masonite International Corporation. In the course of his work, he has gained extensive experience in evaluating financial statements, including those of companies in the mining industry, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues likely to be raised by the Company's financial statements.

Thor E. Eaton: Mr. Eaton is a highly regarded and well known businessman and philanthropist. He is currently the President of Notae Investments Limited and serves as a Director of Excellon Resources Inc. and Metaris Inc. Mr. Eaton previously served as a Director of Lateegra Gold Corp. (2010 - 2011), Atwell Capital Inc. (2009-2010), West Timmins Mining Inc. (2006 - 2009), Fralex Theraapeutics (2005-2009), and Band-Ore Resources Ltd. (1996 - 2006). Mr. Eaton is a Trustee of The Thor E. & Nicole Eaton Family Charitable Foundation. The Foundation has contributed to the livelihood of hospitals, environmental groups and Canadian cultural institutions, such as the Royal Ontario Museum, St. Michael's Hospital, the National Ballet of Canada, the Pontifical Institute of Mediaeval Studies, and the Atlantic Salmon Association. Mr. Eaton has had extensive experience in analyzing and evaluating financial statements and in the general application of applicable accounting standards and principles.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions provided in any of sections 2.4 (*De Minimis Non-Audit Services*), 3.2 (*Initial Public Offerings)*, 3.4 (*Events Outside Control of Member)*, 3.5 (*Death, Disability or Resignation of Audit Committee Member*), 3.2(2) (*Controlled Companies*), 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*) or 3.8 (*Acquisition of Financial Literacy*) of NI 52-110 or an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 of NI 52-110.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Company's Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee has a practice of pre-approving audit and non-audit services provided by the independent auditor. The Committee has delegated to its Chair, the authority, to be exercised between regularly scheduled meetings of the Audit Committee, to pre-approve audit and non-audit services provided by the independent auditor. All such pre-approvals shall be reported by the Chair at the meeting of the Audit Committee next following the pre-approval.

External Auditor Service Fees

The fees billed by the Company's auditor in each of the last two fiscal years are as follows:

	Year ended December 31, 2011	**Year ended December 31, 2010**
Audit Fees[(1)]	$222,162	$239,167
Audit Related Fees[(2)]	53,000	39,500
Tax Fees[(3)]	57,139	39,998
All Other Fees[(4)]	15,000	15,000
Total	**$347,301**	**$333,665**

Notes:

(1) The aggregate audit fees billed.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audits or reviewing the Corporation's financial statements and are not included under "Audit Fees".

(3) The aggregate fees billed for services related to tax compliance, tax advice and tax planning. The services performed for the fees paid under this category may briefly be described as tax return preparation fees.

(4) The aggregate fees billed for services other than those reported above. The services performed for the fees paid under this category may briefly be described as flow-through accounting services, and in addition for 2011 in connection with services performed relating to the Company's acquisition of Lateegra Gold Corp.

Audit Fees. Audit fees include services that are provided by the independent auditor in connection with statutory and regulatory filings, principally for the audit of the annual financial statements prepared in accordance with IFRS as issued by the IASB.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management is not aware of any material litigation matters involving the Company outstanding as of the date hereof.

During the fiscal year ended December 31, 2011, the Company was not subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority;

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or

(c) any settlement agreements entered into with a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No directors or executive officers of the Company and no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Company's issued and outstanding Common Shares or any of their respective associates or affiliates, has or has had a material interest, direct or indirect, in any material transaction, whether proposed or concluded, which had, or may have, a material effect on the Company or its subsidiaries within the three most recently completed financial years or during the current financial year.

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar for its Common Shares in Canada is Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9, and 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1. Registration facilities are maintained by Computershare Investor Services Inc. at its offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business**,** the following are the only material contracts entered into by the Company within the most recently completed financial year or which were entered into prior to such date and are currently in effect, copies of which are available under the Company's SEDAR profile at www.sedar.com:

1. Arrangement Agreement dated May 30, 2011 between Excellon Resources Inc. and Lateegra Gold Corp. referred to under Description of the Business **-** Three Year History;
2. Shareholder Rights Plan approved at the Corporation's Annual General and Special Meeting of Shareholders held on May 24, 2011 referred to under the heading Shareholder Rights Plan.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP is the auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Mr. David A. Ross, M.Sc., P.Geo, of Roscoe Postle Associates Inc. prepared the technical report on the Company's Platosa Property. To management's knowledge, Mr. Ross does not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Company.

Mr. J. Douglas Blanchflower, P.Geo., of Minorex Consulting Ltd. prepared the technical report on the Company's DeSantis Property. To management's knowledge, Mr. Blanchflower does not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Company.

Mr. John R. Sullivan prepared or supervised the preparation of certain updated technical or scientific information in this AIF relating to the Company's Platosa property. Mr. Sullivan is Vice President, Exploration for Mexico of the Company.

Ms. Heather L. Miree prepared or supervised the preparation of certain updated technical or scientific information in this AIF relating to the Company's DeSantis and Beschefer properties. Ms. Miree is Vice President, Exploration for Canada of the Company.

To the Company's knowledge as at March 27, 2012, the persons or companies referred to above beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's Common Shares and the Common Shares authorized for issuance under the Company's stock option plan, is contained in the Company's management information circular filed on SEDAR for its most recent annual general and special meeting of shareholders held on May 24, 2011, where the Company's directors were elected.

Additional financial information is provided in the Company's consolidated Financial Statements and Management's Discussion and Analysis for its financial year ended December 31, 2011.

GLOSSARY OF TECHNICAL TERM AND ABBREVIATIONS

The following is a glossary of technical terms and abbreviations that appear in this annual information form:

Ag is the elemental symbol for silver.

Alteration means any physical or chemical change in a rock or mineral subsequent to its formation; milder and more localized than metamorphism.

Altiplano Exploraciones del Altiplano, S.A. de C.V., private Mexican company from whom Excellon optioned the large claim package in the western part of the Platosa project area that encompasses the historic Zorra and Saltillera mines/areas.

AMT means Audio Magneto Tellurics is a geophysical technique that measures the resistivity of a particular volume of rock to a combination of magnetic and telluric currents present naturally Natural Source Audio Magneto Tellurics ("NSAMT"), or proactively transmitted into the earth's crust Controlled Source Audio Magneto Tellurics ("CSAMT"). The technique delineates horizontal and vertical resistivity contrasts allowing discernment of features of interest including intrusions, rock-type contrasts and bedding, alteration, and mineralization. CSAMT uses currents generated and artificially transmitted into the rocks under controlled conditions and frequencies. NSAMT uses natural currents stemming from cosmic radiation. CSAMT typically has finer resolution whereas NSAMT has deeper penetration.

Anomalous refers to a sample or location in which either (i) the concentration of elements or (ii) geophysical or geochemical measurement is significantly different from the average background values in an area.

Apex refers to Apex Silver Mines Limited, an American Stock Exchange-listed company with whom Excellon was at one time in joint venture on a large number of concessions comprising the project area.

Assay is an analysis to determine the quantity of one or more elemental components.

Au is the elemental symbol for gold.

Bedrock is unweathered rock below the soil; solid rock.

Chimney (also called a "pipe") is a high-angle tubular elongate or semi-cylindrical orebody. Chimneys commonly cut across bedding at steep angles.

cm means centimeters.

Common Shares refers to the common shares in the capital of the Company.

Company refers to Excellon Resources Inc.

Concentrate a product in which valuable minerals have been enriched (concentrated) through mineral processing.

CRD Carbonate Replacement Deposit an economically important type of mineral deposit found worldwide and believed to form through a chemical reaction whereby mineral-bearing fluids dissolve carbonate minerals and immediately precipitate sulphide minerals in their place. This replacement process often faithfully preserves delicate textures seen in the original rocks. Mineralized fluids in CRDs often follow structures for long distances creating elongate deposits called "chimneys" when standing at high angles and "mantos" when flat-lying.

Deposit is a volume of rock containing valuable mineralization that has been defined in three dimensions. May be classified into Mineral Resource categories.

Dyke (or dike) is a sheet-like body of igneous rock cutting across bedding planes of rock.

Dip is the direction or angle that the plane of a rock formation makes with the horizontal.

Diamond drilling is drilling with the use of a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, generally three centimetres or more in diameter.

Dilution is the effect of grade reduction that occurs when material adjacent to a defined Mineral Resource and of significantly lower grade than the defined Mineral Resource is mined and sent to the mill along with material comprising the defined Mineral Resource.

Dip is the degree of inclination of a tilted bed or other 2-dimensional plane, taken perpendicular to its strike. Also refers to the angle of inclination of a drill hole.

Discount rate is an arbitrary rate selected to apply to a stream of costs and benefits for the calculation of Net Present Value. The discount rate allows for the time value of money to be factored into the calculation of net present value. Discount rates can also be used to make an assessment of projects of different risk levels by assigning a higher discount rate to projects of higher risk.

Disseminated in a mineral deposit, whereby the minerals (metals) occur as scattered particles in the rock, but in sufficient quantity to make the deposit a worthwhile ore.

EM is an abbreviation for electromagnetic.

Excellon 100%/Apex Royalty Area (also called the Core or Excellon Exclusive Area) is a 417.19 hectare area, roughly centred on the Platosa Mine where Excellon is sole owner and operator, subject to NSR royalty obligations to Apex.

Fault is a fracture in a rock across which there has been displacement.

Feasibility study means a comprehensive study of a mineral deposit during which all of the geological, engineering, operating, environmental and economic factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the project for mineral production. The feasibility study considers defined Mineral Resources, mining methods, potential production profile, and economic assumptions including metals prices and recoveries. The feasibility study also considers the environmental, permitting, and sociological issues associated with the development of the mine. The study is usually completed by an independent engineering firm and has cost estimates defined to +/-15% or better.

Fire Assay an analytical smelting procedure for determining the precious metal content in rock and mine products.

Fracture is a break in a rock, usually along flat surfaces.

Galena is lead sulphide (PbS) and the principal primary economic lead mineral.

Geophysics is the study of the interaction and response of earth materials to a range of electrical or magnetic radiation or impulses and gravity.

Gpt or g/t refers to grams per tonne (metric ton or 1000kg ((2,204.6 pounds)).

Grade is the concentration of an valuable metal in a rock sample, given either as weight percent for base metals (e.g., Pb, Zn, Cu) or in g/t or ounces per short ton (oz/t or opt) for precious metals (e.g., Ag, Au, Pt).

ha hectare, which is an area totalling 10,000 square metres or 100 metres by 100 meters.

Hoist means the machine used for raising and lowering the cage or other conveyance in a mine shaft.

Hornfels - sometimes called contact metamorphic rocks, a hornfels is formed when certain rocks are exposed to the intense heat and chemical fluids given out by a nearby igneous intrusion.

Hydrothermal means heated or superheated fluid or water from depth in the earth’s crust.

Igneous rock is rock formed by crystallization or solidification of magma.

Indicated Mineral Resource that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Intercept (or intersection) is a cut made a drill hole through a mineralized body or other features of geologic interest.

Intrusive is a rock mass formed below the earth's surface from molten magma which was intruded into a pre-existing rock mass and cooled to a solid.

Joint venture is an unincorporated business agreement between two (occasionally more) parties where their interests and business objectives are pooled and aligned. A joint venture is usually governed by a management committee composed of representatives of all of the parties. One of the parties is nominated as the operator and is responsible for the day-to-day operation of the joint venture and reporting to the management committee. Commonly the joint venture is governed by a vote of management committee where the votes cast are a proportion of their percentage interest in the joint venture. Joint ventures also usually provide for the dilution, or reduction in interest, of one of the parties should it elect not to contribute to the ongoing business of the joint venture.

Joint Venture Area is the area lying largely on the northeast flanks of the Sierra Bermejillo where Excellon was co-exploring with Apex on the basis of a 51%:49% joint venture agreement.

km means kilometre

m means metres

Ma means a million years

Masl is metres above sea level

Magma means molten rock material formed within the earth's crust.

Manto is a tabular to ribbon-shaped, relatively flat-lying CRD mineral deposit that tends to lie within a particular rock bed or series of beds.

Massive sulphide is a descriptive term applied to mineralization composed dominantly of sulphide minerals.

Metamorphism is the processes by which changes are brought about in rocks within the Earth's crust through heat, pressure and chemically active fluids.

Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Mill (or concentrator) is an industrial installation assembled to allow separation and recovery of mineral particles of interest from bulk mineralization and waste material. Typically includes equipment for crushing and grinding, selective particle recovery and production of a concentrate from which the contained metals can be refined to marketable purity.

Mineral means a naturally occurring inorganic substance typically with a crystalline structure.

Mineralization means minerals of value occurring in rocks.

Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. Are classified as Probable or Proven.

Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Naica Mine is a mine located in central Chihuahua State, Mexico belonging to Industrias Peñoles. Naica exploits a zoned skarn-replacement CRD.

NI 43-101 means National Instrument 43-101 and is a regulation with the force of law prepared by the Canadian Securities Administrators and governing the standards of disclosure for mineral projects.

Net present value or "NPV" is a future stream of benefits and costs converted into equivalent values today. This is done by assigning monetary values to the benefits and costs discounting future benefits and costs using an appropriate discount rate and subtracting a sum total of discounted costs from the total of discounted benefits.

NSR is an abbreviation for Net Smelter Return or Net Smelter Royalty and means a defined percentage of the gross revenue from a resource extraction operation, less a proportionate share of transportation, insurance, and processing costs.

Operating costs (OPEX) are the costs of operating a mine, usually including all onsite costs of mining, milling, environmental compliance, tailings disposal, storing concentrate, and administration. Typically quoted in US dollars/tonne. Major sustaining capital items such as mill expansion, large underground development or high-value items of fixed or mobile mining or milling equipment during the life of a project are excluded.

Ore is a natural occurrence of one or more minerals that may be mined and sold at a profit, or from which some part may be profitably separated. The word ore should only be used to refer to defined Mineral Reserves, preferably related to a mine in the development or production phase or to a historical mineral deposit that was economically exploited.

Ore body a mass of ore with defined geometry. Also “Orebody”.

Outcrop refers to an exposure of rock at the earth's surface.

Overburden is any material covering or obscuring rocks from view.

Pb is the elemental symbol for lead.

Peñoles refers to Industrias Peñoles S.A. de C.V. a major Mexican mining company and operator of (among others) the Naica Mine and Torreon smelters.

Porphyry a medium- to coarse-grained intrusive (generally felsic) igneous rock that contains conspicuous mineral crystals that are coarser-grained than the groundmass.

Pyrite is an iron sulfide mineral (FeS_2).

QA/QC means quality assurance/quality control; systematic procedures that are used to validate the control and testing of samples in a specified manner.

Qualified Person means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project; and is a member or licensee in good standing of a professional association (“professional association” means a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that is recognized under the terms of NI 43-101).

Recovery is the percentage of valuable minerals that are recovered during milling and/or other forms of processing and captured for potential payment after shipment to the smelter.

Reserves means that part of the mineral deposit that could be economically and legally extracted or produced at the time of reserve determination.

Saltillera Properties refers to western parts of the Platosa project area, largely optioned from Altiplano. Includes the area of the Saltillera and Soccoro Mines proper, but also encompasses the historic Zorra, Dios da Bondad and Refugio mines/areas.

RPA is Roscoe Postle Associates Inc**.**, formerly Scott Wilson Roscoe Postle Associates Inc., independent geological and mining consultants based in Toronto, Ontario.

SEDAR (System for Electronic Document Analysis and Retrieval) is a filing system developed for the Canadian Securities Administrators to:

- facilitate the electronic filing of securities information as required by the securities regulatory agencies in Canada;

- allow for the public dissemination of Canadian securities information collected in the securities filing process; and
- provide electronic communication between electronic filers, agents and the Canadian securities regulatory agencies.

Shaft or "mine shaft" is a vertical or inclined excavation in rock or consolidated material for the purpose of providing access to a mineral deposit. Usually equipped with a hoist at the top.

Shear zone is where a fault affects a width of rock rather than being a single clean break, the width of affected rock is referred to as the shear zone. The term implies movement, i.e., shearing.

Sill is a sheet-like body of igneous rock which conforms to bedding planes of rock.

Skarn refers to an alteration assemblage dominated by calcium and magnesium silicate minerals (dominantly garnets, pyroxenes and amphiboles). Skarns form by reaction between silica-bearing fluids and carbonate rocks, converting original carbonate minerals to silicate minerals. Mineralized Skarns contain economically attractive amounts of certain metals and are classified on the basis of the dominant metal (cf. Copper skarn or Lead-Zinc skarn). Skarns typically form in close proximity to intrusive bodies and may have massive sulphide replacement mineralization on their distal sides.

Smelter is an industrial installation where sulphide minerals are reduced to metals through roasting at high temperature.

Sphalerite is a zinc sulphide mineral (ZnS).

Strata means parallel layers of sedimentary rock.

Stock refers to an intrusive body with less than 25 km^2 in surface area.

Strike is horizontal level direction or bearing of an inclined rock bed, structure, vein or stratum surface. The direction is perpendicular to the direction of dip.

Sulphide is a mineral in which the element sulphur is in combination with one or more metallic elements.

Sustaining capital is the capital expenditures incurred after start-up and during the production phase of a mining operation.

Tailings are the waste products resulting from the processing of mineralized material.

True thickness is the calculated thickness of a geological feature (often a mineral deposit or an intersection of valuable mineralization in a drill hole) taking into account the spatial attitude or orientation of the drilled feature and the angle of its intersection in drill core or mine workings. Depending on the amount and quality of data available, true thickness is often referred to as "estimated true thickness."

Vein means a fissure, fault or crack in a rock filled by minerals that have traveled upwards from some deep source.

Warrants are a security that entitles the holder to buy stock of the company that issued it at a specified price, which is usually higher than the stock price at time of issue.

Zn is the elemental symbol for zinc.

SCHEDULE "A"

EXCELLON RESOURCES INC.

Audit Committee Charter

(Adopted by the Board on December 14, 2004)

Overall Purpose / Objectives

The Audit Committee will assist the board of directors (the "Board") in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

Authority

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

Organization

<u>Membership</u>

The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the committee from time to time.

A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Secretary of the Company, or other such person as may be nominated by the Chairman of, and approved by, the Audit Committee.

<u>Attendance at Meetings</u>

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.
Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting of the Audit Committee if they consider that it is necessary.

The proceedings of all meetings will be minuted.

Roles and Responsibilities

The Audit Committee will:

Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

Review any legal matters which could significantly impact the financial statements as reported on by the Company's counsel and meet with outside independent counsel whenever deemed appropriate.

Review the annual and quarterly financial statements including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

Meet with management and the external auditors to review the annual financial statements and the results of the audit.

Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:

(a) actual financial results for the interim period varied significantly from budgeted or projected results;

(b) generally accepted accounting principles have been consistently applied;

(c) there are any actual or proposed changes in accounting or financial reporting practices; or

(d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.

Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.

Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

Review and approve the Company's hiring policies regarding partners, employers and former partners and employees of the present and former external auditors of the Company.

Establish a procedure for:

(a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

(b) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.

Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately in the absence of management.

Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

Perform other functions as requested by the full Board.

If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

Review and recommend updates to the charter; receive approval of changes from the Board.