

EXCELLON

EXCELLON RESOURCES INC.

20 Victoria Street, Suite 900, Toronto, Ontario Canada M5C 2N8

Notice of Annual and Special Meeting of Shareholders & Management Information Circular

Tuesday, April 30, 2013

10:00 a.m. (Toronto time)

TMX Gallery/Broadcast Centre
The Exchange Tower
130 King Street West
Toronto, Ontario

TABLE OF CONTENTS

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS	ii
MANAGEMENT INFORMATION CIRCULAR.....	1
SOLICITATION OF PROXIES	1
APPOINTMENT OF PROXYHOLDER	1
REVOCATION OF PROXIES.....	1
VOTING OF PROXIES	1
INFORMATION FOR NON-REGISTERED SHAREHOLDERS	2
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON.....	3
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES	3
PARTICULARS OF MATTERS TO BE ACTED UPON	4
1. RECEIPT OF FINANCIAL STATEMENTS AND AUDITORS REPORT	4
2. ELECTION OF DIRECTORS.....	4
3. RE-APPOINTMENT OF AUDITORS.....	7
4. SHARE CONSOLIDATION	7
STATEMENT OF EXECUTIVE COMPENSATION	9
DIRECTORS COMPENSATION	19
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN.....	21
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	23
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	23
STATEMENT OF CORPORATE GOVERNANCE PRACTICES	23
ADDITIONAL INFORMATION.....	29
SCHEDULE "A"	1

EXCELLON RESOURCES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “**Meeting**”) of shareholders of Excellon Resources Inc. (“**Excellon**” or the “**Corporation**”) will be held at the TMX Gallery/Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, on Tuesday, the 30th day of April, 2013 at the hour of 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2012 (with comparative statements relating to the preceding fiscal period) together with the report of the auditors thereon;
2. to elect directors;
3. to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation and to authorize the directors to fix their remuneration;
4. to approve a special resolution authorizing the consolidation of the Corporation’s outstanding common shares, as more particularly described in the Management Information Circular; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this notice is a Management Information Circular, a form of proxy and a request form to receive annual and interim financial statements and management discussion and analysis. The accompanying Management Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy in accordance with the procedures described in the Management Information Circular accompanying this Notice. Those who are unable to attend the meeting are requested to read, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Management Information Circular accompanying this Notice.

DATED at Toronto, Ontario, this 26th day of March, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Peter A. Crossgrove”

Peter A. Crossgrove
Executive Chairman

EXCELLON RESOURCES INC.

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at March 26, 2013 unless indicated otherwise)

SOLICITATION OF PROXIES

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Excellon Resources Inc. (“**Excellon**” or the “**Corporation**”) for use at the Annual and Special Meeting of holders of common shares (“**Common Shares**”) of the Corporation and any adjournment thereof to be held at 10:00 a.m. (Toronto time) on Tuesday, April 30, 2013 (the “**Meeting**”) at the place and for the purposes set forth in the accompanying Notice of Meeting. The enclosed proxy is being solicited by the management of the Corporation. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by facsimile or by telephone by the regular employees of the Corporation at nominal cost. All costs of solicitation by management will be borne by the Corporation. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from shareholders of the Corporation.

The contents and the sending of this Circular have been approved by the directors of the Corporation. All dollar amounts referenced are expressed in Canadian dollars. All references to the Corporation shall include its subsidiaries as the context may require.

APPOINTMENT OF PROXYHOLDER

The individuals named as proxyholders in the accompanying form of proxy are directors and/or officers of the Corporation. **A REGISTERED SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND SIGNING AND DATING THE PROXY, OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by COMPUTERSHARE INVESTOR SERVICES INC. (“**Computershare**”), Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 not less than forty eight (48) hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or, with respect to any matters to be dealt with at any adjournment of the Meeting, before the time of the commencement of the adjourned Meeting. Proxies delivered after such time(s) will not be accepted.

REVOCAION OF PROXIES

A shareholder who has given a proxy may revoke it prior to its use by an instrument in writing executed by the shareholder or by his attorney duly authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Corporation, at 20 Victoria Street, Suite 900, Toronto, Ontario, Canada. M5C 2N8 (Attention: Chief Financial Officer) at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, preceding any reconvening thereof, or to the Chairman of the Meeting on the day of the meeting or, if adjourned, any reconvening thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The Common Shares represented by a properly executed proxy in favour of persons designated as proxyholders in the enclosed form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be called for; and

- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specifications made on such proxy.

SUCH SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED, OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED, AS DIRECTED BY THE SHAREHOLDER.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxyholder thereunder to vote with respect to amendments or variations of matters identified in the notice of Meeting, and with respect to any other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated by management as proxyholders in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Circular, the management of the Corporation knows of no such amendment, variation or other matter that may be presented to the Meeting.

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

Only registered shareholders or proxyholders duly appointed by registered shareholders are permitted to vote at the Meeting. Most shareholders of the Corporation are “non-registered” shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders are entitled to vote at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in such shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers’ clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge well in advance of the Meeting) in order to have the Common Shares voted.**

This Management Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or

“OBO’s”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBO’s**”). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers*, issuers may request and obtain a list of their NOBO’s from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

The Corporation’s OBO’s can expect to be contacted by Broadridge or their broker or their broker’s agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Management Information Circular and the accompanying form of proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Management Information Circular, no person who has been a director or executive officer of the Corporation at any time since January 1, 2012, being the beginning of the Corporation’s last completed financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has or has had any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares without par value. As at March 26, 2013, the Corporation had 274,960,967 issued and outstanding Common Shares. Only shareholders of record holding Common Shares at the close of business (Toronto time) on March 26, 2013 (the “**Record Date**”) who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a valid proxy and every person who is a representative of one or more corporate shareholders will have one vote for each share registered in that shareholder’s name on the list of shareholders, which is available for inspection during normal business hours at Computershare and will be available at the Meeting. Shareholders represented by proxyholders are not entitled to vote on a show of hands.

To the knowledge of the directors and executive officers of the Corporation, the following are the only persons or companies who beneficially own, or exercise control or direction over, directly or indirectly, Common Shares carrying more than ten percent (10%) of the voting rights attached to all outstanding Common Shares:

Name of the Holder	Number of Shares ⁽¹⁾	Percentage
Sprott Asset Management Inc.	36,590,430	13.31%

Note:

⁽¹⁾ As confirmed by Sprott Asset Management Inc. to the Corporation on March 12, 2013.

PARTICULARS OF MATTERS TO BE ACTED UPON

GENERAL

Unless otherwise directed, it is the intention of management's proxyholders to vote proxies in favour of the resolutions set forth herein. **All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the shareholders. Special resolutions require, for the passing of same, a two-thirds majority of votes cast at the Meeting by the shareholders.**

1. RECEIPT OF FINANCIAL STATEMENTS AND AUDITORS REPORT

The consolidated Financial Statements of the Corporation for the financial year ended December 31, 2012 and the accompanying auditors' report thereon will be presented to the Meeting. A copy of the consolidated Financial Statements has been mailed to shareholders of record as of the Record Date. A copy is also available online at www.sedar.com or on the Corporation's website at www.excellonresources.com.

2. ELECTION OF DIRECTORS

There are nine (9) directors to be elected at the Meeting.

The term of office of each of the present directors expires immediately prior to the election of directors at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees and management's proxyholders will vote FOR the election of these nominees, unless otherwise instructed on the proxy form.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the *Business Corporations Act* (Ontario) ("OBCA").

The following table and notes thereto sets out the name of each person proposed to be nominated by management for election as a director, the province or state and country in which he is ordinarily resident, all offices of the Corporation now held by him or her, his or her principal occupation, the period of time for which he or she has been a director of the Corporation or when his or her term of office will expire, and the number of Common Shares beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at March 26, 2013:

Name, Position, and Province/State & Country of Residence ⁽¹⁾	Principal Occupation and Occupation during the Past Five Years ⁽¹⁾	Director Since/ Proposed Expiry of Term of Office	Number of shares beneficially owned or controlled or directed, directly or indirectly controlled ⁽¹⁾
PETER A. CROSSGROVE Executive Chairman, Director Ontario, Canada	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 March 2009; Director of Pelangio Exploration Inc. since February 2008; Trustee of Dundee Real Estate Investment Trust since May 2003 and Dundee Industrial REIT since October 2012; Director of Nordex Explosives Inc. since June 2012. Former director of Barrick Gold Corporation	January 25, 2005	3,446,060

Name, Position, and Province/State & Country of Residence ⁽¹⁾	Principal Occupation and Occupation during the Past Five Years ⁽¹⁾	Director Since/ Proposed Expiry of Term of Office	Number of shares beneficially owned or controlled or directed, directly or indirectly controlled ⁽¹⁾
	(from 1993 to 2012), QLT Inc. (from 1990 to 2012); Former Chairman of the Canadian Association of Provincial Cancer Agencies.		
THOR E. EATON ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Director Ontario, Canada	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 Lategra 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.	August 8, 2011	5,846,732
ANDRÉ Y. FORTIER ⁽²⁾⁽⁴⁾⁽⁵⁾ Director Québec, Canada	Businessman; President & Chief Executive Officer of Campbell Resources Inc. from June 2001 until December 2009.	March 16, 2005	678,000
ALAN R. MCFARLAND ⁽²⁾⁽³⁾⁽⁵⁾ Director New York, U.S.A.	Businessman; Managing Member of McFarland Dewey & Co. (investment banking firm) since 1989.	November 23, 2006	255,000
TIMOTHY J. RYAN ⁽²⁾⁽³⁾⁽⁴⁾ Director British Columbia, Canada	Businessman; President of First General Securities Inc. since 1982.	March 27, 2006	1,254,173
OLIVER FERNÁNDEZ ⁽²⁾⁽⁵⁾ Director Mexico City, Mexico	Businessman; Founder and President of Grupo Empresarial Maestro, S.A. de C.V. (Crédito Maestro) and Consultant to Oceanografía, S.A. de C.V.	October 25, 2012	Nil
NED GOODMAN Proposed Director Ontario, Canada	President and Chief Executive Officer, Dundee Corporation, an independent asset management company focused in the areas of real estate and infrastructure, energy, resources and agriculture and President, Chief Executive Officer, and Chief Investment Strategist, Ned Goodman Investment Counsel Limited, a portfolio manager.	Nominee	17,748,000 ⁽⁶⁾

Name, Position, and Province/State & Country of Residence ⁽¹⁾	Principal Occupation and Occupation during the Past Five Years ⁽¹⁾	Director Since/ Proposed Expiry of Term of Office	Number of shares beneficially owned or controlled or directed, directly or indirectly controlled ⁽¹⁾
JOANNE FERSTMAN Proposed Director Ontario, Canada	Businesswoman; Chair of Dundee Industrial REIT, Trustee of Dundee REIT and Director of 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.	Nominee	300,000
BRENDAN CAHILL President, Chief Executive Officer and Proposed Director Ontario, Canada	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).	Nominee	218,900

Notes:

- (1) The information, not being within the knowledge of the Corporation, has been furnished by the respective director.
- (2) Member of the Audit Committee.
- (3) Member of the Nominating and Corporate Governance Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Health, Safety & Environmental Committee.
- (6) These Common Shares are owned beneficially by Dundee Corporation, a company controlled by Ned Goodman.

Corporate Cease Trade Orders or Bankruptcies

To the best of the Corporation's knowledge, none of the nominees is, as at the date of this Management Information Circular, or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Corporation, 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 (an "order") that was issued while the nominee 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 nominee 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.

Personal Bankruptcies

To the best of the Corporation's knowledge, except as noted below, none of the nominees is, as at the date of this Management Information Circular, or has been within the 10 years before the date hereof, (i) a director or executive officer of any company, including the Corporation, 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 nominee. André Fortier was the President and Chief Executive Officer of Campbell Resources Inc., 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

To the best of the Corporation's knowledge, none of the nominees has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has 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 securityholder in deciding whether to vote for a proposed director.

3. RE-APPOINTMENT OF AUDITORS

PricewaterhouseCoopers LLP were first appointed auditors of the Corporation on October 22, 2009. Unless such authority is withheld, the persons named in the accompanying proxy intend to vote **FOR** the re-appointment of PricewaterhouseCoopers LLP, as the auditors of the Corporation to hold office until its successor is appointed and to authorize the directors to fix their remuneration.

4. SHARE CONSOLIDATION

Background and Objectives

The Corporation is proposing to amend the Corporation's articles of incorporation to consolidate the Common Shares on a basis of one Common Share for five Common Shares or such other ratio that the Board may deem adequate (the "**Consolidation**").

The Board's decision to propose the Consolidation is founded upon the determination that the Corporation's high-grade, low-cost and profitable Platosa Silver Mine in Durango will continue to provide strong cash flow and that the Corporation will not require any dilutive equity financings to sustain and increase production and to continue a significant resource delineation and exploration program on the project.

The Board believes that the Consolidation will positively impact the Corporation's business strategy and investment profile by:

- increasing the breadth and sophistication of the Corporation's eligible investor base;
- increasing trading volume in the stock through a broader investor base;
- increasing the valuation level and investment profile of the common shares as the Corporation should no longer be considered a "penny stock";
- aligning the nominal market price of the common shares with those of the Corporation's peers.

Accordingly, at the Meeting, shareholders will be asked to consider and, if thought fit, to pass a special resolution as set forth below hereto authorizing the Consolidation. Notwithstanding approval of the transaction by shareholders, the Board, in its sole discretion, may not implement this special resolution and abandon the Consolidation without further approval or action by or prior notice to shareholders. The Consolidation will, in any event, be subject to the approval of the TSX.

As of March 26, 2013, 274,960,967 Common Shares were issued and outstanding. Upon completion of the Consolidation, approximately 54,992,193 Common Shares will be issued and outstanding.

Effect of Consolidation

The proposed Consolidation will not change in any shareholder's proportionate share of the total votes entitled

to vote at meetings of shareholders; however, if the special resolution is passed, the total number of votes that a shareholder may cast at any future general meeting of the Corporation will be reduced.

The number of Common Shares reserved for issuance under the Company's stock option plan will be reduced proportionately based on the Consolidation ratio and the exercise or conversion price and/or the number of Common Shares issuable under the Corporation's outstanding stock options will also be proportionately adjusted upon the Consolidation with any fractional options to acquire Common Shares rounded down to the nearest whole number.

Risks Associated with the Consolidation

There can be no assurance that any increase in the market price per Common Share resulting from the Consolidation will be sustainable or that it will equal or exceed the direct arithmetical result of the Consolidation since there are numerous factors and contingencies which could affect such price, including the status of the market for the Common Shares at the time, the Corporation's reported results or operation in future periods and general economic, geopolitical, stock market and industry conditions.

Accordingly, the total market capitalization of the Common Shares after the Consolidation may be lower than the total market capitalization before the Consolidation and, in the future, the market price of the Shares may not exceed or remain higher than the market price prior to the Consolidation. While the Board believes that a higher price for the Common Shares may help the Corporation attain the objectives set out above, there can be no assurance that the Consolidation will result in a per share market price that will attract additional investors or that such price will satisfy the investing guidelines of such investors. As a result, the Corporation's investor base may not necessarily increase, the perceived value and profile of the Common Shares may not increase and the price of the Common Shares may not be aligned with those of its peers.

If the Consolidation is implemented and the market price of the Common Shares declines, the percentage decline may be greater than would occur in the absence of the Consolidation. The market price of the Common Shares will, however, also be based on the Corporation's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of Common Shares that would be outstanding after the Consolidation.

Special Resolution

At the Meeting, shareholders will be asked to consider, and if deemed to be advisable, approve, the following special resolution, which must be passed by an affirmative vote of not less than 66 2/3% of the votes cast by the shareholders in person or by proxy at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting:

NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. subject to the Corporation receiving all regulatory and TSX approvals, the amendment of the articles of the Corporation to consolidate each of the issued and outstanding common shares without par value of the Corporation by exchanging every five old common shares of the Corporation into one new common share, or such other ratio that the Board may deem adequate (the "**Consolidation**"), subject to downward adjustment in the event the Consolidation would otherwise result in a shareholder of the Corporation holding a fraction of a common share, be and the same is hereby approved;
2. the Board is hereby authorized, at any time prior to the effective time of the Consolidation, to elect not to proceed with the Consolidation, notwithstanding that the Consolidation is approved by the shareholders of the Corporation; and

3. any one director or officer of the Corporation be, and is hereby, authorized, empowered and instructed, acting for, in the name and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.

The Board recommends that Shareholders vote for the adoption of the resolution. In order to be effective, the resolution must be approved by two-thirds of the votes cast at the Meeting in respect of such resolution. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE SPECIAL RESOLUTION APPROVING THE CONSOLIDATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

In the event that the Corporation proceeds with the Consolidation, it will send letters of transmittal to holders of Common Shares for use in transmitting their share certificates to Computershare in exchange for new certificates of the Corporation.

OTHER BUSINESS

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. **However, if any other matters properly come before the Meeting, it is the intention of the management proxyholders to vote on the same in accordance with their best judgment on such matters.**

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Named Executive Officers

The following describes the particulars of compensation for a) the CEO, b) the CFO, c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and d) each individual who would be a named executive officer but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year (each a "**Named Executive Officer**" or "**NEO**"). For the financial year ended December 31, 2012, the Named Executive Officers of the Corporation were:

Peter Crossgrove, Executive Chairman
 Brendan Cahill, President and Chief Executive Officer
 Jeremy Wyeth, former Chief Executive Officer
 Rupy Dhadwar, Chief Financial Officer
 Steven Poad, former Chief Financial Officer
 Robert Moore, Chief Operating Officer
 John Sullivan, Vice President, Exploration

Compensation Policy Objectives

The Corporation's executive compensation program is designed is designed to reward corporate and individual performance, and motivate executives to achieve overall corporate goals.

The Corporation's executive compensation program has the following objectives:

- to attract, retain and motivate qualified executives;
- to provide incentives to executives to maximize productivity and enhance enterprise value by aligning the interests of the executives with those of the shareholders;
- to foster teamwork and entrepreneurial spirit;
- to establish a direct link between all elements of compensation and the performance of the Corporation and its subsidiaries, and individual performance;
- to integrate compensation incentives with the development and successful execution of strategic and operating plans;
- to enhance shareholder value.

The Compensation Committee of the Corporation is comprised of André Y. Fortier (Chair), Thor E. Eaton and Timothy J. Ryan, each of whom is considered independent for the purposes of National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”). Each member of the committee has held senior executive and board positions with other publicly traded companies where they have had direct involvement in the development and implementation of compensation policies and practices for employees at all levels, including executive officers. The Board believes that the committee members possess all of the knowledge, experience and the profile needed in order to fulfill the mandate of the committee.

For the fiscal year ended December 31, 2012, the Compensation Committee was responsible for making recommendations to the Board with respect to the compensation of the Corporation's directors, Named Executive Officers and employees. The Compensation Committee works in conjunction with the Executive Chairman and the President on the review and assessment of the performance of executive officers and other employees in accordance with the Corporation's compensation practices. The Board reviews the Compensation Committee's recommendations to ensure that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Corporation's compensation program. The Compensation Committee reviewed compensation practices of the following companies in the course of its assessment: Aurcana Corporation, Endeavour Silver Corp., First Majestic Silver Corp., Fortuna Silver Mines Inc., Impact Silver Corp., International Minerals Corporation and Silvercorp Metals Inc. No compensation consultants were retained for comparison of corporate or executive compensation for the 2012 review.

The executive compensation program is comprised of fixed and variable elements of compensation; base salary, indirect compensation (benefits), discretionary bonus, and long-term incentives in the form of stock options. In determining actual compensation levels, the Compensation Committee considers the total compensation program, rather than any single element in isolation. Total compensation levels are designed to reflect both the marketplace (to ensure competitiveness) and the responsibility of each position (to ensure internal equity). The Compensation Committee believes these elements of compensation, when combined, form an appropriate mix of compensation, and provide competitive salary, link the majority of the executives' compensation to corporate and individual performance (which induces and rewards behaviour that creates long-term value for shareholders and other stakeholders), and encourage retention with time-based vesting attached to long-term equity-based incentives.

The compensation levels of the Executive Chairman and the President are designed to recognize their personal contributions and leadership. At the end of each fiscal year the Compensation Committee evaluates the performance of the Executive Chairman and the President, and the Compensation Committee in consultation with the Executive Chairman formally evaluates the performance of the President. Using both financial and non-financial measures, the Compensation Committee may recommend to the Board an increase to the Executive Chairman and the President's total compensation to levels that are consistent with corporate and individual performance.

Similarly, the Compensation Committee reviews and ensures that the directors' compensation packages are competitive in light of the responsibility and the time commitment required from directors. Based on such

reviews, the Committee makes recommendations to the Board with respect to changes to executive compensation and director compensation.

In 2012, the mix of total direct compensation payable to our Named Executive Officers was as follows:

Base Salaries

Base salaries for the executive officers are designed to be competitive and are adjusted for the realities of the market. Initial base salaries are determined through market comparables, formal job evaluation, commercially available salary survey data, experience level, leadership and management skills, responsibilities and proven or expected performance. The Compensation Committee, in consultation with the Executive Chairman and Chief Executive Officer, reviews the recommendations of the President and recommends to the Board the base salaries for executive officers taking into consideration the individual's performance, contributions to the success of the Corporation, and internal equities among positions. No specific weightings are assigned to each factor; instead a subjective determination is made based on a general assessment of the individual relative to such factors.

Discretionary Bonus

A discretionary bonus is intended to provide incentives to executive officers to enhance the growth and development of the Corporation, to encourage and motivate executive officers to achieve short-term goals, and to reward individual contribution to the achievement of corporate objectives. The bonus can be based as a percentage of annual salary or a fixed dollar amount and is awarded at the discretion of the Board as recommended by the Compensation Committee.

For 2012, bonuses were recommended to the Board by the Compensation Committee with input from the Executive Chairman and the President, based on the individual performance of the executive officers and the achievement of corporate objectives including: significant exploration success at La Platosa, Mexico with the discovery of significant carbonate replacement deposit-style mineralization, an increasingly positive production profile during the first six months of 2012 followed by the resolution of an illegal blockade that was beyond management's control in the third quarter of 2012 and the subsequent resumption of production, improvement in the overall recovery of silver at the Miguel Auza mill, implementation of new accounting systems and the planning and early implementation of new corporate social responsibility, community relations and government relations programs. No specific weightings were assigned to each factor.

Long Term Incentives

The long-term equity portion of executive compensation is designed to align the interests of executive officers with that of shareholders by encouraging equity ownership through awards of stock options, to motivate executives and other key employees to contribute to an increase in corporate performance and shareholder value, and to encourage the retention of executive officers and other key employees by vesting stock options over a period of time. The timing of the grant, and number of Common Shares made subject to option with respect to stock options proposed to be granted by the Corporation to its Named Executive Officers is recommended by the Executive Chairman and the President, reviewed and approved (or revised, if thought appropriate) by the Compensation Committee in consultation with the Executive Chairman, and implemented by a resolution of the Board. The review of proposed option grants by the Compensation Committee (which is composed of independent directors) and the implementation thereof by the Board (which is comprised of a majority of independent directors) provides the independent directors with significant input into such compensation decisions. Consideration in determining option grants is given to, amongst other things, the total number of stock options outstanding, the current and future expected contribution to the advancement of corporate objectives, the position of the individual, tenure, and previous option grants to selected individuals. No specific weightings are assigned to each factor; instead a subjective determination is made based on an assessment of the individual relative to such factors. Grants of stock options also comprise a portion of the compensation package offered to attract and retain new directors and executive officers to the Corporation. Stock options granted by the Board are priced at the closing price of the Common Shares on the TSX on the last trading day prior to the date of grant.

During the fiscal year ended December 31, 2012, an aggregate of 2,000,000 stock options were awarded to directors, executive officers and other employees.

Indirect Compensation

The primary benefits offered to the Named Executive Officers include participation in group health, dental, extended medical coverage, and life insurance, including long-term disability, paid vacation and payment of any professional dues on the individual's behalf, which benefits are generally available to all employees of the Corporation.

Pension Plan Benefits

The Corporation does not provide retirement benefits for directors, executive officers or employees.

Share Ownership Requirements

The Corporation has not imposed minimum share ownership requirements on its directors and the Named Executive Officers.

Risks Associated with Compensation Practices

As of the date of this Circular, the Corporation's directors had not, collectively, considered the implications of any risks associated with the Corporation's compensation policies applicable to its executive officers.

Financial Instruments

The Corporation has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Circular, entitlement to grants of incentive stock options under the Corporation's Stock Option Plan is the only equity-based security element awarded to executive officers and directors.

Summary Compensation Table

The table below is a summary of total compensation paid to the Named Executive Officers for each of the Corporation's three most recently completed financial years ending December 31st:

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽²⁾	Long-Term Incentive Plans			
Peter A. Crossgrove ⁽³⁾ Executive Chairman and Director	2012	\$190,000	NIL	\$86,648	\$120,000	NIL	NIL	\$118,414 ⁽⁸⁾	\$515,062
	2011	\$190,000	NIL	\$84,651	\$240,000	NIL	NIL	\$102,984 ⁽⁸⁾	\$617,635
	2010	\$240,000	NIL	\$192,487	\$240,000	NIL	NIL	\$77,980 ⁽⁸⁾	\$750,467
Brendan Cahill ⁽⁴⁾ President and Chief Executive Officer	2012	\$105,161	NIL	\$175,416	\$40,000	NIL	NIL	NIL	\$320,577
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jeremy L. Wyeth ⁽⁵⁾ Former Chief Executive Officer	2012	\$167,755	NIL	NIL	NIL	NIL	NIL	\$304,500	\$472,255
	2011	\$137,500	NIL	\$375,898	\$75,000	NIL	NIL	NIL	\$588,398
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rupy Dhadwar ⁽⁶⁾ Chief Financial Officer	2012	\$132,827	NIL	NIL	\$35,000	NIL	NIL	NIL	\$167,827
	2011	\$100,000	NIL	\$17,533	\$15,000	NIL	NIL	NIL	\$132,533
	2010	\$9,103	NIL	\$71,073	NIL	NIL	NIL	NIL	\$80,176
Steven W.E. Poad ⁽⁷⁾ Former Chief Financial Officer	2012	\$152,603	NIL	NIL	NIL	NIL	NIL	NIL	\$152,603
	2011	\$115,962	NIL	\$138,988	\$58,750	NIL	NIL	NIL	\$313,700
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Moore Chief Operating Officer	2012	\$210,000	NIL	NIL	\$50,000	NIL	NIL	NIL	\$260,000
	2011	\$202,500	NIL	\$35,065	\$102,500	NIL	NIL	\$65,842 ⁽⁹⁾	\$405,907
	2010	\$195,000	NIL	\$25,664	\$30,000	NIL	NIL	\$42,188	\$292,852
John R. Sullivan Vice-President Exploration	2012	\$191,662	NIL	NIL	\$50,000	NIL	NIL	NIL	\$241,662
	2011	\$180,000	NIL	\$35,065	\$54,000	NIL	NIL	\$22,846 ⁽⁹⁾	\$291,911
	2010	\$180,000	NIL	\$25,664	\$25,000	NIL	NIL	NIL	\$230,664

Notes:

- (1) The values reported represent an estimate of the grant date fair market value of the options awarded during the year. For 2012, the fair value was estimated at the grant date based on the Black-Scholes option pricing model assuming a risk-free interest rate of 1.28%, no dividend yield, expected life of 5 years and an expected price volatility of 91.57%. For 2011, the fair value was estimated at the grant date based on the Black-Scholes option pricing model assuming a risk free-interest rate of 2.21%, no dividend yield, expected life of 5 years, and an expected price volatility of 94.85%. For 2010, the fair value was estimated at the grant date based on the Black-Scholes option pricing model assuming a risk-free interest rate of 2.42%, no dividend yield, expected life of 5 years and an expected price volatility of 96.97%. The calculation of fair market value is based on the Black-Scholes pricing model, selected as it is widely used in estimating option-based compensation values by Canadian public companies. The Black-Scholes model is a pricing model which may or may not reflect the annual value of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Annual Incentive Plan awards granted in December 2012 were paid in 2013.
- (3) Mr. Crossgrove was Chief Executive Officer from April 6, 2008 to July 18, 2011 and from May 31, 2012 to present.
- (4) Mr. Cahill was appointed Executive Vice President on July 23, 2012 and President on November 15, 2012 at an annual base salary of \$240,000. Total compensation includes option-based awards granted at the time he joined the Corporation.
- (5) Mr. Mr. Wyeth was appointed Chief Executive Officer on July 18, 2011 at an annual base salary of \$300,000. Total compensation includes option-based awards granted at the time he joined the Corporation. He resigned as Chief Executive Officer effective May 31, 2012. "All Other Compensation" for Mr. Wyeth represents a severance payment upon his resignation.
- (6) Dhadwar was appointed Chief Financial Officer on August 10, 2012 at an annual base salary of \$150,000, subsequently raised to \$180,000. He was previously Controller of the Corporation, since 2010.

⁽⁷⁾ Mr. Poad was appointed Chief Financial Officer on June 27, 2011 at an annual base salary of \$225,000. Total compensation includes option-based awards granted at the time he joined the Corporation. He resigned as Chief Financial Officer on August 10, 2012 and ceased employment on August 31, 2012.

⁽⁸⁾ "All Other Compensation" for Mr. Crossgrove represents accommodation allowance and personal travel expense.

⁽⁹⁾ "All Other Compensation" for Mr. Moore and Mr. Sullivan represent payouts for unused vacation entitlement for 2011 and prior years, as applicable.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth, for each Named Executive Officer, all option-based awards outstanding as at December 31, 2012. There were no share-based awards outstanding for the Named Executive Officers. The closing price of the Common Shares on the TSX on December 31, 2012 was \$0.56.

Name	Option Based Award			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Peter A. Crossgrove ⁽²⁾	200,000	\$1.07	Jul 8, 2013	NIL
	250,000	\$0.19	Dec 11, 2013	\$92,500
	450,000	\$0.56	Dec 11, 2014	NIL
	750,000	\$0.98	Dec 16, 2015	NIL
	100,000	\$0.81	Aug 12, 2016	NIL
	200,000	\$0.62	Jun 6, 2017	NIL
Brendan Cahill	500,000	\$0.50	Jul 23, 2017	\$30,000
Jeremy L. Wyeth	NIL	NIL	NIL	NIL
Rupy Dhadwar	100,000	\$0.98	Dec 16, 2015	NIL
	50,000	\$0.50	Dec 15, 2016	\$3,000
Steven W.E. Poad	NIL	NIL	NIL	NIL
Robert Moore	50,000	\$0.60	Oct 21, 2014	NIL
	250,000	\$0.56	Dec 11, 2014	NIL
	100,000	\$0.98	Dec 16, 2015	NIL
	100,000	\$0.50	Dec 15, 2016	\$6,000
John R. Sullivan	250,000	\$1.58	Jan 4, 2013	NIL
	250,000	\$0.56	Dec 11, 2014	NIL
	100,000	\$0.98	Dec 16, 2015	NIL
	100,000	\$0.50	Dec 15, 2016	\$6,000

Notes:

⁽¹⁾ The "Value of unexercised in-the-money options" reflects the aggregate dollar amount of (vested and unvested) unexercised in-the-money options held at the end of the year. The amount is calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2012 (\$0.56) and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

⁽²⁾ Mr. Crossgrove received these options in his capacity as a director of the Corporation.

Value Vested or Earned During the Year

For the year ended December 31, 2012, the following table sets forth for each Named Executive Officer the value that would have been realized if the option-based incentive plan awards had been exercised on their vesting date, and the value earned under the non-equity incentive plan. There were no share-based awards for which there was a value that vested during 2012.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) ⁽²⁾
Peter A. Crossgrove	NIL	\$120,000
Brendan Cahill	NIL	\$40,000
Jeremy L. Wyeth	NIL	NIL
Rupy Dhadwar	\$500	\$35,000
Steven W.E. Poad	\$1,000	NIL
Robert Moore	\$1,000	\$50,000
John R. Sullivan	\$1,000	\$50,000

Notes:

- ⁽¹⁾ The value of options which vested during the fiscal year ended December 31, 2012 was calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- ⁽²⁾ Figures represent the bonus paid to each Named Executive Officer for 2012, which amounts were paid in 2013.

Employment Agreements

Of the Named Executive Officers, the Corporation has employment agreements in place with its President, Chief Financial Officer and Chief Operating Officer. All of the executive employment agreements provide for base salary, discretionary bonuses and stock option awards as approved by the Board, paid vacation and enrolment in the Corporation's benefits plan, which benefits are generally available to all employees of the Corporation, and provide payment on termination without just cause or in the event of change of control of the Corporation as described below.

Termination and Change of Control Benefits

“Change of Control” for the Corporation is defined in the Corporation's employment agreements with certain of its Named Executive Officers (other than the President) and in the letter agreements with its Executive Chairman and the Vice President, Exploration, as:

- (a) the completion of a transaction or series of transactions constituting an acquisition, merger, amalgamation, consolidation, transfer, sale arrangement, reorganization, recapitalization, reconstruction or other similar event by virtue of which the shareholders of the Corporation immediately prior to such transaction or series of transactions hold less than 50% of the voting Common Shares or successor company following completion of such transaction or series of transactions; or
- (b) the disposal of all or substantially all of the assets of the Corporation; or
- (c) a transaction or series of transactions, as a result of which a majority of the directors of the Corporation are removed from office at any annual or special meeting of shareholders, or a majority of the directors of the Corporation resign from office over a period of 60 days or less, and the vacancies created thereby are filled by nominees proposed by any person other than directors or management of the Corporation in place immediately prior to the removal or resignation of the directors.

In the case of the President, a “Change of Control” is defined as follows:

- (a) the completion of a transaction or series of transactions constituting an acquisition, merger, amalgamation, consolidation, transfer, sale, arrangement, reorganization, recapitalization, reconstruction or other similar

event by virtue of which the shareholders of the Corporation immediately prior to such transaction or series of transactions hold less than 60% of the voting Common Shares or successor company following completion of such transaction or series of transactions, or

- (b) the disposition of all or substantially all of the business or assets of the Corporation to another person or persons pursuant to one or a series of transactions,
- (c) a transaction or series of transactions as a result of which a majority of the directors of the Corporation are removed from office at any annual or special meeting of shareholders, or a majority of the directors of the Corporation resign from office over a period of 60 days or less, and the vacancies created thereby are filled by nominees proposed by any person other than directors or management of the Corporation in place immediately prior to the removal or resignation of the directors,
- (d) at any time a person, directly or indirectly, beneficially owns more than thirty per cent (30%) of the voting Common Shares, or
- (e) at any time persons, acting jointly or in concert, directly or indirectly, beneficially own in the aggregate more than thirty per cent (30%) of the voting Common Shares.

Brendan Cahill, President and Chief Executive Officer: Under the terms of his employment agreement, within six months of a Change of Control, if Mr. Cahill's employment is terminated (whether with or without just cause) or he chooses to terminate his employment at his sole discretion, Mr. Cahill is entitled to receive a lump sum payment equal to three times the sum of (i) his base salary at the time of termination of employment plus (ii) the bonus paid to the Executive for the previous year. In addition, Mr. Cahill's group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of 12 months following termination and the day he commences employment with another employer. In the event of the termination of Mr. Cahill's employment without just cause either before or in the absence of a Change of Control or beyond a six month period following a Change of Control, Mr. Cahill is entitled to receive a lump sum payment of two times his base salary.

Rupy Dhadwar, Chief Financial Officer: Under the terms of his employment agreement, within six months of a Change of Control, if Mr. Dhadwar's employment is terminated without just cause or he chooses to terminate his employment at his sole discretion, Mr. Dhadwar is entitled to receive a lump sum payment equal to three years' base salary. In addition, Mr. Dhadwar's group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of 12 months following termination and the day he commences employment with another employer. In the event of the termination of Mr. Dhadwar's employment without just cause either before or in the absence of a Change of Control or beyond a six month period following a Change of Control, Mr. Dhadwar is entitled to receive a lump sum payment of two times his base salary.

Robert Moore, Chief Operating Officer: Under the terms of his employment agreement, as amended, Mr. Moore is entitled to receive a lump sum payment equal to three years base salary in the event of a Change of Control of the Corporation and his employment is terminated by the Corporation without just cause or by Mr. Moore within one year of a Change in Control, plus the lesser of (i) the amount of the last bonus paid to Mr. Moore, if any; and (ii) the average of the bonus earned (if any) for the three years preceding termination. In addition, Mr. Moore's group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of 12 months following termination and the day he commences employment with another employer. In the event of termination of Mr. Moore's employment by the Corporation without just cause either before or in the absence of a Change of Control or beyond a one year period following a Change of Control, Mr. Moore is entitled to receive notice of termination or payment of base salary in lieu of all or part thereof equal to one months' salary for each year of service, with a minimum of three months and a maximum of twelve months. In addition, Mr. Moore's group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of the end of the notice period or the day he commences employment with another employer.

The Corporation has the following letter agreements with its remaining Named Executive Officers regarding termination or change of control as follows:

Peter Crossgrove, Executive Chairman: Pursuant to the terms of a letter agreement, Mr. Crossgrove is entitled to receive eighteen months' base salary in the event of a Change of Control of the Corporation and his employment is terminated by the Corporation without just cause or by Mr. Crossgrove within six months of a Change of Control, plus the lesser of (i) the amount of the last bonus paid to Mr. Crossgrove, if any; and (ii) the average of the bonus earned (if any) for the three years preceding termination. In addition, Mr. Crossgrove's group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of 12 months following termination and the day he commences employment with another employer. In the event of termination of Mr. Crossgrove's employment by the Corporation without cause either before or in the absence of a Change of Control or beyond a six month period following a Change of Control, Mr. Crossgrove is entitled to receive notice of termination or payment of base salary in lieu of all or part thereof equal to one months' salary for each year of service, with a minimum of three months and a maximum of twelve months. In addition, Mr. Crossgrove's group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of the end of the notice period or the day he commences employment with another employer.

John Sullivan, Vice President Exploration: Pursuant to the terms of a letter agreement, Mr. Sullivan is entitled to receive three years' base salary in the event of a Change of Control of the Corporation and his employment is terminated by the Corporation without just cause or by Mr. Sullivan within six months of a Change in Control, plus the lesser of (i) the amount of the last bonus paid to Mr. Sullivan, if any; and (ii) the average of the bonus earned (if any) for the three years preceding termination. In addition, Mr. Sullivan's group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of 12 months following termination and the day he commences employment with another employer. In the event of termination of Mr. Sullivan's employment by the Corporation without cause either before or in the absence of a Change of Control or beyond a six month period following a Change of Control, Mr. Sullivan is entitled to receive notice of termination or the payment of base salary in lieu of all or part thereof equal to one months' salary for each year of service, with a minimum of three months and a maximum of twelve months. In addition, Mr. Sullivan's group insurance benefit coverage, other than long and short-term disability, will continue until the earlier of the end of the notice period or the day he commences employment with another employer.

The table below sets out the estimated incremental payments, payables and benefits due to each of the Named Executive Officers for termination on a change of control, assuming termination on December 31, 2012:

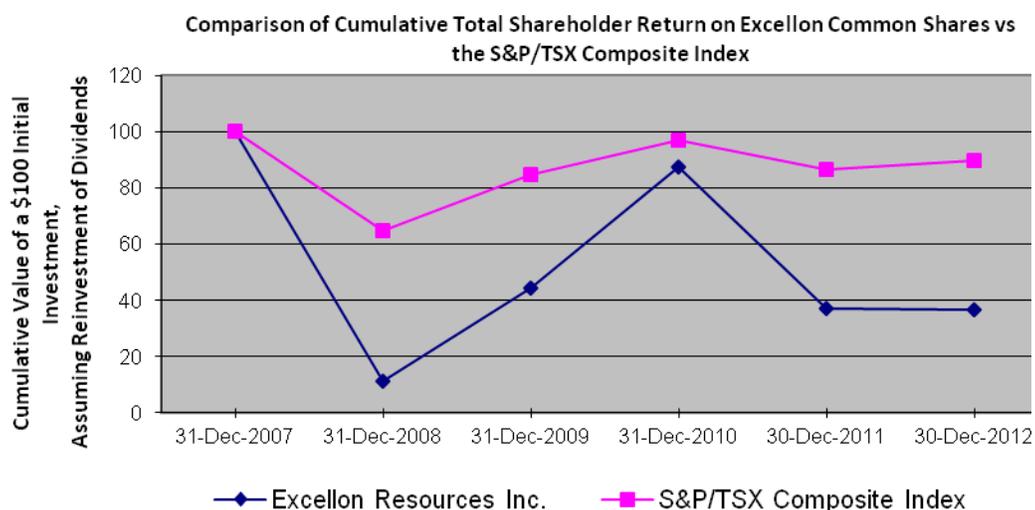
Name	Triggering Event	Base Salary \$	Value of Option- Based Awards if Exercised on Termination ⁽¹⁾ \$	All Other Compensation ⁽³⁾ \$	Total \$
Brendan Cahill	Change of Control	\$720,000	\$6,000	\$40,000	\$766,000
	Termination without just cause	\$480,000	\$6,000	NIL	\$486,000
Rupy Dhadwar	Change of Control	\$540,000	\$3,000	NIL	\$543,000
	Termination without just cause	\$360,000	\$3,000	NIL	\$363,000
Robert Moore	Change of Control	\$675,000	\$6,000	\$50,000	\$731,000
	Termination without just cause	\$75,000	\$6,000	NIL	\$81,000
Peter Crossgrove	Change of Control	\$360,000	\$92,500	\$200,000 ⁽²⁾	\$652,500
	Termination without just cause	\$100,000	\$92,500	NIL	\$192,500
John Sullivan	Change of Control	\$600,000	\$6,000	\$43,000	\$649,000
	Termination without just cause	\$100,000	\$6,000	NIL	\$106,000

Notes:

- (1) The value of unexercised options was calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2012 (\$0.56) and the exercise price of the options. Where the difference is negative, the options are not in-the-money and no value is reported. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) This amount represents the average bonus paid to Mr. Crossgrove during the three preceding years.
- (3) The amount payable for continuing benefit coverage is dependent upon the Named Executive Officer obtaining alternative employment within the time period discussed above and cannot be determined at this time.

Performance Graph

The following graph compares the yearly change in the cumulative total shareholder return over the five most recently completed financial years, assuming a \$100 investment in the Common Shares on January 1, 2008 against the return of the S&P/TSX Composite Total Return Index, assuming the reinvestment of dividends, where applicable, for the comparable period. The Common Shares were originally listed on the TSX Venture Exchange and the listing graduated to the Toronto Stock Exchange on February 4, 2008.



	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12
Excellon Resources Inc.	\$100	\$11	\$44	\$88	\$37	\$37
S&P/TSX Composite Index	\$100	\$65	\$85	\$97	\$86	\$90

The S&P/TSX Composite Index is an index of the stock prices of the largest companies on the TSX as measured by market capitalization. Stocks included in this index cover all sectors of the economy and the S&P/TSX Composite Index has traditionally been heavily weighted towards financial stocks. In addition, global commodity prices, world economic conditions, and general market conditions are significant factors affecting stock market performance, which are beyond the control of the Corporation's officers.

As discussed above, compensation for the Corporation's Named Executive Officers is comprised of different elements. These include elements relating to factors that do not directly correlate to the market price of the Common Shares, such as base salary, as well as elements that more closely correlate to the Corporation's performance and financial condition, such as short-term and long term-incentives. The elements of executive compensation are designed to attract and retain top quality executives to manage and grow the business through both adverse and favourable economic cycles. Stock options form an important component of the initial compensation package offered to attract qualified individuals to a position and the number of stock options granted varies with the position level. The Corporation has undergone a number of changes in its executive team over the five-year period. During the fiscal year ended December 31, 2012, the Corporation reappointed Mr. Crossgrove as interim Chief Executive Officer, appointed a new Executive Vice President (subsequently President) and promoted the Corporation's Controller to the position of Chief Financial Officer. The Corporation's stock price performance fell short of expectations in 2012, partially due to market conditions that

have affected the precious metals sector as a whole, but primarily due to an illegal blockade of the Corporation's mining operation at La Platosa that was beyond Management's control. The Compensation Committee concluded that executives should receive short-term and long-term incentive grants in recognition of the achievements in 2012 and the importance of retaining key personnel in a competitive marketplace. As such, executive compensation has not been tied to share performance.

DIRECTORS COMPENSATION

Summary Compensation Table

The following table sets forth all compensation paid, awarded or earned by the non-executive directors of the Corporation during the year ended December 31, 2012.

Directors Compensation Table ⁽²⁾ ⁽³⁾							
Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
André Y Fortier	\$60,999	N/A	\$86,648	NIL	N/A	NIL	\$147,647
Alan R. McFarland	\$45,999	N/A	\$86,648	NIL	N/A	NIL	\$132,647
Timothy J. Ryan	\$90,000	N/A	\$86,648	NIL	N/A	NIL	\$176,648
Thor E. Eaton	\$44,499	N/A	\$86,648	NIL	N/A	NIL	\$131,147
Oliver Fernández	\$5,952	N/A	\$185,420	NIL	N/A	NIL	\$191,372

Notes:

- ⁽¹⁾ The values reported represent an estimate of the grant date fair market value of the options awarded during the year. For 2012, the fair value was estimated at the grant date based on the Black-Scholes option pricing model assuming a risk-free interest rate of 1.28%, no dividend yield, expected life of 5 years and an expected price volatility of 91.57%. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- ⁽²⁾ The table does not include any amount paid as reimbursement for travel, meals and accommodation expenses to attend Board and/or Committee meetings.
- ⁽³⁾ Compensation paid to Mr. Crossgrove, who serves as Executive Chairman, is disclosed in the Summary Compensation Table for the Named Executive Officers.

The Board, upon the recommendation of the Compensation Committee, has the responsibility of determining director compensation. The objective in determining such director compensation is to ensure that the Corporation can attract and retain experienced and qualified individuals to serve as directors. The Corporation compensates its non-executive directors through the payment of directors fees (on an annual retainer, committee chair, committee member, and per meeting attendance basis) and through the grant of incentive stock options. The non-executive directors receive the following annual retainers and other fees for their services as directors:

	Fiscal Year 2012
Director Retainer (base)	\$24,000 (\$30,000 in 2013)
Audit Committee Chair (additional retainer)	\$10,000 (\$15,000 in 2013)
Compensation Committee Chair (additional retainer)	\$7,000 (\$7,500 in 2013)
Other Committee Chair (additional retainer)	\$2,500 (\$5,000 in 2013)
Meeting Attendance Fee	\$1,500

All retainers are paid *pro rata* on a quarterly basis. Directors are also reimbursed for out-of-pocket expenses incurred in attending meetings and otherwise carrying out their duties as directors of the Corporation. In addition, Directors are eligible to participate in the Corporation's stock option plan, and historically the Corporation has granted options to members of the Board. As of the date of this Information Circular, the Corporation had awarded outstanding options to purchase 12,693,264 Common Shares, of which 4,350,000 have been granted to non-executive directors, representing approximately 34% of outstanding options.

Incentive Plan Awards

Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

The following table sets out for each non-executive director the option-based awards outstanding as of December 31, 2012. There were no share-based awards outstanding for the non-executive directors. The closing price of the Common Shares on the TSX on December 31, 2012 was \$0.56.

Director Name	Option Based Award			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
André Y. Fortier	250,000	\$0.19	Dec 11, 2013	\$92,500
	250,000	\$0.56	Dec 11, 2014	NIL
	250,000	\$0.98	Dec 16, 2015	NIL
	100,000	\$0.81	Aug 12, 2016	NIL
	200,000	\$0.62	Jun 6, 2017	NIL
Alan R. McFarland	250,000	\$0.56	Dec 11, 2014	NIL
	250,000	\$0.98	Dec 16, 2015	NIL
	100,000	\$0.81	Aug 12, 2016	NIL
	200,000	\$0.62	Jun 6, 2017	NIL
Timothy J. Ryan	250,000	\$0.19	Dec 11, 2013	\$92,500
	250,000	\$0.56	Dec 11, 2014	NIL
	250,000	\$0.98	Dec 15, 2015	NIL
	100,000	\$0.81	Aug 12, 2016	NIL
	200,000	\$0.62	Jun 6, 2017	NIL
Thor E. Eaton	500,000	\$0.81	Aug 12, 2016	NIL
	200,000	\$0.62	Jun 6, 2017	NIL
Oliver Fernández ⁽²⁾	500,000	\$0.42	October 25, 2012	\$17,500

Notes:

- ⁽¹⁾ The value of unexercised in-the-money options reflects the aggregate dollar amount of (vested and unvested) unexercised options held at the end of the year. The amount is calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2012 (\$0.56) and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- ⁽²⁾ Mr. Fernández was appointed to the Board of Directors on October 25, 2012.

Value Vested or Earned During the Year

For the year ended December 31, 2012, the following table sets forth, for each non-executive Director, the value that would have been realized if the option-based incentive plan awards had been exercised on their vesting date. There were no share-based awards for which there was a value that vested, and no non-equity incentive plan compensation provided to non-executive directors in 2012.

Director Name (a)	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾ (b)	Share-Based Awards – Value Vested During the Year (\$) (c)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) (d)
André Y. Fortier	NIL	N/A	N/A
Alan R. McFarland	NIL	N/A	N/A
Timothy J. Ryan	NIL	N/A	N/A
Thor E. Eaton	NIL	N/A	N/A
Oliver Fernández ⁽²⁾	NIL	N/A	N/A

Notes:

- ⁽¹⁾ The value of options which vested during the fiscal year ended December 31, 2012 was calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options. The

options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

⁽²⁾ Mr. Fernández became a director on October 25, 2012.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table provides information regarding the Corporation's equity compensation plans as of December 31, 2012, under which securities of the Corporation are authorized for issuance to directors, officers, employees and consultants of the Corporation and its affiliates:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column "A") ⁽²⁾
Equity compensation plans approved by shareholders	12,246,984	\$0.85	15,270,963
Equity compensation plans not approved by shareholders	NIL	NIL	NIL
Total	12,246,984 ⁽¹⁾	\$0.85	15,270,963

Notes:

- ⁽¹⁾ Represents 4.5% of the number of Common Shares reserved for issuance upon exercise of outstanding options.
- ⁽²⁾ Represents the maximum number of securities available for future issuance in accordance with the provisions of the Stock Option Plan based on 10% of the number of issued and outstanding Common Shares as at December 31, 2012 minus the number of Common Shares reserved for issuance upon exercise of outstanding options.

Stock Option Plan

In 2004, the Board established an incentive stock option plan (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to attract and motivate directors, senior officers, employees, and others providing services to the Corporation and its subsidiaries (the "**Eligible Persons**"), and thereby advance the Corporation's interests, by affording such persons with an opportunity to acquire an equity interest in the Corporation through the issuance of stock options (the "**Options**"). The Corporation subsequently adopted an amended stock option plan, approved by shareholders of the Corporation on December 11, 2009 and which is the plan currently in effect, in order to bring the terms of the 2004 Stock Option Plan in line with current TSX policies.

The Stock Option Plan is administered by the Compensation Committee. Notwithstanding, the Board retains independent and concurrent power to undertake any action delegated to the Committee, whether with respect to the Plan as a whole or with respect to individual Options granted or to be granted under the Stock Option Plan.

The maximum number of Common Shares that may be reserved for issuance under the provisions of the Stock Option Plan is ten (10%) percent of the number of issued and outstanding Common Shares from time to time, provided that if any Option is exercised, forfeited, terminated, cancelled or expires for any reason whatsoever, then the maximum number of Common Shares for which Options may be granted shall be increased by the number of Common Shares which were exercised, forfeited, terminated, cancelled or expired. Every three years since the approval of the amended plan in 2007, all unallocated Options under the Stock Option Plan must be approved by a majority of the Board and the Corporation's shareholders for the ensuing three years.

As at March 26, 2013, 27,496,096 Options were authorized for issuance under the Stock Option Plan representing 10% of the issued and outstanding Common Shares on such date. Of the Options available for issuance, 12,693,264 Options had been granted to Eligible Persons under the Stock Option Plan (the "Optionees"), representing 4.62% of the issued and outstanding Common Shares. The principal terms of the Stock Option Plan are as follows:

The aggregate number of Common Shares reserved for issuance pursuant to Options granted to (a) insiders may not exceed (i) 10% of the issued Common Shares at the time of grant, or (ii) 10% of the issued Common Shares in any 12 month period; and (b) any one individual in any one-year period may not exceed 5% of the issued

Common Shares; in each case calculated as at the date of grant of the Option, including all other Common Shares under option to such person at that time.

Exercise Price: The exercise price of an Option shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the day on which the Option is granted (provided that if there are no trades on such day then the last closing price within the preceding ten trading days will be used, and if there are no trades within such ten-day period, then the simple average of the bid and ask prices on the trading day immediately preceding the day of grant will be used).

Term: Options may be exercisable for a period determined at the time of grant of up to a maximum of 10 years from the date of grant.

Vesting: The vesting period of all Options shall be as determined by the Board at the time of grant.

Termination of Options: In the event of an Optionee ceasing to be a director, officer, employee or service provider of the Corporation for any reason other than death (including resignation, retirement or termination without just cause) prior to the expiry time of an Option, such Option shall cease and terminate on the earlier of i) the expiry time of such Option, ii) the 30th day following the effective date of such resignation or retirement, or iii) the date notice of termination of employment is given or received by the Corporation. In the event of termination for cause, such Option shall terminate immediately upon the date notice of termination of employment for cause is given by the Corporation. In the event of the death of an Optionee, Options held by the Optionee at the time of death which were exercisable may be exercised by the Optionee's legal representatives at any time up to and including (but not after) the earlier of the date that is six (6) months following the date of death of the Optionee and the expiry time of such Option.

Non-Assignability: Neither the Options granted under the Stock Option Plan nor the benefits and rights of any Optionee under any Option shall be assignable or transferable except as specifically provided in the event of the death of the Optionee.

Amendments and Termination of the Stock Option Plan: The Board may, subject to the approval of the TSX, terminate, suspend or discontinue the Stock Option Plan at any time and may make the following amendments or revisions to the terms of the Stock Option Plan or an Option without the approval of the Corporation's shareholders: (a) amendments of a "housekeeping" nature; (b) a change to the vesting provisions of an Option or the Stock Option Plan; (c) a change to the termination provisions of an Option or the Stock Option Plan that does not entail an extension beyond maximum option period; (d) the addition of, and any subsequent amendment to, a cashless exercise feature, payable in cash or securities; (e) a modification of the requirements as to eligibility for participation in the Stock Option Plan; and (f) the addition of, and any subsequent amendment to, a financial assistance provision.

The approval of the Board and the requisite approval from the TSX and the Corporation's shareholders shall be required for any of the following amendments to be made to the Stock Option Plan:

- (a) any amendment to increase the number of Common Shares issuable under the Stock Option Plan, including an change in the fixed maximum percentage of Common Shares;
- (b) a reduction in the exercise price of an Option prior to its expiry benefitting an insider of the Corporation;
- (c) an increase in the maximum number of Common Shares that may be issued to insiders within any one year period or that are issuable to insiders at any time;
- (d) an extension of the term of an Option held by or benefitting an insider beyond the original expiry date (except, for greater certainty, in cases of blackout period in conformity with the terms of the Stock Option Plan);
- (e) any amendment to remove or exceed the insider participation limit as provided in the Stock Option Plan;
- (f) any amendment to an amending provision within the Stock Option Plan; and

- (g) any amendments that may lead to a significant or unreasonable dilution in the outstanding Common Shares or may provide additional benefits to participants, especially insiders, at the expense of the Corporation and its shareholders.

In April 2011, the Board approved an administrative amendment to the Stock Option Plan to include provisions relating to tax withholding and remittance obligations of the Corporation on the exercise of Options by Stock Option Plan participants, in accordance with recent changes to payroll remittance requirements under the *Income Tax Act* (Canada). In accordance with the terms of the Stock Option Plan and the policies of the TSX, the addition of withholding tax provisions to the Stock Option Plan did not require shareholder approval. During 2012, the Board approved an amendment to the Stock Option Plan to remove the Plan's expiration date, which was subsequently approved by the TSX and the Corporation's shareholders.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the year ended December 31, 2012 (being the Corporation's last completed financial year), was any director, executive officer, employee, proposed management nominee for election as a director of the Corporation or any associate of any such director, executive officer, or proposed management nominee of the Corporation or any former director, executive officer or employee of the Corporation or any of its subsidiaries, indebted to the Corporation or any of its subsidiaries or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than for routine indebtedness

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in National Instrument 51-102), proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director of the Corporation has, since January 1, 2012 (being the commencement of the Corporation's last completed financial year), had any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Corporation or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers, such as the Corporation, to provide disclosure with respect to their corporate governance practices in accordance with Form 58-101F1. The required disclosure for the Corporation is set out below.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision making. NI 58-101 and NP 58-201 establish corporate governance practices, guidelines and disclosure procedures that apply to all public companies. NI 58-101 mandates disclosure of corporate governance practices in Form 58-101F1, which disclosure is set out below.

Board of Directors

The Board is currently composed of six (6) directors, the majority being independent directors, as follows:

Name	Position	Independent/Non Independent
Peter A. Crossgrove	Director, Executive Chairman & CEO	Non-Independent
Thor E. Eaton	Director	Independent
André Y. Fortier	Director	Independent
Alan R. McFarland	Director	Independent
Timothy J. Ryan	Director	Independent
Oliver Fernández	Director	Independent

NP 58-201 states that the Board of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Corporation. “Material relationship” is defined as a relationship that could, in the view of the Corporation’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the proposed nominees, all except Peter A. Crossgrove, who currently serves as the Corporation’s Executive Chairman and Chief Executive Officer, and Brendan Cahill, who currently serves as the Corporation’s President, are considered by the Board to be “independent” within the meaning of applicable securities legislation. In making the foregoing determinations with respect to the independence of each of the Corporation’s individual directors, the circumstances of each director have been examined in relation to a number of factors, including a review of the resumé of the directors and the corporate relationships and other directorships held by each of them and their prior involvement (if any) with management of the Corporation.

Meetings of Independent Directors

Each meeting of the Board includes a session whereby independent members may meet in the absence of management. Independent directors are also free to meet separately at any time or to require management to withdraw during certain discussions. Additionally, the Audit Committee, Nominating and Corporate Governance Committee, Compensation Committee and Health, Safety & Environmental Committee are each composed entirely of independent directors and may meet as often as deemed necessary.

Other Directorships

Certain of the Corporation’s current or proposed directors are presently on the boards of other public companies as follows (with the committees on which they serve in brackets):

Name	Committees
Peter A. Crossgrove Director, Executive Chairman	Detour Gold Corporation (Audit; Environmental, Health and Safety) Lake Shore Gold Corp. (Compensation; Corporate Governance and Nominating (Chair)) Pelangio Exploration Inc. (Compensation Committee) Nordex Explosives Ltd. (Audit) Dundee REIT (Audit; Compensation; Governance and Environmental (Chair)) Dundee Industrial REIT (Audit; Governance and Environmental)
Ned Goodman Candidate Director	Dundee Corporation Dundee REIT (Investment) Dundee International REIT (Executive) Dundee Energy Limited (Executive) Corona Gold Corporation 360 VOX Corporation Eurogas International Inc. (Compensation) Ryan Gold Corp.
Joanne Ferstman Candidate Director	Aimia Inc. (Human Resources and Compensation (Chair); Audit) Dundee Industrial REIT (Chair) (Executive) Dundee REIT

Board and Committee Meetings

The Board generally meets a minimum of four times per year, at least every quarter. The independent directors regularly meet in-camera, without management present, during each Board and Committee meeting. The Audit Committee meets at least four times per year. The Nominating and Corporate Governance Committee, Compensation Committee and the Health, Safety & Environmental Committee meet as deemed necessary. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which the Corporation faces from time to time. During the year ended December 31, 2012, the Board held eight meetings, the Audit Committee held five meetings and the Compensation Committee held one meeting. A following is a summary of Director attendance at Board and Committee Meetings held in 2012.

Name	Board Meetings	Audit Committee Meetings	Nominating & Corporate Governance Committee	Compensation Committee	HS&E Committee
Peter A. Crossgrove	8 of 8	N/A	N/A	N/A	N/A
Thor E. Eaton	7 of 8	4 of 5	N/A	1 of 1	N/A
André Y. Fortier	8 of 8	5 of 5	N/A	1 of 1	N/A
Alan R. McFarland	8 of 8	5 of 5	N/A	N/A	N/A
Timothy J. Ryan	8 of 8	5 of 5	N/A	1 of 1	N/A
Oliver Fernández ⁽¹⁾	1 of 2	1 of 2	N/A	N/A	N/A

Notes:

⁽¹⁾ Mr. Fernández was appointed to the Board on October 25, 2012.

Board Mandate

The Board has adopted a Charter of the Board of Directors (the “**Charter**”), the full text of which is included as Schedule “A” to this Circular. A copy of the Charter is also available on the Corporation’s website at www.excellonresources.com.

Position Descriptions

The Board believes that its proposed composition, in which only two of nine members are currently a member of management, is sufficient to ensure that the Board can function independently of management and does not consider it necessary to have any formal structures or procedures in place to ensure that it functions independent of management. The Board has not developed written position descriptions for the Executive Chairman or the Chief Executive Officer; however, the Board looks to the Executive Chairman and the Chair of the Audit Committee to play the lead role in ensuring that the respective mandates are fulfilled. The Board has adopted written position descriptions for the chairs of the Board Committees.

Orientation and Continuing Education

All new directors are provided with comprehensive information about Excellon and its subsidiaries. Directors have the opportunity to meet with senior management to obtain insight into the operations of Excellon and its subsidiaries. New directors are briefed on the Corporation’s current property holdings, ongoing exploration programs and mining operations, overall strategic plans, short, medium and long term corporate objectives, financials status, general business risks and mitigation strategies, and existing company policies. Senior management also makes regular presentations to the Board at its meetings and all directors are encouraged to communicate directly with management and other staff. Directors are invited to tour the Corporation’s Platosa and Miguel Auza facilities in Mexico and to meet with the on-site management team to familiarize themselves with the Corporation’s operations. This informal process is considered to be appropriate given the Corporation’s size, current level of operations, and the ongoing interaction amongst the directors.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly in the natural resource sector and involving non-Canadian mineral properties. It is the Corporation's view that all current members of the Board are well-versed and educated in the factors critical to the success of Excellon. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Board.

Ethical Business Conduct

The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives. To this end, in October 2006 the Board adopted a "Code of Business Conduct and Ethics" (the "**Code**") for its directors, officers and employees and, in appropriate cases, consultants. Interested shareholders may obtain a copy by written request to the Corporation or by visiting the Corporation's website at www.excellonresources.com. Pursuant to the Code, the Corporation has appointed its Chief Financial Officer to serve as the Corporation's Ethics Officer to ensure adherence to the Code, reporting directly to the Board. A review of the Code is included in the orientation of new employees. To ensure familiarity with the Code, directors, officers and employees are asked to read the Code and sign a compliance certificate annually (in connection with the preparation and filing of its annual audited financial statements and annual general meeting materials).

In addition to the provisions of the Code, directors and senior officers are bound by the provisions of the Corporation's articles and the OBCA which sets forth resolutions for any conflicts of interest. In particular, any director who has a material interest in a particular transaction is required to disclose such interest and to refrain from voting with respect to the approval of any such transaction.

Since adoption of the Code in October 2006, there have not been any material change reports filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Whistleblower Policy

In November 2011 the Board adopted a Whistleblower Policy, which establishes procedures that allow employees of the Corporation to confidentially and anonymously submit their concerns to members of the Audit Committee of the Board regarding questionable accounting, internal accounting controls, auditing matters or items which breach the Code, without fear of retaliation. Directors, officers and employees are required to report any known violations of the Code to the Chair of the Audit Committee. The Committee is responsible for investigating and resolving all reported complaints made pursuant to this policy, and may retain independent legal counsel, accountants or other advisers to assist it in its investigations. The Chairman of the Audit Committee will acknowledge receipt of any reported alleged irregularity with the sender (other than anonymous submissions) within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. A copy of the policy is available on the Corporation's website at www.excellonresources.com.

Share Trading Policy

In October 2006, the Board also adopted a Share Trading Policy which prescribes rules with respect to trading in securities of the Corporation where there is any undisclosed material information or a pending material development. Strict compliance with the provisions of this policy is required, with a view to enhancing investor confidence in the Corporation's securities and contributing to ethical business conduct by the Corporation's personnel. A copy of the policy is available on the Corporation's website at www.excellonresources.com.

Disclosure Policy

The Board adopted a written disclosure policy in October 2008. The purpose of the disclosure policy is to ensure that all required disclosures are made on a timely and broadly disseminated basis and is factual and accurate. The disclosure policy documents these requirements which are intended to ensure compliance with the rules and regulations applicable to public companies and should be read in conjunction with the Share Trading Policy. The Disclosure Committee (comprised of the members of management) is responsible for overseeing and monitoring disclosure processes and practices within the Corporation. The Chief Executive Officer is responsible for ensuring the proper, coordinated disclosure of material information by the Corporation on a timely basis. A copy of the policy is available on the Corporation's website at www.excellonresources.com.

Committees of the Board

Audit Committee

The purpose of the Corporation'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 Corporation's process for monitoring compliance with laws and regulations and the Code. A description of the Audit Committee's responsibilities, the education and experience of its members, and a copy of the Corporation's Audit Committee Charter is contained in the Corporation's Annual Information Form for the fiscal year ended December 31, 2012, a copy of which is available on the Corporation's profile on SEDAR at www.sedar.com, and is also available on the Corporation's website at www.excellonresources.com.

The members of the Audit Committee are Timothy J. Ryan (Chairman), André Y. Fortier, Alan R. McFarland and Thor Eaton and Oliver Fernández. All current members of the Audit Committee meet the independence criteria set out in NI 52-110.

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

Nominating & Corporate Governance Committee

The role of the Nominating & Corporate Governance Committee ("NCGC") is to (1) develop and monitor the effectiveness of the Corporation's system of corporate governance; (2) establish procedures for the identification of new nominees to the Board and lead the candidate selection process; (3) develop and implement orientation procedures for new directors; (4) assess the effectiveness of directors, the Board and the various committees of the Board; (5) ensure appropriate corporate governance and the proper delineation of the roles, duties and responsibilities of management, the Board and its committees; and (6) assist the Board in setting the objectives of the Chief Executive Officer and evaluating the performance of the Chief Executive Officer.

The committee is responsible for reviewing proposals for new nominees to the Board and conducting such background reviews, assessments, interviews and other procedures as it believes necessary to ascertain the suitability of a particular nominee. The selection of potential nominees for review by the NCGC is generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and with the Chief Executive Officer, and are usually based upon the desire to have a specific set of skills or expertise included on the Board. The appointment of new directors (either to fill vacancies or to add additional directors as permitted by applicable corporate legislation) or the nomination for election as a director of a person not currently a director by the shareholders at an annual general meeting is carried out by the Board, based on the recommendation of the NCGC. Prior to proceeding with the nomination for appointment or election as a director, potential nominees are advised of the expectations for the commitment of time and resources necessary to serve as an effective director of the Corporation.

The Board has reviewed the overall expertise and skills of the Board as a whole, and does not consider it necessary, at this time, to add any additional directors, as it has not identified any particular skill set or expertise which it believes is lacking from the Board (as a whole).

The NCGC is comprised of Messrs. Alan McFarland (Chair), Thor Eaton and Timothy Ryan, each of whom is an independent director. The committee has a written charter (adopted October 25, 2006).

Compensation Committee

The Compensation Committee recommends compensation policies to the Board and sets the compensation of the Chief Executive Officer of the Corporation. The committee's guiding philosophy is to establish executive compensation based on corporate and individual performance.

The Compensation Committee has a written charter (adopted on October 25, 2006). The overall purpose of the Compensation Committee is to implement and oversee human resources and compensation policies and best practices for recommendation to the Board for approval and implementation. The responsibilities of the Compensation Committee generally include: (1) recommending human resources and compensation policies to the Board for approval and thereafter implementing such policies; (2) ensuring the Corporation has programs in place to attract and develop management of the highest calibre and a process to provide for the orderly succession of management; (3) assessing and reporting to the Board on the performance of the Chief Executive Officer; (4) reviewing the compensation of the Chief Executive Officer and other officers and members of the Board and making recommendations in respect thereof to the Board; (5) reviewing and approving any proposed amendments to the Corporation's Stock Option Plan; and (6) making recommendations to the Board concerning Option grants.

The members of the Compensation Committee are Messrs. André Fortier (Chair), Thor Eaton and Timothy Ryan, each of whom is an independent director.

Other Board Committees

Health, Safety and Environmental Committee

The overall purpose of the Health, Safety and Environmental Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's continuing commitment to improving the environment and ensuring that its activities are carried out, and that its facilities are operated and maintained, in a safe and environmentally sound manner. The primary function of the Health, Safety and Environmental Committee is to monitor, review and provide oversight with respect to the Corporation's policies, standards, accountabilities and programs relative to health, safety and environmental-related matters. The committee will also advise the Board and make recommendations for the Board's consideration regarding health, safety and environmental-related issues. Members of the Health, Safety and Environmental Committee visit the Corporation's Platosa property periodically to review the health, safety and environmental aspects of the operation, and meet with the on-site individual(s) responsible for the Corporation's health and safety program and environmental compliance at the mine. Messrs. Eaton and Fernández visited the Platosa property during late 2012 and early 2013, respectively, on behalf of the Committee.

The Health, Safety and Environmental Committee is comprised of Thor Eaton (Chair), André Fortier, Alan McFarland and Oliver Fernández, each of whom is an independent director. The Health, Safety and Environmental Committee has a written charter (adopted October 25, 2006).

Assessments

The Nominating and Corporate Governance Committee has, as part of its mandate, the responsibility for overseeing an annual evaluation process to ensure that each member of the Board, the committees, the Executive Chairman and the other directors are assessed annually in light of their relevant terms of reference. Directors complete a number of evaluation questions with respect to performance of the Chief Executive Officer, the effectiveness of Board as a whole, the individual committees of the Board and individual directors, and include a self-assessment of performance. The assessments are done by way of a confidential questionnaire distributed by the Corporate Secretary. Responses are returned to the Corporate Secretary with the results tallied on an anonymous basis. Cumulative results of the evaluation are analyzed by the committee and presented to the Board, which considers the results and any recommendation of actions needed to be undertaken to the Board's processes, composition or committee structure.

ADDITIONAL INFORMATION

Additional information regarding the Corporation and its business activities is available under the Corporation's profile on the SEDAR website located at www.sedar.com. The Corporation's financial information is provided in the Corporation's audited consolidated financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the Corporation's profile on the SEDAR website at www.sedar.com and on the Corporation's website at www.excellonresources.com. Shareholders of the Corporation may also request copies of the Corporation's consolidated financial statements and related management discussion and analysis by contacting the Chief Financial Officer, at the Corporation's principal office located at 20 Victoria Street, Suite 900, Toronto, Ontario, Canada M5C 2N8.

SCHEDULE “A”

EXCELLON RESOURCES INC.

CHARTER OF THE BOARD OF DIRECTORS

The Board of Directors (the “**Board**”) of Excellon Resources Inc. (the “**Company**”) is responsible for the stewardship of the Company, to oversee the management of the business and affairs of the Company, to act in the best interest of the Company, and to perform such duties and approve certain matters as may be required by applicable legislation and regulations.

The Board will conduct the procedures and manage the duties and responsibilities set out below, either directly or through committees of the Board. The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee, the Nominating & Corporate Governance Committee, the Compensation Committee, and the Health, Safety & Environmental Committee. Special committees will be established from time to time to assist the Board in connection with specific matters. The Board discharges its responsibility by delegating the day to day management of the Company to senior officers. The Board relies on senior officers to keep it apprised of all significant developments affecting the Company and its operations through its Executive Chairman.

DUTIES AND RESPONSIBILITIES

The Board’s duties and responsibilities shall include:

1. To the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers of the Company, and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the Company;
2. The adoption of a strategic planning process and approving, on an annual basis, a strategic plan for the Company developed and proposed by management which takes into account, among other things, the opportunities and risks of the business;
3. The identification of principal risks of the Company’s business and ensuring the implementation of appropriate systems to manage such risks;
4. Ensuring that appropriate succession planning for executive officers of the Company and members of the Board is in place including appointing, training and monitoring senior management;
5. The adoption of a communication/disclosure policy for the Company to address the accuracy and timing of disclosure of material information;
6. Insuring the integrity of the Company’s internal control and management information system;
7. Development of the Company’s approach to corporate governance, including the development of corporate policies, principles and guidelines that are specifically applicable to the Company;
8. The adoption of a written code of business conduct and ethics applicable to directors, officers and employees of the Company designed to promote integrity and to deter wrongdoing, and monitoring compliance with the code.

COMPOSITION OF THE BOARD

The directors of the Company shall be elected at each annual meeting of the shareholders of the Company and shall serve until the next annual meeting of shareholders or until their successors are elected.

A majority of the Board shall be “independent” within the meaning of applicable securities laws, instruments, rules and policies, stock exchange and regulatory requirements. If the chair of the Board is not an independent director, an independent director may be appointed to act as “lead director”.

There shall be a reasonable number of directors who are financially literate with the ability to read and understand financial statements.

Nominees for membership on the Board will be recommended to the Board by the Nominating and Corporate Governance Committee. The Board will recommend the nominees to the shareholders for election at the annual meeting. In selecting nominees as new directors, the Nominating and Corporate Governance Committee shall consider the competencies and skills the Board as a whole should possess, the competencies and skills of existing directors and proposed nominees, and the needs of the Company.

The Board shall conduct annual assessments to evaluate the effectiveness of the Board, its Committees, and the contributions of individual directors.

The Board shall annually review and assess the adequacy of its mandate and shall consider such amendments to this mandate as the Nominating and Corporate Governance Committee shall recommend, and make such amendments to this mandate as it considers necessary and appropriate.

Directors are entitled to receive reasonable directors’ fees and other compensation for their services as directors and committee members, as may be determined from time to time by the Board with input from the Compensation Committee, as well as reimbursement of expenses incurred on Company business or in attending Board or committee meetings.

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chairman in advance of accepting an invitation to serve on the board of another public.

MEETINGS AND AGENDA

The Board shall meet as many times per year as it deems necessary or appropriate to carry out its responsibilities effectively, but in no event shall the Board meet less than four times per year. Meetings of the Board shall be conducted in accordance with the Company’s articles or by-laws. Prior to the end of each year, the Corporate Secretary will propose a schedule of Board meetings for the following calendar year for consideration by the Board.

The Chairman or Lead Director, if any, and the Chief Executive Officer shall develop the agenda for each regularly scheduled Board meeting. Any director may propose the inclusion of items on the agenda, and may raise at any meeting other matters that they consider worthy of discussion. Materials for discussion will be distributed sufficiently in advance of the meeting to provide the directors with a reasonable opportunity for review.

Directors should make all reasonable efforts to attend meetings of the Board and of all Board committees upon which they serve, to review the materials that are distributed in advance to prepare for those meetings, and be prepared to discuss such materials and actively participate in the meetings.

The Board may invite any of the Company's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

Directors shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and

to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

COMMITTEES OF THE BOARD

The Audit Committee, Compensation Committee, and Nomination and Corporate Governance Committee shall be fully independent. The Board shall adopt mandates for each Committee of the Board. At least annually, each mandate shall be reviewed by the Nominating and Corporate Governance Committee and any suggested amendments brought to the Board for consideration and approval. The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate. As required by applicable law, by applicable committee mandate, or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

With the assistance of the Audit Committee, the Board shall, among other things:

- review and approve the Company's interim and annual financial statements, managements' discussion and analysis, and associated news releases;
- review the audit report prepared by the Company's external auditor and any other matters related to the financial statements that are brought forward by the external auditors;
- review the factors identified by management as factors that may affect future financial results; and
- identify and assess risks that could have a material impact on the Company's business and ensure the implementation of proper systems to monitor and manage such risks and identify material changes to the Company's risk profile;
- review and approve the Company's financial objectives, plans and actions, including significant capital allocations and expenditures.

With the assistance of the Nominating and Corporate Governance Committee, the Board shall, among other things:

- develop the Company's approach to corporate governance, review corporate governance issues, and review and approve the disclosure of corporate governance practices;
- maintain a succession plan for the Company and ensure that the Board and management have the appropriate skills and experience required to succeed in their positions; and
- review the effectiveness, size and composition of the Board, taking into consideration the strategic direction of the Company and the current strengths, competence, skills and experience of Board members and directors whose term of office is expiring;
- ensure that new directors receive a comprehensive orientation to fully understand the nature and operation of the Company's business, the role of the Board and its committees, as well as the contribution individuals directors are expected to make;
- provide continuing education opportunities for all directors so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current;
- develop position descriptions for the Chairman and, if applicable, the Lead Director, the Chair of each Board committee, and the Chief Executive Officer.

With the assistance of the Compensation Committee, the Board shall, among other things:

- review and approve the corporate goals and objectives of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those corporate goals and objectives, and determine the Chief Executive Officer's compensation level based on this evaluation;

- periodically review the Company's management structure and the Chief Executive Officer's proposals for changes to that structure including any recommendations of officer appointments or terminations;
- review and approve the annual compensation of all other executive officers of the Company, as recommended by the Chief Executive Officer, based on the achievement of individual corporate goals and objectives developed for the performance of management;
- review and approve the compensation of the directors and committee members;
- ensure that remuneration packages for all executive officers and directors have the overriding purpose of motivating and retaining qualified individuals; reflect the requirements of the marketplace and attract and retain the skills and abilities required; are properly structured to enhance long-term shareholder value, and involve a balance between fixed and incentive compensation reflecting individual performance and short and long-term performance objectives appropriate to the Company's circumstances and goals;
- review and administer the Company's equity-based compensation plans to ensure that such plans are reasonable and provide appropriate incentives to directors, officers, employees and consultants;
- review and approve any recommended option grants and/or share issuances under the Company's equity-based compensation plans to directors, officers, employees and consultants of the Company and its subsidiaries, as appropriate;
- review and approve the disclosure of executive compensation prior to release.

With the assistance of the Health, Safety and Environmental Committee, the Board shall, among other things:

- review and approve the Company's health and safety; environmental and sustainability plans, policies, processes and activities;
- monitor matters relating to health, safety and the environment and compliance with applicable regulations in such areas; and
- review and approve the disclosure in the Company's annual report and other documents, as applicable, with respect to health and safety, environment and sustainability activities.

Board/Committee Communication

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting following the committee's meeting. Minutes of committee meetings are made available to all directors and are filed with the Corporate Secretary.

GENERAL

Directors are expected to comply with all of the Company's governance policies, procedures and guidelines, including but not limited to, the Code of Business Conduct and Ethics, Board and Board Committee charters and mandates and corporate policies, including the Disclosure Policy and the Share Trading Policy among others, and are expected to sign a certificate of compliance annually confirming their continued understanding and compliance with such policies, procedures and guidelines.

The Board, in conjunction with the Chief Executive Officer, shall review measures for receiving feedback from the Company's stakeholders, and management's compliance with such policy. The Board shall, on a periodic basis and with the assistance of the officer responsible for investor relations, monitor and review feedback provided by the Company's shareholders and other stakeholders.

At least annually, the Board shall review and assess the adequacy of its mandate to ensure compliance with any rules of regulations of any regulatory body and approve any modifications to its mandate as are considered advisable.