EXCELLON RESOURCES INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2013

March 26, 2014

PRELIMINARY NOTES

Interpretation

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.

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.”

Currency

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

Date of Information

Unless otherwise noted, the information set forth in this AIF is current as of December 31, 2013.

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 constitute 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, production estimates, the anticipated success of mineral processing procedures, anticipated continued sales of ore and concentrate sales, proposed business plans, anticipated business trends and metal 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 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 referenced in this annual information form are defined in accordance with NI 43-101 under the guidelines set out in 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 SEC does not recognize them. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category or that Mineral Resources will ever be upgraded to Mineral Reserves. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies other than a Preliminary Economic Study (“PEA”).

United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable or that 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 SEC’s mining guidelines strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties.

EXCELLON RESOURCES INC.
ANNUAL INFORMATION FORM
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GLOSSARY OF TERMS AND ABBREVIATIONS

The following is a glossary of terms and abbreviations that appear in this AIF:

AIF means this Annual Information Form.

Ag means 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 means Exploraciones del Altiplano, S.A. de C.V.

AMT means Audio Magneto Tellurics geophysical technique that measures the resistivity of a particular volume of rock to a combination of magnetic and telluric currents naturally present, known as 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 means 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 means 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 (now currently known as Golden)

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

Au means the elemental symbol for gold.

bedrock means unweathered rock below the soil; solid rock.

Beschefer Property means the Company's 100% owned, early-stage exploration property in northwestern Quebec.

Board means the board of directors of the Company.

CIM means the Canadian Institute of Mining, Metallurgy and Petroleum.

Common Shares means the common shares in the capital of the Company.

Company (or Excellon) means Excellon Resources Inc.

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

Cormin means Consorcio Minero de Mexico Cormin Mex, S.A. de C.V., a Trafigura group company.

CRD means Carbonate Replacement Deposit is 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 means a volume of rock containing valuable mineralization that has been defined in three dimensions and may be classified into Mineral Resource categories.

DeSantis Property means the Company's interest in a property in northeastern Ontario, acquired through the Company's acquisition of Lateegra.

DeSantis Property Report means the report entitled "Technical Report on the DeSantis Property, Porcupine Mining Division, Ogden Township, Ontario, Canada" prepared for Lateegra and dated May 30, 2011.

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

dip means the direction or angle that the plane of a rock formation makes with the horizontal.

diamond drilling means 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 diametre.

dilution means 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 means 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.

disseminated means 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.

DPFZ means the Destor Porcupine Fault Zone, an area that forms the structural contact between the Deloro and Tisdale Groups of volcanic rocks in northeastern Ontario.

DSU means deferred share unit.

DSU Plan means the deferred share unit plan of the Corporation dated December 11, 2013, as amended and restated on March 25, 2014, providing for the issuance of DSUs.

Excellon 100%/Apex Royalty Area means a 417.19 hectare area, roughly centred on the Platosa Property where Excellon is sole owner and operator and which was previously subject to NSR royalty obligations to Apex.

fault means 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.

Flip-in Event means the acquisition of twenty percent (20%) or more of the Common Shares of the Company by an Acquiring Person under the Plan.

fracture means a break in a rock, usually along flat surfaces.

galena means lead sulphide (PbS) and the principal primary economic lead mineral.

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

g/t means to grams per tonne (metric ton or 1,000kg ((2,204.6 pounds)).

Golden means Golden Minerals Company (successor to Apex).

grade means 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 means hectare, an area totalling 10,000 square metres or 100 metres by 100 metres.

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

hornfels (sometimes called contact metamorphic rocks) means the metamorphic rock 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 means rock formed by crystallization or solidification of magma.

Indicated Mineral Resource means 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 means 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.

intersection means a cut made by a drill hole through a mineralized body or other features of geologic interest.

intrusive means 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 means 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 means 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 kilometer.

Lateegra means Lateegra Gold Corp. On August 5, 2011, the Company acquired Lateegra through a plan of arrangement.

m means metres.

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

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

Maple means Minera Maple, S.A. de C.V., a subsidiary of Peñoles.

massive sulphide means a descriptive term applied to mineralization composed dominantly of sulphide minerals.

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.

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

mill means 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 means 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 means 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 means 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- *Standards of Disclosure for Mineral Projects.*

NSR means 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) means 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 means 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.

orebody means a mass of ore with defined geometry.

outcrop means an exposure of rock at the earth's surface.

Pb means 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.

Platosa Property means a property in Durango State, Mexico where the Company produces silver, lead and zinc from high-grade manto deposits.

Platosa Property Report means the NI 43-101 report *entitled "Technical Report on the Platosa Property, Bermejillo, Durango State, North Central Mexico"* prepared for the Company by David Ross, M.Sc., P.Geo and Robert Michaud, M.Sc., P.Eng, of RPA. dated March 25, 2014.

Pluton Property means a property located approximately 23 km west of the Platosa Property which the Company optioned from Sundance in October 2010. The Company dropped the option in 2012.

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

PSZ means the Platosa Structural Zone, the principal fault system in the Platosa Property area.

Pyrite means 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 means 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.

Rights Plan means the Rights Plan Agreement between the Company and Computershare Investor Services Inc. dated April 20, 2011, ratified, confirmed and approved by the Company's shareholders at the Annual and Special Meeting of Shareholders held on May 24, 2011.

ROM means run-of-mine.

Saltillera Properties means 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 means Roscoe Postle Associates Inc., formerly Scott Wilson Roscoe Postle Associates Inc., independent geological and mining consultants based in Toronto, Ontario.

RSU means restricted share unit.

RSU Plan means the Corporations' restricted share unit plan dated December 11, 2013, as amdended and restated on March 25, 2014.

SEC means United States Securities and Exchange Commission.

SEDAR (System for Electronic Document Analysis and Retrieval) means an electronic filing system developed for the Canadian Securities Administrators to facilitate electronic filing and dissemination of securities regulatory documents by reporting issuers and related communications with securities regulators.

shaft or "mine shaft" means 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 means the place 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 means a sheet-like body of igneous rock which conforms to bedding planes of rock.

Silver Eagle means Silver Eagle Mines Inc.

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

sphalerite means a zinc sulphide mineral (ZnS).

stock means an intrusive body with less than 25 km^2 in surface area.

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

Sundance means Sundance Minerals Ltd.

Sundance Option Agreement means the October 2010 option agreement concluded between the Company and Sundance.

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

tailings means the waste products resulting from the processing of mineralized material.

Trafigura means Trafigura México, S.A. de C.V.

true thickness means 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 means 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 means the elemental symbol for zinc.

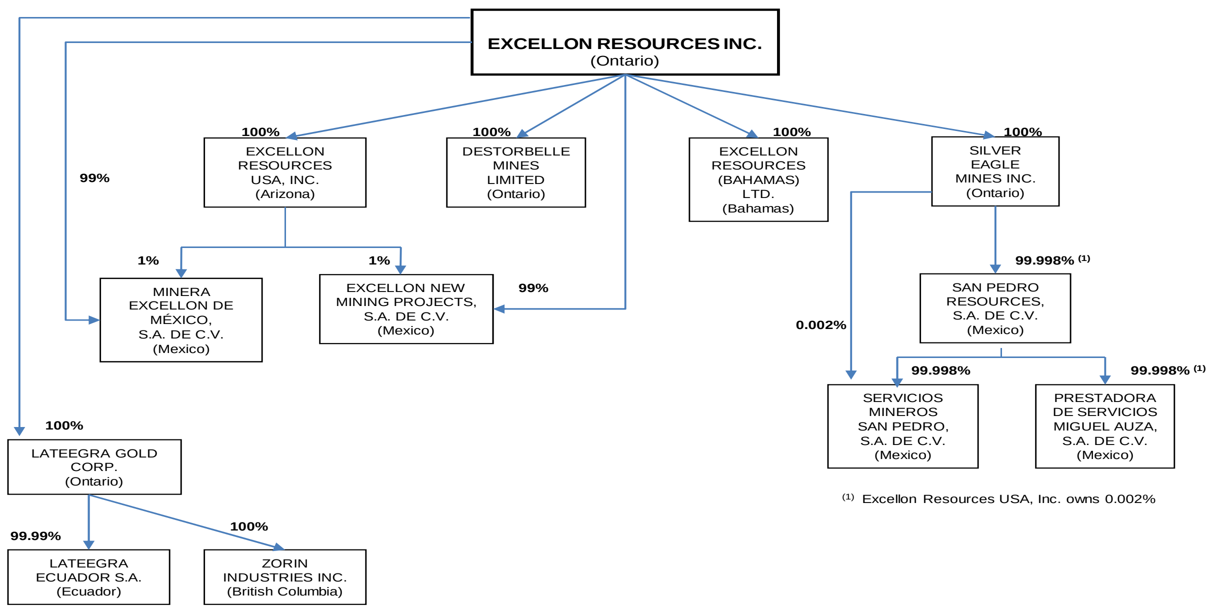
CORPORATE STRUCTURE

Incorporation

Excellon Resources Inc. was incorporated under the *Company Act* (British Columbia) on March 4, 1987 and continued under the *Business Corporations Act* (Ontario) on May 31, 2012. The registered and 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, where Excellon is producing silver, lead and zinc from high-grade manto deposits.

In 1996, Excellon acquired the historic Platosa Mine property and staked the surrounding Excelmex and Poeta claims. At approximately the same time, Altiplano staked the adjacent Saltillera property. Altiplano optioned the Saltillera Property to 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. 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 Maple (formerly known as Compañía Fresnillo Unidad Naica), a subsidiary of Peñoles, for the sale of crushed test-mine ore. In June 2005, the Company began shipping crushed ore to a 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 for the toll milling of Platosa ore in Silver Eagle's flotation plant located in the town of Miguel Auza located in northern Zacatecas State, approximately 220 km south of Platosa.

On June 2, 2009 the Company completed the acquisition, through a plan of arrangement, of Silver Eagle. 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 Common Shares (2,999,400 Common Shares post-consolidation, as described below) 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 Silver Eagle 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 Platosa ore at Silver Eagle'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 Cormin, a Trafigura Group company (now Trafigura). Trafigura is a trader of base metal concentrates and provides financial services to the mining industry.

On May 24, 2011 at the Company's Annual and Special Meeting of Shareholders, Excellon shareholders ratified, confirmed and approved the Rights Plan. A copy of the Rights Plan 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 of Lateegra through a plan of arrangement. Under the arrangement, Excellon acquired all of the issued and outstanding common shares of Lateegra, with Lateegra shareholders receiving 0.54 Common Shares in exchange for each Lateegra common share. Lateegra option and warrant holders received, upon exercise thereof, 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 set out above. 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. At closing Lateegra's primary assets include a 51% interest in the original DeSantis Property with an option to acquire the remaining 49% interest, an option to acquire a 100% interest in the adjacent DeSantis West Property located in northeastern Ontario, and an option (subsequently exercised) to acquire a 100% interest in the Beschefer Property in northwestern Quebec. Lateegra also held and continues to hold interests in several other inactive Canadian exploration properties and the inactive El Condor gold exploration property in southern Ecuador.

On October 25, 2011, Excellon announced a revised Mineral Resource estimate as at July 31, 2011 for the Platosa Property as described below.

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

Notes:

1. CIM guidelines were followed for the classification of Mineral Resources.
2. Mineral Resources are estimated at an incremental NSR cut-off value of US$200 per tonne.
3. NSR metal price assumptions: Ag US$25.00/oz, Pb US$1.15/lb, Zn US$1.15/lb.
4. Estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability.
5. NI 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 530 ha. Subsequently, these claims were converted to 22 map-designated claims encompassing 546.5 ha by the Quebec government. Excellon delivered the final tranche of shares required to fulfill the payment obligations contained in an Option to Purchase and Royalty Agreement between Lateegra 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 NSR royalty of 2%, 1% of which may be purchased for $1 million. The 49% property interest is subject to an underlying NSR royalty of 1%, 0.75% of which may be purchased for $500,000. The claims were transferred to Lateegra during 2012. Subsequently, due to consolidation activities of the Quebec Ministry of Natural Resources, Lateegra was awarded mining rights to additional contiguous land such that the property now consists of 22 claims covering 647.21 hectares.

On June 1, 2012, Excellon purchased the outstanding 1% NSR royalty on the Platosa Mine for US$2.4 million from Golden. Consequently, as of the date hereof the Platosa Mine is not subject to any NSR royalties.

In April 2013 Lateegra exercised its options to earn a 100% interest in the original DeSantis property and the contiguous DeSantis West property both located approximately five kilometres southwest of downtown Timmins, Ontario. The Company now holds a 100% interest in the collective 915 ha property, subject to a NSR royalty ranging from 1.5% to 3.5% by portion of the property. The Company has the option to buy out portions of each of the NSRs on the overall property.

On May 8, 2013, Excellon completed the consolidation of all of its outstanding Common Shares on a one-for-five basis.

On March 25, 2014, Excellon announced a further revised Mineral Resource estimate as at December 31, 2013 for the Platosa Property as described below.

Category	Tonnes (t)	Ag (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Contained Ag (oz)	Contained Pb (lb)	Contained Zn (lb)	Contained AgEq (oz)
Measured	42,000	825	8.62	11.31	1,358	1,108,000	7,939,000	10,416,000	1,824,000
Indicated	443,000	772	8.40	10.05	1,270	10,985,000	81,925,000	98,011,000	18,064,000
M + I	**484,000**	**777**	**8.42**	**10.15**	**1,277**	**12,094,000**	**89,864,000**	**108,427,000**	**19,888,000**
Inferred	3,000	2,324	16.93	1.74	2,922	255,000	1,274,000	131,000	321,000

Notes:

1. CIM definitions were followed for the classification of Mineral Resources.
2. Mineral Resources are estimated at an incremental NSR cut-off value of US$189 per tonne.
3. NSR metal price assumptions: Ag US$20.00/oz, Pb US$1.00/lb, Zn US$1.00/lb.
4. Metal recovery assumptions: Ag 94%, Pb 85%, Zn 84%.
5. The silver equivalent (AgEq) is estimated from metallurgical recoveries, metal price assumptions, and smelter terms, which include payable factors, treatment charges, penalties, and refining charges.
6. Estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability.
7. Mineral Resource estimate prepared by David Ross, P.Geo., of Roscoe Postle Associates Inc., independent geological and mining consultants of Toronto, Ontario. Prepared as at December 31, 2013.
8. Totals may not add or multiply accurately due to rounding.

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 40,854-hectare Platosa Property in northeastern Durango State, Mexico. The Company is also exploring for minerals in Ontario and Quebec, Canada on project interests acquired on completion of the arrangement with Lateegra. The common shares of the Company are listed on the TSX under the symbol “EXN”.

Principal Product

The Company’s principal product is silver-lead and silver-zinc concentrates. The Company believes that because of the availability of alternative 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.

Tonnes of ore processed in 2013 were 69,862 as compared to 48,199 for 2012. Silver production in 2013 increased to 1.4 million ounces as compared to 1.1 million ounces in 2012. Due to the increased tonnage processed in 2013, cost of sales increased from US$19.2 million in 2012 to US$24.6 million in 2013. The Company’s net cash cost per payable silver ounce of $10.51 in 2013 increased relative to the cash cost of $6.80 in 2012, primarily due to the lower grade of ore processed during the year and slightly lower recoveries, particularly in respect of lead and zinc. The overall grade of silver processed in 2013 decreased to 718 g/t compared to 846 g/t in 2012. The overall recovery of silver decreased slightly to 92.6% in 2013 compared to 93.4% in 2012.

Planned production for mining and processing is 76,000 tonnes for 2014. The increase in tonnage throughput, increased development activity, increased mining depths and the operation of increased water pumping capacity is likely to increase total operating costs in 2014. 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 2013 averaged $23.83 per ounce on the London Metal Exchange (2012: US$31.15). The Company realized an average price of $20.93 per ounce sold in 2013. The realized price for silver in 2012 was US$31.03 per ounce. Sales during 2013 totalled US$33.3 million as compared to US$36.3 million in 2012, with the decrease in sales being related to the significant decreases in the price of silver year-over-year.

Due to the significant decrease in the price of silver, the Company's treasury decreased over the course of the year. As at December 31, 2013 cash and cash equivalents on hand were $2.6 million, marketable securities were $2.6 million and trade receivables were $1.8 million as compared to $1.4 million cash and cash equivalents, $4.2 million of marketable securities and accounts receivables of $5.5 million at December 31, 2012. Cash balances are expected to grow over the course of 2014 assuming stable commodity prices during the year. Operating activities, exploration programs and capital investments planned for 2014 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 Trafigura, which has accounted for 100% of sales during the years 2013, 2012 and 2011. In 2014, the Company entered into a new sales agreement with Trafigura with the most notable changes being in the settlement terms of one or two months after delivery (M+1 or M+2) compared to the previous contract terms of one or four months after delivery (M+1 or M+4). The new contract will reduce the Company's exposure to declining prices and provide more certainty in respect of cash inflows. The Company believes that because of the availability of alternative processing and commercialization options for its concentrate, it would suffer no material adverse effect if it lost the services of Trafigura.

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 Company 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. Refer to "Risk Factors" below.

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, 2013, the Company and its wholly-owned subsidiaries employed 306 individuals, along with 75 outside contractors on a fee-for-service basis for conducting mining, exploration and related activities.

Specialized Skill and Knowledge

Most aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, permitting, drilling, metallurgy, mining engineering, process engineering, logistical planning and implementation of exploration programs as well as finance and accounting. The Company has retained a number of employees and consultants with extensive experience in mining, geology, exploration and with the skills necessary to assist in the Company's day-to-day operations.

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, 2013, 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, 2013, 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"), Excellon has identified the Platosa Property in Durango State, Mexico as its sole material property.

The Platosa Property in Durango State, Mexico is the Company's principal producing property, and the Company also holds the Miguel Auza property located in northern Zacatecas State, acquired via the Silver Eagle 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 not in operation and is flooded. The Company does not have plans to explore for or develop Mineral Resources at Miguel Auza at this time and is focusing its exploration efforts on the Platosa Property.

PLATOSA PROPERTY, DURANGO STATE, MEXICO

The following information regarding the Platosa Property consists of extracts from the Technical Summary and body of the Platosa Property Report dated March 25, 2014 as prepared by David Ross, M.Sc., P.Geo. and Robert Michaud, M.Sc., P.Eng., both of RPA. Mr. Ross and Mr. Michaud are independent "Qualified Persons" as defined in 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.

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 76 Mining Concessions covering a total area of approximately 40,854 ha. 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.

The Excellon-owned Miguel Auza flotation mill is located in the town of Miguel Auza, State of Zacatecas, 220 km south of the mine.

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, 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 well-maintained gravel roads that access the site as well as a network of roads to service the various ancillary facilities, 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.

The Miguel Auza Property site and mill facilities include the following:

- The surface mill site and associated facilities, including offices, shops, compressors, fuel storage, electric substations, fine ore stockpile facilities, crushing, grinding, flotation, filtering circuits, concentrate storage facilities and assay laboratory.

- Facilities providing basic infrastructure to the mill, including well-maintained gravel roads that access the site as well as a network of roads to service the various ancillary facilities, electric power distribution, process water supply and septic treatment.
- A tailings disposal site.
- 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 1970's. The Villalobos family mined at Platosa in the early 1970's. 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 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 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.

Mineralization

Massive Sulphides

Mineralization at Platosa forms a series of mantos and chimneys localized at the intersection of the PSZ with a northeast-striking lineament. As presently known, the bodies are found within an irregularly shaped 800 m by 700 m area. Most mantos dip gently to the east and are often connected by local, small chimney structures forming a stair-step pattern for a collective dip of 18º towards the east. Depth from surface ranges from 60 m in the west to over 315 m in the east. Sulphide mineralization is massive, banded, disseminated and fracture-filling, fine to coarse-grained galena and sphalerite, with minor accessory pyrite. The primary silver mineral is acanthite, which occurs as coarse blebs and fine-grained intergrowths with galena. Native silver and proustite occur locally. Silver, lead, and zinc grades are often high, especially in the more massive sections. Silver grades in the thousands of grams per tonne are not uncommon. Lead and zinc sulphides can constitute over 80% of the rock mass in drill core.

Drilling in the known manto area has also occasionally intersected anomalous copper and gold values, the gold occurring with the massive sulphides in several holes in the 6A Manto and in a siliceous zone overlying but some distance above portions of the NE-1 Manto massive sulphides. Neither the copper nor gold is of sufficient continuity to be considered part of the Mineral Resource. Gangue minerals include fine-grained calcite, coarse gypsum, quartz, and fluorescent purple fluorite.

Mineralization Proximal to Intrusive Systems

A wide range of thermally metamorphosed rocks are found throughout the property. These include hornfels, skarnoid, and marble recrystallization of the carbonate host rocks. The heat source for the metamorphism is thought to be a polyphase intrusive body that may extend for several kilometres beneath the southwest flank of the Sierra Bermejillo. The extent of the body is revealed by regional aeromagnetic surveys flown by the Mexican Geological Survey and Excellon. Monzonite, granodiorite, granite, quartz-eye porphyry, and andesite porphyry have been found in isolated outcrops and drill holes throughout this area. Deeper holes drilled in this area have encountered copper-molybdenum-bearing veinlets and metasomatic skarn zones cutting the hornfels. Megaw (2002) postulated that these metamorphic and metasomatic fluids related to the deeper-seated portions of this intrusion were dammed below the relatively impermeable Lower Hornfels Formation and were only locally able to ascend into the upper carbonate units along faults and fractures.

In November 2007, hole EX07-LP422, drilled approximately 250 m northwest of the Guadalupe Manto, intersected marble and felsic intrusive rocks starting at a depth of 500 m. This was the first time intrusive rocks had been intersected in drilling on the eastern portion of the property. In the spring of 2010, hole EX10-LP763 drilled in the Rincon del Caido (“Rincon”) area one kilometre northwest of the northwest corner of the Guadalupe Manto intersected anomalous gold, silver, copper, bismuth, and antimony over 3.3 m in a much wider marble unit, a portion of which was skarnified. A felsic intrusive was intersected at the bottom of the hole. One hole was drilled 200 m to the east in 2011 and intersected no significant mineralization. In early 2012 drilling was again undertaken at Rincon, this time 400 m east of hole EX10-LP763. In a series of holes starting with EX12-LP986, skarn-style sulphide mineralization was intersected between 500 and 600 m vertical at and immediately below a hornfels-marble contact 200 m to 300 m above an underlying felsic intrusive body, which itself is altered and carries a small amount of disseminated pyrite but no significant economic sulphides. All the Rincon drill holes bottomed in the intrusive, which may in fact be a sill and part of a larger intrusive complex responsible for the hydrothermal fluids carrying the sulphides found above.

Between March 2012 and April 2013, thirteen holes intersected significant sulphides at Rincon. In addition to silver, lead and zinc, the all intersections carried anomalous gold. Anomalous bismuth and copper values were occasionally encountered within these intersections. Hole EX12-LP1019 had the thickest intersection and encountered 55.46 m at average grades of 132 g/t Ag, 3.13% Pb, 1.74% Zn and 0.075 g/t Au. Hole EX12-LP1038 had the most significant gold assays returning 13.07 g/t Au, 21.1 g/t Ag, 0.74% Pb, and 3.57% Zn over 7.25 m. These intersections are reported as core widths. Mineralization banding lies at highly variable angles to core axes in all the Rincon holes (as is typical of skarn-related sulphide mineralization) and there are currently insufficient intercepts to estimate the geometry of the mineralization. Additional drilling and 3D modelling are required to estimate true thicknesses. The marble-hosted, intrusive-related skarn-style sulphide mineralization, the presence of aplitic dykes within the marble, the persistent anomalous gold and the occasional presence of anomalous bismuth and copper suggest that the Rincon prospect could lie on the periphery of a large-tonnage, intrusive-related proximal CRD deposit similar to those found elsewhere in Mexico. A study to determine whether vectors can be found within the existing dataset to suggest the optimal drilling pattern for discovery of additional mineralization has recently been completed and the results are being studied.

Exploration

To December 31, 2013, a total of 336,127.58 m in 1,307 diamond drill holes had been completed at Platosa. Additional diamond drilling is recommended to explore for new high-grade manto CRD sulphides similar to that currently being mined at Platosa, and the for a high-tonnage intrusive-related CRD deposit, which may represent the source of the mantos.

Excellon has tested and used numerous exploration methods including airborne and ground geophysical surveying plus various types of geochemistry. Biogeochemical results combined with ground geophysical results plus knowledge of regional and local geology and characteristics of mineralization still prove to be the most effective exploration tools.

Sampling Method and Approach

Core is moved from the drill site to a covered core handling facility located north of the mine. An Excellon geologist logs the core and marks sample intervals. All drill core is then photographed. The geologist selects sample intervals to reflect lithologic, structural, or mineralization boundaries. Sample identifiers are marked directly on the core and core box. Sample lengths are limited to a maximum of 1.5 m in mineralized sections and 3.0 m in wall rocks. Field assistants split the weakly mineralized core with a standard blade-type core splitter. Intersections with significant sulphides are split with a diamond saw. The saw is cooled and cleaned with a continuous flow of fresh water. Unconsolidated material is split with a spatula. The half-core samples are collected in plastic bags for shipment to the laboratory. The remaining half is retained and stored at the Platosa site warehouse for future reference. Standards and blanks are inserted into each sample batch.

Groups of up to thirty or forty samples are placed in sealed bags for shipping. A list of samples in each sealed bag is submitted to the laboratory along with the sample list in each bag. The samples are ground transported to Durango by Excellon personnel.

No other sample preparation is carried out by Excellon personnel. RPA observes that the sampling protocols in use by Excellon personnel comply with standard industry practice and are appropriate for the deposit type.

Sample Preparation and Analysis

Between April 2005 and June 2008, all samples were sent to SGS Mineral Services (SGS) in Durango for preparation and analysis for silver, gold, lead, zinc, and copper. A portion of the pulps was then sent to the SGS laboratory in Toronto, Ontario, for multi-element ICP analysis. The Durango laboratory was upgraded in the summer of 2008 and since then all Excellon assaying has been carried out in Durango. In the fall of 2009, the Durango laboratory received accreditation to ISO/IEC 17025. SGS is a reputable international laboratory that provides analytical services to the mining and mineral exploration industry worldwide.

Upon reception at SGS Durango, samples are sorted and checked against the sample submission form before entering the preparation laboratory. Samples are dried at 95°C for at least two hours, crushed to 90% passing 2 mm, split to 250 g, and pulverized to 90% passing 75 µm (200 mesh). The final pulp is submitted for analysis. A barren wash is used between samples.

A 0.20 g sample is subjected to a four-acid digestion and subsequently analyzed by Inductively Coupled Plasma (ICP-AES) (SGS procedure code ICP 40B), for 32 elements, including silver, lead, and zinc. Samples with greater than 10,000 ppm lead or zinc are analyzed by (ICP-AES (SGS procedure code ICP 90Q). Almost all analytical results used to estimate the resources were analysed by ICP90Q. A 0.20 g sample is prepared and added to a sodium peroxide flux prior to being fused in a furnace at 550°C. The resulting melt is cooled and then dissolved in 100 mL of an acid matrix solution. This solution is then analyzed by ICP-AES.

Silver and gold are analyzed by fire assay with an AA finish for gold and a gravimetric finish for silver (SGS procedure code FAG323). A 30 g prepared sample is fused with a mixture of lead oxide, sodium carbonate, and borax silica and then cupelled to yield a precious metal bead. Beads are weighed by microbalance. The silver in the bead is precipitated by acid forming silver chloride, and the gold is kept in solution for an AAS determination. The silver is then calculated by difference (Au+Ag concentration in bead minus Au concentration).

Before July 2011, SGS's internal Quality Assurance/Quality Control (QA/QC) protocol included a preparation duplicate every 50 samples and pulp duplicates every 12 samples. The laboratory also submitted method blanks, as well as a preparation blank at least once for each work order batch and inserted reference material every 25 samples. The protocol was modified in July 2011 to include QA/QC materials (preparation blanks, method blanks, duplicates, replicates, reference materials) to make up a total of 14% of Excellon's samples. For each laboratory batch, a QC report is produced and submitted on request to Excellon's QA/QC manager for review.

RPA notes that analytical results below the detection limit (BLD) of the analytical method have been treated differently over the years. Depending on the drilling campaign, these values have been entered into the assay table as either: zero grade, half the detection limit, or at the full detection limit. RPA recommends that all BLD values be assigned consistently at half the detection limit.

Security

Drill core is stored in several covered storage areas within the fenced and access-controlled property perimeter at the Platosa Mine site and in a locked warehouse in Bermejillo. In addition and more recently Excellon has begun cross-piling and palletizing the core and storing it outdoors adjacent to one of the covered areas, which also serves as the core logging location. The core boxes are labelled and depth markers have been placed at appropriate intervals. The drilling, sampling, and logging are carried out under the direct supervision of experienced technical people.

In RPA's opinion, the sampling, sample preparation, security, and analytical procedures are adequate for estimating Mineral Resources.

Assay Quality Assurance and Quality Control (QA/QC)

In early 2007, Excellon engaged an independent consultant to review and improve the Platosa QA/QC program. In May 2007, as a result of the initial review and recommendations, Excellon began submitting one Certified Reference Material (CRM) sample and one blank with each batch of 30 to 40 samples or less. Since then, Excellon has used its own in-house CRMs named PLA-2, PLA-3, PLA-4, PLA-5, PLA-6 and PLA-7 and continues to insert control materials approximately every 40 samples. Best efforts are made to insert CRMs within or before mineralized intercepts and blanks at the end of the mineralized intercepts. Periodic submission of pulp and reject duplicates is also part of Excellon's QA/QC program.

Excellon closely monitors results of the QA/QC program. Failures are reviewed and action is taken when required. RPA reviewed the QA/QC results from past programs (Ross, 2011, Ross, 2010, and Ross and Rennie, 2008) and found the protocols and results to be adequate to support Mineral Resource estimation.

From June 2011 until June 2013, there were sufficient control samples inserted in each of the 75 batches submitted and pertinent to this current resource estimation. Thirty-five batches returned CRM values outside the expected range for either silver, lead, or zinc. Among them twenty-six were not reanalyzed because they had insignificant mineralization. Nine of the thirty-five failed batches, or relevant portions of the batches, were resubmitted to SGS and the resource database was updated accordingly.

In RPA's opinion,, the QA/QC protocols and results are acceptable to support a Mineral Resource estimate at Platosa.

Data Verification

Data verification of the drill hole database included manual verification against hardcopy or original digital sources, a series of digital queries, and review of Excellon's QA/QC results. Excellon also compared results from the laboratory against drill hole logs for inconsistencies. The drill hole database was verified by RPA and is suitable for estimating Mineral Resources.

David Ross, P.Geo., Principal Geologist with RPA and an independent QP, visited the property most recently between July 30 and August 1, 2013. He visited the core shack and examined drill core, visited the underground operation and held discussions with Excellon and Cascabel geological and technical staff. On previous visits in 2007, 2009, and 2011, Mr. Ross was able to observe the drilling in progress at the Platosa site and noted that the work was being carried out in a competent fashion, using modern equipment that appeared to be in good repair and appropriate for the job.

In RPA's opinion, the database is suitable for estimating Mineral Resources.

Mineral Resources

RPA prepared an updated Mineral Resource estimate for the Platosa Property based on production and drill hole data current to December 31, 2013. The previous resource estimate was current to July 31, 2011.

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$189/t was used (Table 1-2).

TABLE 1-2 MINERAL RESOURCE ESTIMATE SUMMARY AS OF DECEMBER 31, 2013
Platosa Property

Category	Tonnes (t)	Ag (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Contained Ag (oz)	Contained Pb (lb)	Contained Zn (lb)	Contained AgEq (oz)
Measured	42,000	825	8.62	11.31	1,358	1,108,000	7,939,000	10,416,000	1,824,000
Indicated	443,000	772	8.40	10.05	1,270	10,985,000	81,925,000	98,011,000	18,064,000
M + I	**484,000**	**777**	**8.42**	**10.15**	**1,277**	**12,094,000**	**89,864,000**	**108,427,000**	**19,888,000**
Inferred	3,000	2,324	16.93	1.74	2,922	255,000	1,274,000	131,000	321,000

Notes:
1. CIM definitions were followed for the classification of Mineral Resources.
2. Mineral Resources are estimated at an incremental NSR cut-off value of US$189 per tonne.
3. NSR metal price assumptions: Ag US$20.00/oz, Pb US$1.00/lb, Zn US$1.00/lb.
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6. Estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability.
7. Mineral Resource estimate prepared by David Ross, P.Geo., of Roscoe Postle Associates Inc., independent geological and mining consultants of Toronto, Ontario. Prepared as at December 31, 2013.
8. Totals may not add or multiply accurately due to rounding.

Mineral Reserves

A Mineral Reserve estimate has not been prepared for the Platosa deposit. Underground mining to date has confirmed that the individual mantos are highly irregular and unpredictable with respect to shape, dip, thickness, extent, and grade. This variability is as prevalent horizontally as vertically. The design of stope mining shapes, a necessary pre-cursor in the process of estimating of Mineral Reserves, cannot be accurately accomplished based on the current drill information. Given the flat nature of the deposit, there is no practical and cost effective method of establishing underground diamond drilling horizons. Alternatively, the cost of increasing the drill density from surface would be prohibitive. Mining shapes, mining sequences, and modifying factors cannot be determined with a sufficient level of accuracy to convert Mineral Resources to Mineral Reserves based on the CIM definition standards for reporting reserves. At Platosa, the detailed geological and spatial information required to accurately estimate Mineral Reserves is only available when mining is underway and the mining parameters are only applicable to the limited volume of material located within close proximity of the mining faces.

For most underground deposits, the inability to define accurate stope shapes and prepare an accurate mining sequence and LOMP would be a significant production and economic risk. This is not the case at Platosa, however, due to the high operating margin which results from the higher than average grade of the deposit.

Mining methods

Historically the mine has operated an average 26 days per month, however, recently this has been approaching 30 days per month. During 2013, Excellon mined approximately 5,820 tonnes per month (tpm), 97% of the budgeted amount. Prior to 2011, the mine suffered several water inflow incidents that disrupted production and the main risk to the production rate was excessive groundwater inflow and related flooding. The last of these major disruptions occurred in August

2010. Since then, improvements in water management practices, increased pumping capacity, the installation of three water-tight doors, which enable areas of the mine to be isolated if necessary, and installation of an alternative power supply for the pumps have reduced the impact of water inflows into the mine to a manageable level.

Once a manto has been accessed, mineralized material is mined by a "Pilot and Slash" mining method, using jacklegs with some mining carried out by jumbos. Depending on the shape and orientation of the manto, the pilot heading can be inclined, declined or flat, to remain in mineralization. Several phases of back slashing (breasting), wall slashing, or floor slashing (benching) from the pilot heading may be required to extract all mineralized material. When larger openings are developed, rock bolting has been carried out or a pillar left for support until mining of the area has been completed. Mining to date indicates that the mantos are very irregular in shape and orientation, and are in many cases connected.

A significantly higher than normal number of mining faces is required to achieve production targets. This increased flexibility is required as headings can move in and out of ore from one round to the next or become unavailable due to unexpected water inflow requiring grouting.

The ground has been very competent and, in general, very little ground support is required. There has been no problem extracting all the mineralized material (in the mined-out areas). As the mineralized material is high grade, there can be a tendency to over-excavate the mining headings to ensure full extraction. Back calculation of previously mined areas compared to the Mineral Resource estimate suggests the mining recovery factor is approximately 85% and dilution in the range of 10% to 25% depending on the size and orientation of the manto.

The underground ventilation system is currently at capacity and this is limiting the number of active work areas available at any one time. Excellon plans to install an additional raise and fresh air fan which, when completed, will double the ventilation system capacity.

Mineral Processing

There is currently no mineral processing carried out at the Platosa site. The ore produced from the mine is crushed to 3/8 inch on site and since mid-March 2009, has been processed at the Excellon-owned flotation mill in the town of Miguel Auza located 220 km south of the mine. The mill was acquired when Excellon took over Silver Eagle in early 2009. The Miguel Auza mill operates a conventional grinding/flotation/filtering circuit producing separate silver-lead and silver-zinc concentrates. It has the capacity to process approximately 350 tpd of the high-grade Platosa ore with size of the flotation circuit being the limiting factor. This capacity exceeds the mine production rate and, as a consequence, the mill operates on a variable schedule of several days on then several days off depending on mine and shipping schedules. Certain maintenance activities are carried out on the days when the mill is not operating in order to minimize disruptions.

The Miguel Auza concentrator produces both marketable silver-lead and silver-zinc concentrates with metal recovery rates that meet industry standards for similar ore types.

The current tailings pond had an original design capacity of 305,800 tonnes. A final 1.8-m high lift of the tailings dam is planned for the summer of 2014. When this is completed, the tailings pond will have a remaining capacity of 95,000 tonnes, sufficient for 21 months of operation (until early 2016).

Excellon estimates a total time frame of eight months to design the facility and obtain the necessary permits followed by a six-month construction period. Excellon has initiated the tailings pond permitting and design process.

Market Studies

The principal commodities at Platosa are freely traded, at prices that are widely known, so that prospects for sale of any production are virtually assured.

The concentrates produced from the Platosa deposit are of marketable grade and do not contain any deleterious elements or contaminants which would limit the number of smelters capable of processing the concentrates.

Environmental, Permitting and Social Considerations

Excellon reports that the Platosa property and mine are inspected regularly by PROFEPA, SEMARNAT's inspection branch and other governmental authorities, and with occasional minor exceptions, the operation has always been found to comply with Mexican environmental, safety and general labour law requirements.

RPA is not aware of any environmental liabilities on the property. Excellon has all required permits to conduct the proposed work on the property. RPA is not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the property.

In early July 2012, three days following a government supervised union election at the mine, the losing union launched a blockade of the mine with the support of an NGO, and the support of a local agrarian community. The blockade closed the mine completely for two months and production for three months. Excellon reports that the allegations against the Company have since been reviewed and dismissed by the Organization for Economic Cooperation and Development (the "OECD") and the Mexican Federal Environmental Protection Agency ("PROFEPA").

Excellon reports full support of its workers, the local communities and all levels of Mexican government and that it is in full compliance with all of its commitments and all Mexican laws.

Capital and Operating Cost Estimates

Excellon uses the Annual Budget as its planning guide for the operations. As this only covers the current year's production, RPA has estimated the ongoing capital costs required to extract the estimated recoverable portion of the measured and indicated mineral resources. Future capital cost estimates are based on 2013 actual capital expenditures. Ongoing capital costs total $27.2 million, summarized in Table 1-3. Included are mine development, mine equipment and infrastructure, mill equipment and infrastructure, tailings management and closure costs.

Table 1-3 Capital Cost Estimate
Excellon Resources Inc. – Platosa Property

Year	Mine Development ($000)	Mine Equipment and Infrastructure ($000)	Mill Equipment and Infrastructure ($000)	Mine and Mill Closure ($000)	Total ($000)
2014	2,000	1,800	300	-	4,100
2015	2,000	1,800	800	-	4,600
2016	2,000	1,800	800	-	4,600
2017	2,000	1,800	300	-	4,100
2018	2,000	1,800	300	-	4,100
2019	2,000	1,800	300	-	4,100
2020	-	-	-	-	-
2021	-	-	-	1,600	1,600
Total	**12,000**	**10,800**	**2,800**	**1,600**	**27,200**

Cash operating costs for 2013 were $19.8 million with unit costs shown in Table1-4.

Table 1-4 Unit Operating Costs
Excellon Resources Inc. – Platosa Property

Item	2013 Budget ($)	2013 Actual ($)
Mining	237.97	189.77
Milling	62.75	51.37
G & A	35.52	42.54
Total	**309.49**	**283.68**

RPA considers 2013 actual costs to be representative of the current mining conditions and expected conditions for the remainder of 2014. It is RPA's opinion that operating costs will increase by approximately 5% annually from 2015 onward as mining productivities decrease due to increased depth and the transition from flat to more steeply dipping and smaller tonnage mantos.

Economic Analysis

RPA notes that Excellon is a producing issuer, the Platosa Mine is currently in production, and a material expansion is not being planned. RPA has performed an economic analysis of the Platosa Mine using the estimates presented in this report and confirms that the outcome is a positive cash flow. In the analysis, RPA used a silver price of $20.00 per ounce, a lead price of $1.00 per pound and a zinc price of $1.00 per pound for the Base Case.

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 series of mantos and chimneys 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.

Excellon provided a title opinion regarding the validity of its mining concessions prepared by RB Abogados of Mexico City, Mexico and bearing the date of March 14, 2014. In the document, RB Abogados concluded that the concessions were in good standing and faced no claims or challenges as to their validity. The opinion does not comment on surface rights.

Excellon owns or leases several parcels of land and reports that the combined area is sufficient to carry out the current mining activities. Part of the leased land is currently under dispute with the local Ejido. Depending on the outcome of the dispute and associated legal proceedings, Excellon may be required to move some mining related infrastructure. Although this will add cost and may delay access to some parts of the deposit, RPA does not consider it to be a fatal flaw in the operation.

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. The drill hole database was verified by RPA and is suitable for Mineral Resource estimation work.

The sulphide mineralization intersected at and around the mine has not been completely closed off by drilling. There is excellent potential to discover additional manto style mineralization around the current Mineral Resources. In addition, several excellent exploration targets, including the Rincon del Caido prospect, may lie on the periphery of a large-tonnage, intrusive-related proximal CRD deposit similar to those found elsewhere in Mexico.

Mineral Resources were estimated and classified by RPA following Canadian Institute of Mining, Metallurgy and Petroleum (CIM) best practices. Using a nominal incremental Net Smelter Return (NSR) cut-off value of US$189/t, Measured plus Indicated Mineral Resources are estimated to total 484,000 tonnes grading 777 g/t Ag, 8.42% Pb, and 10.15% Zn, containing 12.094 million ounces Ag, 89.864 million pounds Pb, and 108.427 million pounds Zn. Inferred Mineral Resources are estimated to total 3,000 tonnes grading 2,324 g/t Ag, 16.93% Pb, and 1.74% Zn, containing 255,000 ounces Ag, 1.274 million pounds Pb, and 131,000 pounds Zn. The Mineral Resources are insensitive to both NSR cut-off value and silver price.

The estimate is of Mineral Resources only and, because these do not constitute Mineral Reserves, they do not have any demonstrated economic viability. There are no Mineral Reserves estimated on the property. Underground mining to date has confirmed that the individual mantos are highly irregular and unpredictable with respect to shape, dip, thickness, extent, and grade. This variability extends both horizontally and vertically. The design of stope mining shapes, a necessary pre-cursor in the process of estimating of Mineral Reserves, cannot be accurately accomplished based on the current drill information. Mining shapes, mining sequences, and modifying factors cannot be determined with a sufficient level of accuracy to convert Mineral Resources to Mineral Reserves based on the CIM definition standards for reporting Mineral Reserves.

For most underground deposits, the inability to define accurate stope shapes and prepare an accurate mining sequence and Life-of-Mine Plan (LOMP) would be a significant production and economic risk. This is not the case at Platosa, however, due to the high operating margin which results from the higher than average grade of the deposit.

The ground has been very competent and, in general, very little ground support is required. There has been no problem to date extracting all the mineralized material. As the mineralized material is high grade, there can be a tendency to over-excavate the mining headings to ensure full extraction. Back calculation of previously mined areas compared to the Mineral Resource estimate suggests the mining recovery factor is approximately 85% and dilution in the range of 10% to 25% depending on the size and orientation of the manto.

During 2013, Excellon pumped an average of approximately 12,500 gpm, or 800 L/s, of water to surface 24 hours per day. In order to maintain pumping in the event of disruptions from the primary provider of electricity, Excellon has installed a sufficient number of generators to power all of the dewatering pumps. The current capacity of the mine water pumping system is in the order of 26,000 gpm.

Historical records show that pumping requirements are increasing by an average of 2,000 gpm per year. Based on this trend, Excellon are projecting pumping needs to average 16,500 gpm in 2014 and 18,000 gpm in 2015. Although there is sufficient pumping and generating capacity to absorb the projected increases in water inflow as more laterally extensive and deeper ground is opened up for mining, additional pumps and the relocation of some of the current pumps will be required over time.

The Miguel Auza concentrator produces both marketable silver-lead and silver-zinc concentrates with metal recovery rates that meet industry standards for similar ore types.

The current tailings pond had an original capacity of 305,800 tonnes. A final 1.8 m high lift of the tailings dam is planned for the summer of 2014. When this is completed, the tailings pond will have a remaining capacity of 95,000 tonnes, sufficient for 21 months of operation (until early 2016). Excellon estimates a total time frame of eight months to design the facility and obtain the necessary permits followed by a six-month construction period. Excellon has initiated the tailings pond permitting and design process.

Ongoing capital costs have been estimated by RPA to total $27.2 million and include mine development, mine equipment and infrastructure, mill equipment and infrastructure, tailings management and closure costs.

In RPA’s opinion, operating costs will increase by approximately 5% annually from 2015 onward as mining productivities decrease due to increased depth, and the transition from flat to more steeply dipping and smaller tonnage mantos.

RPA is not aware of any environmental liabilities on the property. Excellon reports that it has all required permits to conduct the proposed work on the property. RPA is not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the property.

In early July 2012, three days following a government supervised union election at the mine, the losing union launched a blockade of the mine with the support of an NGO, and the support of a local agrarian community. The blockade closed the mine completely for two months and halted production for three months. Excellon reports that the allegations against the Company have since been reviewed and dismissed by the Organization for Economic Cooperation and Development (the OECD) and the Mexican Federal Environmental Protection Agency (PROFEPA).

Excellon reports full support of its workers, the local communities, and all levels of Mexican government and states that it is in full compliance with all of its commitments and all Mexican laws.

Recommendations and Proposed Exploration Budget

Prior to suspending drilling in mid-May 2013 in response to the sudden unanticipated drop in the price of silver, Excellon was in the midst of an aggressive 2013 drilling program. The initial focus was on the Rincon del Caido area, which hosts significant skarn-hosted, proximal style CRD mineralization. Drilling was also carried out near the known mantos in the search for additional high-grade massive sulphides. RPA supports Excellon's intention to resume drilling on a modest scale when market conditions permit. A portion of the proceeds from exploiting the Platosa deposit finances the ongoing compilation and planning work and will fund renewed diamond drilling, as it has done since August 2005.

The proposed 2014 exploration budget for Platosa is $5 million. Excluding concession rental payments approximately 90% of the proposed expenditures are budgeted for diamond drilling. The proposed drilling budget will largely be spent within three kilometres of the mine. Over 90% of the drilling will target additional high-grade manto CRD sulphides similar to those currently being mined at Platosa, and the remaining drilling will be dedicated to the search for a high-tonnage intrusive-related CRD, which may represent the source of the mantos. The initial proximal holes will follow-up on the encouraging skarn-sulphide mineralization found at Rincon del Caido in 2012 and early 2013. The split between manto and source drilling will be subject to change depending on results as the program progresses. The remainder of the field budget will be spent on a small amount of geological mapping and small geophysical surveys.

Table 26-1 Proposed Exploration Work Plan and Budget - Platosa
Excellon Resources Inc. – Platosa Property

Type	Units	Unit Cost (US$)	Total Cost (US$'000)
Downhole PEM survey, incl. equipment mob/demob cost from Canada & consulting fees	3 holes	8,000	24
Seismic survey, incl. equipment mob/demob cost from the U.S.A. & consulting fees			40
Geology	60 man days	400	24
Geochemical & biogeochemical surveying			30
Specific Gravity determinations	200 samples	40	8
Manto diamond drilling – contractor, water, core boxes, other supplies & environmental rehab costs	27,000 m	125	3,375
Source diamond drilling – contractor, water, core boxes, other supplies & environmental rehab. costs	2,000 m	200	400
Local supervisory & core logging labour (geologists)			335
Field technician & draftsman labour			40
Core handling & splitting labour			25
Core assaying	7,000 samples	39	273
Drill hole orientation surveying			16
Software/hardware, technical studies, research & QA/QC consulting fees			50
Property submissions, seminars, Mexican staff travel			30
Government concession rental payments/holding costs			330
Total			**5,000**

OTHER PROPERTIES

The Company's Canadian exploration programs are conducted under the supervision of John Sullivan, B.Sc., P.Geo., the Vice President of Exploration of the Company. Mr. Sullivan is a Qualified Person as defined by NI 43-101 and has supervised the technical activities and prepared those portions of this AIF that pertain to these technical activities, which were completed during 2012 and 2013 by the Company's wholly-owned subsidiary, Lateegra after the date of the DeSantis Property Report. Assay results for drilling completed on each property during the 2011, 2012 and 2013 campaigns are summarized in press releases, which can be viewed on the Company's website or in the Company's filings on SEDAR at www.sedar.com. Assay results for the 2010 program can be viewed in Lateegra's filings on SEDAR at www.sedar.com. As of the date of this AIF, the Company does not consider either of its Canadian properties to be a material property to the Company pursuant to NI 43-101.

DeSantis Property, Ontario, Canada

Certain of the following information regarding the DeSantis Property has been summarized or extracted from the DeSantis Property Report. 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.

The DeSantis Property, comprised of the original DeSantis property and the DeSantis West property, is situated 4.5 km southwest of the City of Timmins within the northeastern part of Ogden Township in the Porcupine Mining Division of Ontario, Canada.

The DeSantis Property is comprised of two mining leases, 20 patented mining claims and six unpatented mining claims that are contiguous and cover approximately 915 hectares. In April 2013 Lateegra exercised its rights under the terms of two option agreements, one with International Explorers and Prospectors Inc. (original DeSantis property) and the second with partnership owners Croxall, Kangas and Bryant (DeSantis West property) and has now earned a 100% interest in both properties subject to an NSR royalty ranging from 1.5% to 3.5% by portion of the historic DeSantis claims and a 2% NSR royalty in the DeSantis West claim. Lateegra has the right to purchase up to 50% of the existing royalties for varying amounts. Transfer of title for the six unpatented claims to Lateegra has been completed while the transfer of title for the leases and patents is in progress.

The property is situated in the southwestern part of the Abitibi Subprovince, within the Superior Province of the Canadian Shield. The DPFZ forms the structural contact between the Deloro and Tisdale Groups of volcanic rocks and is integral to the emplacement of gold in the Timmins Camp crosses the southern claim holdings in a west-southwesterly direction.

Gold-bearing quartz vein mineralization on the property is typical of other Archean mesothermal gold vein deposits within the Porcupine/Timmins mining camp. It is 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 June 2010 Lateegra, in 2010 and 2011, and the Company, 2011-2013, have completed 60 drill holes in three campaigns of diamond drilling. The first two programs totalled 42 holes (16,927 m), 15 in 2010 and 27 in the last half of 2011 and the first quarter of 2012. The first phase 2010 drilling was directed at evaluating the known gold mineralization within the Hydrothermal Alteration Zone (HTAZ) and the Albitite Zone (AZ) that are situated within 400 m of the DeSantis No. 2 Shaft. The second campaign completed during 2011/2012 focussed on expansion of the HTAZ and Albitite Zones, as well as testing reconnaissance targets located on the DeSantis West claim.

Significant assays from the first two drilling campaigns include 7.33 g/t Au over 2.28 m in DS10-001 (AZ), 7.88 g/t Au over 5.18 m including 19.00 g/t Au over 1.52 m in DS10-002 (AZ), 3.39 g/t Au over 9.91m in DS10-006 (HTAZ), 3.63 g/t Au over 23.17 m including 14.25 g/t Au over 1.17 m in DS11-10A (HTAZ) and 1.82 g/t Au over 12.00 m including 11.00 g/t Au over 1.5 m in DS12-004 (AZ). The quoted intersections are core widths and may not represent true thicknesses.

In mid-October 2012 the Company completed a comprehensive program of geotechnical compilation, relogging/sampling of recent and historic drill core and reviewing the property in a regional context. Based on the results of this work the third phase of drilling was initiated. In total 18 holes (6,686 m) were completed during the fourth quarter of 2012 and the first quarter of 2013. Drilling followed up on promising results from previous programs, testing of the strike extension of the McEnaney Veins and testing of undrilled areas down-dip of, in the footwall to and east of the known Albitite Zone.

In addition geophysical and geological targets were tested on portions of the property that had seen little or no previous work, such as the Tisdale volcanics/Porcupine sediments contact and in shear zones proximal to porphyritic intrusions within the Porcupine sedimentary sequence. It is a geological environment like this that hosts the ore zones of Lake Shore Gold's Timmins and Thunder Creek deposits and gold-bearing rocks of the recent discoveries at the 144 Zone and Gold River Trend.

The most significant results from the third campaign of drilling were returned from the 16B Zone, a thick sequence of veined and altered mafic volcanics encountered when testing the footwall rocks below the Albitite Zone. The discovery hole DS11-016B intersected a broad hydrothermally altered and veined sequence of mafic volcanics which returned an anomalous intersection of 0.51 g/t Au over 57.60 m, including 1.35 g/t Au over 6.15 m. Visible gold was found in DS11-016B at 1,213.35m. Two follow-up holes further tested this zone and returned the following results, 0.73 g/t Au over 6.80 m in DS11-016D and 2.16 g/t Au over 31.70 m, including 4.09 g/t over 7.20 m in DS11-016F. Drilling to test the east strike extension of the McEnaney veins returned and assay of 3.26 g/t Au over 1.25 m in DS13-011. These intersections are core widths, with true thicknesses estimated to range between 35% and 55% of core widths. Company geologists continue to be engaged in compiling recent and historic work and planning further drilling aimed at expanding the 16B zone.

Assay results for drilling completed during the 2011, 2012 and 2013 campaigns are summarized in press releases, which can be viewed on the Company's website or in the Company's filings on SEDAR at www.sedar.com. Assay results for the 2010 program can be viewed in Lateegra's filings on SEDAR at www.sedar.com.

Beschefer Property, Quebec, Canada

Lateegra acquired a 100% interest in the Beschefer Property, an early-stage gold exploration project, via an option agreement dated January 31, 2011. The option was exercised in February 2012. The Beschefer Property is subject to two NSR royalties totalling 3% with Lateegra having the option to purchase 1.75% of the 3% NSR, leaving 1.25% NSR, for $1.5 million. The property is located within the Abitibi Greenstone Belt of northwestern Quebec approximately 80 km ESE of the Detour Mine, 50 km NE of the Casa Berardi Mine and 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 property consists of 22 contiguous map-designated claims covering 674.21 ha. Winter access to the property is excellent with an all-weather regional road and power line passing 3 km north of the property and a winter road cross-cutting the property.

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

Lateegra drilled five holes (1,523.00 m) on the property in the winter of 2011 prior to the merger with the Company. Results included 3.80 g/t Au over 4.35 m including 13.85 g/t Au over 0.30 m in hole BE11-001 and 12.4 g/t Au over 3.78 m including 63.5 g/t Au over 0.43 m in hole BE11-003.

Between January and late March 2012, the Company completed 33 additional holes (8,772 m) on the property. Drilling focused on expansion of the previously discovered B-14 Zone, as well as exploration targets elsewhere on the property. Results included 4.54 g/t Au over 7.80 m including 9.16 g/t Au over 1.35 m in hole BE12-006, 13.07 g/t Au over 8.75 m including 58.5 g/t Au over 1.50 m in hole BE12-014 and 10.50 g/t Au over 1.50 m and 3.56 g/t Au over 6.06 m, both in hole BE12-030. The 2011 and 2012 drilling results confirmed that the B-14 Zone has the potential to host a gold resource. In mid-December 2012 the Company completed a comprehensive program of geotechnical compilation, relogging and sampling of recent and historic drill core and reviewing the property in a regional context. Based on the results of this work a winter 2013 drill program consisting of 14 holes totalling 6,668.00 m was completed. This drilling focused on expanding the B-14 Zone but included holes that tested historic geophysical targets, which have seen little or no work and may represent structures with gold potential.

The most significant assays from the 2013 program were returned from B-14 Zone intersections and include 2.11 g/t Au over 7.18 m in BE13-035, 45.90 g/t Au over 6.83 m, including 224.00 g/t Au over 1.23 m in BE13-038, 3.74 g/t Au over 5.07 m and 5.43 g/t Au over 8.00 m, including 91.40 g/t Au over 0.30 m in BE13-042 and 3.03 g/t Au over 11.10 m in BE13-045. Visible gold was encountered in BE13-038 at 324.69 and 326.51m and in BE13-042 at 294.15 and 459.55 m. Holes that tested the historical geophysical targets did not intersect any significantly altered or mineralized intervals. All quoted intersections are core widths with true thicknesses being estimated to range between 75% and 90% of core widths. Company geologists continue to be engaged in compiling recent and historic data and planning further drilling focused on the B-14 Zone and adjacent little-tested and poorly understood areas of the property.

Assay results for drilling completed during the 2012 and 2013 campaigns are summarized in press releases, which can be viewed on the Company's website or in the Company's filings on SEDAR at www.sedar.com. Assay results for the 2011 program can be viewed in Lateegra's filings on SEDAR at www.sedar.com.

QUALITY ASSURANCE/QUALITY CONTROL ("QA/QC")

The Company's Mexican and Canadian 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. This matter is discussed in detail in the Technical Summary above.

RISK FACTORS

An investment in the Common Shares 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 Common 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 Property 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 Property and the Miguel Auza mill in Mexico will account for all of the Company’s commercial production in 2014, 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 Property 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 the Platosa Property 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.

There have been allegations that the Company is not in compliance with the terms of its 30-year lease with the Ejido la Sierrita that granted the Company surface rights over 1,100 hectares of the Company's mineral rights, including the Rincon del Caido area. These allegations were the basis for the Ejido's participation in illegal demonstrations at the La Platosa Property during 2012. Although the Company considers itself to be in full compliance with the terms and conditions of the lease with the Ejido, there is no certainty that the Ejido will not participate in further illegal demonstrations that will block access to the mine or attempt to rescind the lease through legal action. If the Ejido were successful in rescinding the lease, the Company believes that it can continue its current exploration activities in respect of the Rincon del Caido target from different collar set-ups located on surface rights that the Company owns; however, any rescission of the lease has the potential to adversely affect the Company's ability to explore and develop the Rincon del Caido target in the future, which could have a material adverse effect on the business of the Company.

On November 9, 2012, the Company's operating subsidiary received a statement of claim from the Ejido La Sierrita, which participated in the previously referenced illegal blockade. The claim alleges that the subsidiary breached the surface rights agreement with the Ejido for access to 1,100 hectares of exploration ground and includes demands for (i) the termination of the surface rights agreement (ii) one year's surface rent in respect of such termination and (iii) 55 million pesos (~Cdn.$4.4 million) in respect of alleged damages.

The Company, in consultation with its legal counsel in Mexico, considers the Ejido's claims unfounded, baseless and a response to Company's previously filed action for damages in respect of losses caused by the illegal blockade and rescission in respect of the Ejido's breaches of the surface rights agreement by participating in the illegal blockade. The Company intends to vigorously defend the claims made against it.

Safety and Security

The Platosa mine is located in the State of Durango, Mexico. Criminal activities in the region may disrupt operations, prevent the Company from hiring qualified personnel or impair the Company's ability to access sources of capital. Risks associated with conducting business in the region include risks related to personnel safety and asset security. These risks may result in serious adverse consequences including, among other things, personal injury, crime related activity and disturbances, and damage or theft of Company property. Given the importance of operations in the State of Durango for the Company, such events resulting from criminal activity could have a material adverse effect on the Company's cash flows, earnings, results of operations and financial condition, and make it more difficult for the Company to obtain any necessary financing. Although the Company has developed procedures regarding these risks, due to the unpredictable nature of criminal activities, there is no assurance that the Company's efforts are able to effectively mitigate risks and safeguard personnel and Company property effectively.

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 the Platosa Property and is Therefore Sensitive to Labour Disruptions

The Company is dependent on its workforce at its material producing property and mill operations 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.

During 2011 and 2012, operations at the Company's La Platosa mine were interrupted by illegal blockades and associated demonstrations relating to a campaign by competing unions to acquire control of Excellon's workforce. Certain of these demonstrations included participation by members of the Ejido. The demonstrations impeded access by the Company's workforce to the mine resulting in lost days of production and, in respect of one interruption, an adverse impact on the financial results of the Company. Further labour disruptions at La 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.

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.

Recent Reforms in Mexico

The Company's operations in Mexico are subject to Mexican federal and State laws and regulations. In 2013, the Mexican Congress approved a tax reform package, which came into effect on January 1, 2014. The tax reform includes, among other things, maintaining the current corporate tax rate of 30% (previously scheduled as 29% in 2014 and 28% in 2015), a broadened tax base, the elimination of the single rate business tax, the introduction of a 7.5% mining royalty on profits derived from the sale of minerals and the introduction of an extraordinary mining royalty of 0.5% on the gross income derived from the sale of precious metals. In addition, a new 10% withholding tax on dividend distributions to non-residents (subject to income tax treaty provisions) will be imposed at the distributing company level. The tax reform applies on a prospective basis and therefore could have a material impact on the Company's future earnings and cash flows, and possibly on future capital investment decisions.

Tax Reassessments in Mexico

During the year, the Mexican tax authority (Servicio de Administración Tributaria – "SAT") in the state of Zacatecas completed an income tax audit of the 2008 and 2009 years in respect of one of the Company's Mexican subsidiaries. As a result of this audit, on February 24, 2014 the Company received a notice of reassessment from SAT with respect to 2009 denying deductions in the amount of 115.2 million pesos (USD$8.8 million) that relate primarily to foreign exchange losses. In addition, SAT has notified the Company that it will be issuing a notice of reassessment for the 2008 year, denying deductions in the amount of 72.9 million pesos (USD$5.6 million) relating primarily to foreign exchange losses. The combined impact of the 2009 reassessment and the pending 2008 reassessment is a reduction in the available non-capital loss balance totaling 188.1 million pesos (USD$14.4 million), which, consequently, would result in a reduction in the deferred tax asset balance of USD$4.3 million and a corresponding increase in deferred income tax expense. In addition, the Company would be subject to penalty and interest, an amount that has not been included in this estimate.

The Company is of the view from its tax advisors that there is a strong case to support the Company's position, particularly because the SAT has made adjustments to foreign exchange losses but has not made offsetting adjustments to foreign exchange gains. Accordingly, the Company has appealed the 2009 reassessment and will be appealing the pending 2008 reassessment through the SAT's appeals procedures, a process that could take up to 24 months before a final decision is made.

The Company believes, based on the tax advice from its tax advisors, that it is more likely than not that its position will be sustained and no amounts related to this issue have been recorded in the consolidated financial statements as at December 31, 2013.

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, 2013, 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$2.1 million, which has been discounted using a risk free rate of 2.72%, of which US$0.9 million of the reclamation obligation relates to the Platosa mine, and $0.5 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.

Compliance with Anti-corruption Laws

The Company’s operations are governed by, and involve interaction with, many levels of government in Mexico. The Company is subject to various anti-corruption laws and regulations such as the Canadian Corruption of Foreign Public Officials Act, which prohibit a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Platosa Mine is located in Mexico and, according to Transparency International, Mexico is perceived as having fairly high levels of corruption relative to Canada. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company’s operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable anti-corruption laws and regulations could expose the Company and its senior management to civil or criminal penalties or other sanctions, which could materially and adversely affect the Company’s business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company’s business, reputation, financial condition and results of operations. Although the Corporation has adopted policies to mitigate such risks, such measures may not be effective in ensuring that the Company, its employees or third party agents will comply with such laws.

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 the ability to produce minerals; the ability to attract and retain additional key personnel in sales, marketing, technical support and finance; and 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, 2013, the Company had outstanding accounts payable excluding accrued liabilities, which are due within 90 days or less. In addition, annual payments of approximately US$550,000 (adjusted annually for inflation) under a surface rights lease with Ejido are payable until 2037, subject to the resolution of the Corporation's claim to rescind this contract, as discussed below. The Company believes it has sufficient cash on hand to meet operating requirements as they arise for at least the next twelve months.

The Company has secured a $5.0 million line of credit facility (the "Facility") with Trafigura in order to provide additional working capital flexibility over the next two years. Pursuant to the Facility, Excellon may draw down up to $5.0 million in the minimum amount of $500,000 until no later than December 31, 2014. Any amounts drawn down under the facility bear interest at a rate of one month US LIBOR plus 5% and shall be repaid in twelve equal monthly installments from deliveries made during 2015. The Facility has other terms and conditions customary to a facility of this type. As of March 26, 2014, Excellon had not drawn down any amounts under the Facility nor had provided any notice to Trafigura of its intention to do so.

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 material 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, 2013, the Company did not pay any dividends. The Company does not currently have any intention to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares of which 54,988,397 Common Shares were issued and outstanding as at December 31, 2013. 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* (Ontario) 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.

Since November 28, 2011, the Company has maintained an ongoing normal course issuer bid program, which was approved by the TSX in November 2011 and renewed in November 2012 and November 2013. From the institution of the normal course issuer bid in November 2011 to March 26, 2014, the Company repurchased 1,467,000 Common Shares, with a total of nil Common Shares issued and outstanding as at March 26, 2014.

Under the current terms of the normal course issuer bid, the Company may purchase a maximum of 5,225,271 common shares (or 10% of the total public float), subject to a daily maximum of 6,740 Common Shares, except where such purchases are made in accordance with the "block purchase exception" under the TSX Company Manual.

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 26, 2014, there were 3,142,000 stock options outstanding.

Deferred Share Units

The Company's DSU Plan provides for the grant of DSUs to directors, officers and employees of the Corporation to allow such persons to participate in the long term success of the Corporation and to promote a greater alignment of interests between the participants designated under the DSU Plan and the Shareholders of the Corporation. Each DSU entitles the holder to receive, subject to adjustment as provided for in the DSU Plan, a lump sum cash payment or, at the Corporation's discretion, Common Shares equal to the whole number of DSUs credited to the DSU Participant plus a cash settlement for any fraction of a DSU upon the retirement of the holder from the Company. The Board subsequently adopted an amendment to the DSU Plan on March 25, 2014 to allow the Corporation to settle its obligations under the DSU Plan through the treasury issue of Common Shares. As of the date hereof, this amendment is subject to the approval of Shareholders at the Corporation's Annual Meeting. As of March 26, 2014, there were 172,587 DSUs outstanding.

Restricted Share Units

The Company's RSU Plan provides for the grant of RSUs to directors, officers and employees of the Corporation to allow such persons to participate in the long term success of the Corporation and to promote a greater alignment of interests between the participants designated under the RSU Plan and the Shareholders of the Corporation. Each RSU entitles the holder to receive, subject to adjustment as provided for in the DSU Plan, a lump sum cash payment or, at the Corporation's discretion, Common Shares equal to the whole number of DSUs credited to the DSU Participant plus a cash settlement for any fraction of a DSU upon the retirement of the holder from the Company. The terms and conditions of vesting of each Grant is determined by the Compensation Committee at the time of the Grant. The Board adopted an amendment to the RSU Plan on March 25, 2014 to permit RSUs to be settled through the issuance of Common Shares from treasury, subject to the approval of the Shareholders and the TSX. As of the date hereof, this amendment is subject to the approval of Shareholders at the Corporation's Annual Meeting. As of March 26, 2014, there were 278,507 RSUs outstanding.

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 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 may determine in good faith (in any such case, defined as the Separation Time under the Rights Plan). 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.

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, 2013.

Month and Year	High ($)	Low ($)	Volume
2013			
December	1.18	0.95	874,358
November	1.37	0.90	1,804,233
October	1.81	1.35	846,612
September	1.95	1.73	204,030
August	2.11	1.61	688,597
July	1.75	1.51	429,199
June	1.70	1.48	583,010
May	1.90	1.45	724,352
April	2.33	1.60	1,227,768
March	2.40	2.05	2,764,980
February	2.60	2.28	1,152,716
January	2.85	2.30	897,675

PRIOR SALES

The following table sets out stock options, DSUs and RSUs issued by the Company during the fiscal year ended December 31, 2013.

Date of Issuance	Number of Securities	Type of Security	Price per Security
January 7, 2013	550,000	Stock Options	$2.60
April 30, 2013	100,000	Stock Options	$1.675
August 30, 2013	30,000	Stock Options	$1.91
December 11, 2013	772,500	Stock Options	$1.14
December 11, 2013	172,587	DSUs	$1.14
December 11, 2013	278,507	RSUs	$1.14

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 and Director Ontario, Canada	January 25, 2005	Chairman and Chief Executive Officer of the Corporation from April 2008 to July 2011 and from June 2012 to March 2013; Director of Lake Shore Gold Corp. since 2009; Co-Chairman and Lead Director of Detour Gold Corporation since 2009; Director of Pelangio Exploration Inc. since 2008; Trustee of Dundee Real Estate Investment Trust since 2003 and Dundee Industrial REIT since October 2012; Director of Nordex Explosives Inc. since June 2012; Director of Orbite Aluminae Inc. since May 2013. Former director of Barrick Gold Corporation (from 1993 to 2012), QLT Inc. (from 1990 to 2012); Former Chairman of the Canadian Association of Provincial Cancer Agencies.
THOR E. EATON (3) (4) Director Ontario, Canada	August 8, 2011	Businessman; Chairman of Notae Investments Ltd. since 1998; Trustee of The Thor E. & Nicole Eaton Family Charitable Foundation since 1999; Director of Metaris Inc. since 1993; Director of Nordex Explosives Ltd. since June 2012; Director of Pelangio Exploration Inc. since May 2013; 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.

Name, Province and Country of Residence and Position with the Company	Director/Officer since	Principal occupation
ANDRÉ Y. FORTIER (1) (3) (4) Director Quebec, Canada	March 16, 2005	Corporate Director. Former SVP of Noranda and CEO of Kerr Addison Mines Inc. Former 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. Former director of Placer Dome Inc. and Masonite International Inc. Founding Director of the World Resources Institute.
TIMOTHY J. RYAN (1) (2) (3) Director British Columbia, Canada	March 27, 2006	Businessman; Founder and President of First General Securities Inc. since 1982.
OLIVER FERNÁNDEZ (4) Director Mexico City, Mexico	October 25, 2012	Businessman; Founder and President of Grupo Empresarial Maestro, S.A. de C.V. (Crédito Maestro).
JOANNE FERSTMAN (1) (2) Director Ontario, Canada	April 30, 2013	Businesswoman; Chair of Dundee Industrial REIT; Chair of Dundee REIT; Director of Osisko Mining Corporation and Aimia Inc.; Former President and CEO of Dundee Capital Markets Inc. (until June 2012), Vice-Chair and Head of Capital Markets of DundeeWealth Inc.; and, prior to 2009, Executive Vice President and CFO of DundeeWealth Inc. and Executive Vice President, CFO and Corporate Secretary of Dundee Corporation.
BRENDAN CAHILL Director, President and Chief Executive Officer Ontario, Canada	July 23, 2012 (director since April 30, 2013)	President of the Corporation since October 2012 and Chief Executive Officer since March 2013; previously Executive Vice President from July 2012. Former Vice President Corporate Development and Corporate Secretary of Pelangio Exploration Inc. (until July 2012), Corporate Secretary of Pelangio Mines Inc. (until Mar. 2009), director of Lateegra Gold Corp. (until Aug. 2011). Member of the Young Presidents Organization.
RUPY DHADWAR Chief Financial Officer Ontario, Canada	August 7, 2012	Chief Financial Officer of the Company since August 2012 and previously the Company's Controller since January 2010. Previously, Chartered Accountant at MacGillivray Partners, Chartered Accountants.
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.

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

Based on the disclosure available on the System for Electronic Disclosure by Insiders, as of March 26, 2014, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 2,601,308 Common Shares, representing 4.7% of the issued and outstanding Common Shares.

Cease Trade Orders

To the best of the Corporation's knowledge, none of the directors or executive officers of the Company is, as at the date of this AIF, or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Company, that: (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, in any case that was in effect for more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the best of the Company's knowledge, except as noted below, none of the directors or executive officers of the Company, or shareholders holding sufficient Common Shares to materially affect the control of the Company is, as at the date of this AIF, or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the 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 (ii) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder. André Fortier was the President and Chief Executive Officer of 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 2008.

Penalties and Sanctions

None of the directors or executive officers of the Company or, to the Company's best knowledge, shareholders holding sufficient Common Shares to materially affect the control of the Company is, as at the date of this AIF, or has been within 10 years before the date hereof, 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, Mr. Thor Eaton, a director since August 8, 2011, and Mr. Brendan Cahill, an officer since July 23, 2012 and director since April 30, 2013, 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 Joanne Ferstman. 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 45 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 and the Chair of the Audit Committee of Placer Dome, Inc. and a Director of 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.

Joanne S. Ferstman: Ms Ferstman is currently a corporate director and sits on both public and private corporate boards. Ms. Ferstman was most recently the President and Chief Executive Officer of Dundee Capital Markets Inc. Prior to taking this position on January 31, 2011, Ms. Ferstman was Vice-Chair and Head of Capital Markets of DundeeWealth Inc., and prior to 2009 was Executive Vice President and Chief Financial Officer of DundeeWealth Inc. and Executive Vice President, Chief Financial Officer and Corporate Secretary of Dundee Corporation. From 1994 to 2012, Ms. Ferstman held a variety of executive positions with the Dundee group of companies until her retirement in June 2012 and in early 2009, assumed leadership of Dundee Capital Markets, including all Investment Banking activities. Prior to joining the Dundee Group of companies, Ms. Ferstman spent four years as Chief Financial Officer for a national securities firm and five years at a major international accounting firm. Ms. Ferstman currently serves as the Chair of Dundee Industrial Real Estate Investment Trust, as the Chair of Dundee Real Estate Investment Trust and a director of Osisko Mining Corporation. Ms. Ferstman holds a Bachelor of Commerce from McGill University and is a Chartered Accountant.

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, 2013	Year ended December 31, 2012
Audit Fees[(1)]	$293,000	$260,000
Audit Related Fees[(2)]	$117,000	$12,000
Tax Fees[(3)]	$266,000	$50,000
All Other Fees[(4)]	-	-
Total	**$676,000**	**$322,000**

Notes:

(1) The aggregate audit fees billed in connection with statutory and regulatory filings, principally for the audit of the annual financial statements.

(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, including tax return preparation and other compliance matters.

(4) The aggregate fees billed for services other than those reported above.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed herein, management is not aware of any material litigation matters involving the Company outstanding as of the date hereof. Refer to "Risk Factors – Surface Rights and Access" for a description of outstanding litigation between the Company and the Ejido.

During the fiscal year ended December 31, 2013, 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 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 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the following is the only material contract 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. Rights Plan ratified, confirmed and 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

Mr. David Ross, M.Sc., P.Geo, and Mr. Robert Michaud, M.Sc., P.Eng., both of Roscoe Postle Associates Inc. prepared the technical report on the Company’s Platosa Property. To management’s knowledge, neither Mr. Ross nor Mr. Michaud 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, DeSantis and Beschefer properties. Mr. Sullivan is Vice President, Exploration for the Company.

To the Company’s knowledge as at March 26, 2014, the persons or companies referred to above beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Company.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, is the auditor of the Company and has advised the Company that they are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

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 the upcoming annual meeting of shareholders to be held on April 29, 2014.

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, 2013.

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

Membership

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.

Attendance at Meetings

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.