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The following file is part of the JABA, Inc. Tombstone Mining Records

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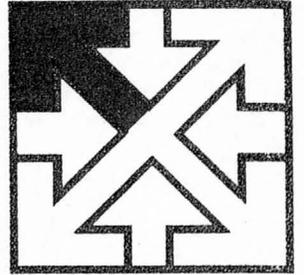
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V. 8, Bk. 26

**Tombstone
Mining District**

Cochise Co., AZ

**Agreements
Between
JABA &
Excellon
Negotiations
(1993)**



**Southwestern
Exploration Associates**



FOR ALL INTERNATIONAL SHIPMENTS
POUR TOUT ENVOI INTERNATIONAL

400- 1514 0344 PACKAGE TRACKING NUMBER

P174 01

Shipments May Be Subject To Duties And Taxes At Destination

Les envois peuvent être soumis aux droits de douane et taxes du pays de destination.



Contract

Date of Shipment Date de l'envoi	ORIGIN STATION I.D. SUCCURSALE D'ORIGINE	DEST. STATION I.D. SUCCURSALE DE DESTINATION	URSA ROUTING URSA CODE DE DESTINATION
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1 Sender's Federal Express Account Number
N° de compte Federal Express de l'expéditeur

Phone Number (Very Important)
N° de téléphone (Très important)

FROM (Your Name) Please Print/Nom de L'Expéditeur

Company/Nom de la Société

Dept./Floor No.
Service/Etage

Exact Street Address/Adresse exacte

Exact Street Address/Adresse exacte

City/Ville

State/Province
Etat/Département/Province

Country/Pays

ZIP/Postal Code/Code postal

2 Sender Billing Reference Information (Optional) (First 24 Characters Will Appear On Invoice)
Références pour la facturation de l'expéditeur (Facultatif) (Les 24 premiers caractères apparaissent sur la facture.)

TO (Recipient's Name) Please Print
Nom du destinataire Ecrivez en lettres d'imprimerie.

Phone Number (Very Important)
N° de téléphone (Très important)

Company/Nom de la Société

Dept./Floor No./Service/Etage

Exact Street Address/Adresse exacte

North Wilmot Road, No. 218

City/Ville

State/Province/Etat/Département/Province

Country/Pays

ZIP/Postal Code/Code postal

3 SERVICES
Must check one box
SERVICES
Cochez une case.

Not all options available to all destinations/Certaines options ne sont pas disponibles pour toutes les destinations.

1. International Priority DESCRIPTION/DESCRIPTION

3. International Economy

8 SHIPMENT INFORMATION/INFORMATIONS SUR L'ENVOI

No. of pkgs. Nombre de paquets	Weight/Poids lbs/livres <input type="checkbox"/> kgs/kg <input type="checkbox"/>	Country of Manufacture Pays de fabrication	Specify Currency/Précisez la monnaie.	Total Declared Value for Carriage/Valeur totale déclarée pour le transport	Total Declared Value for Customs Valeur totale déclarée pour la douane
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4 PACKAGING/EMBALLAGE Must check one box/Cochez une case.

FEDEX Letter/Envelope FEDEX Pak Other Packaging
Autre emballage

Complete Description of Contents/Harmonized Code/Description complète du contenu/Classement tarifaire

5 DELIVERY/HANDLING INSTRUCTIONS
Check boxes required
INSTRUCTIONS POUR LA LIVRAISON/MANUTENTION
Cochez les cases nécessaires.

Not all options available to all destinations/Certaines options ne sont pas disponibles pour toutes les destinations.

1. Hold for Pick-up
Retenir et aviser le destinataire

2. Deliver Weekday
Livrer les jours ouvrables

3. Deliver Saturday
Livrer le samedi

11. Broker Selection
Sélection du courtier en douane

Broker Name/Nom du courtier en douane

City/Country/Ville/Pays

Broker Telephone Number/N° de téléphone du courtier en douane

documents

Identification Number for Customs purposes (e.g., I.N./A.T./E.I.N., or as locally required)/N° d'identification pour la douane (ex : I.N./A.T./E.I.N., ou selon les règlements locaux)

DANGEROUS GOODS
MARCHANDISES DANGEREUSES

Does this shipment contain dangerous goods?
Cet envoi contient-il des marchandises dangereuses?

No/Non Yes/Oui

(As per attached Shipper's Declaration)
(Conformément à la déclaration jointe du transporteur)

CA Cargo Aircraft Only
Avion-cargo uniquement

9 By giving your shipment, you agree to the conditions on the back of this Non-Negotiable Air Waybill. Certain international treaties, including the Warsaw Convention, may apply to this shipment and limit our liability for damage, loss or delay, as described in the Conditions of Contract.

Warning: Commodities licensed by U.S. for ultimate destination must be listed on a separate Shipper's Export Declaration. Under U.S. law, diversion to another destination is prohibited. En nous remettant votre envoi, vous acceptez les conditions figurant au dos de la présente Lettre de Transport Aérien Non-Négociable. Certains traités internationaux, y compris la Convention de Varsovie, peuvent s'appliquer à cet envoi et limiter notre responsabilité pour tout dommage, perte ou retard, comme précisé dans les Conditions du Contrat.

6 TRANSPORTATION CHARGES/FRAIS DE TRANSPORT
Not all options available to all destinations.
Certaines options ne sont pas disponibles pour toutes les destinations.

1. Bill Sender
Facturer l'expéditeur

2. Bill Recipient
Facturer le destinataire

3. Bill 3rd Party
Facturer une tierce partie

4. Credit Card
Carte de crédit

5. Cash/Check
Argent liquide/Chèque

400-

SENDER'S SIGNATURE
SIGNATURE DE L'EXPÉDITEUR X

DIM Shipment
Envoi VOL

Chargeable Wt.
Poids facturé

lbs/lb kgs/kg

Total Volume
Volume total

in/po cm/cm

CI Attached

SED Attached

CO Attached

Received At/Réception

1. <input type="checkbox"/> Regular Stop Arrêt régulier	3. <input type="checkbox"/> Drop Box Boîte à colis	Base Charges Frais de base	Dec. Val. Chrg. Valeur déclarée	Other Autre	ODA/OPA Hors cueillette/ hors livraison	Total Total
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2. On-Call Stop
Arrêt sur demande

4. Service Center
CD

5. Station
Succursale

FEC Emp. #
N° d'employé Fedex

Date

Audit Emp. #
N° d'employé du vérif.

Date

Time
Heure

Time
Heure

RECEIVED ABOVE SHIPMENT IN GOOD ORDER AND CONDITION. WE AGREE TO PAY ALL CHARGES INCLUDING CUSTOMS DUTIES AND TAXES AS APPLICABLE AND TO THE CONDITIONS OF CONTRACT AS STATED ON THE REVERSE SIDE OF THE CONSIGNEE COPY.

Recipient Name Printed

Del. Courier Emp. #

Date M D Y

Time

Non Negotiable International Air Waybill
© 1991 Federal Express Corp. MBFAN 7/91

REVENUE RETRIEVAL COPY/COPIE SUIVI

090

FEDERAL EXPRESSFOR ALL INTERNATIONAL SHIPMENTS
POUR TOUT ENVOI INTERNATIONAL

Shipments May Be Subject To Duties And Taxes At Destination

Les envois peuvent être soumis aux droits de douane et taxes du pays de destination.

400- 2514 0344 PACKAGE TRACKING NUMBER



Date of Shipment Date de l'envoi	ORIGIN STATION I.D. SUCCURSALE D'ORIGINE	BEST STATION I.D. SUCCURSALE DE DESTINATION	URSA ROUTING URSA CODE DE DESTINATION
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1 Sender's Federal Express Account Number
N° de compte Federal Express de l'expéditeur

Phone Number (Very Important)
N° de téléphone (Très important)

FROM (Your Name) Please Print/ Nom de L'Expéditeur

Company/Nom de la Société

Dept./Floor No.
Service/Etage

Exact Street Address/Adresse exacte

Exact Street Address/Adresse exacte

City/Ville

State/Province
Etat/Département/Province

Country/Pays

ZIP/Postal Code/Code postal

Sender Billing Reference Information (Optional) (First 24 Characters Will Appear On Invoice)
Références pour la facturation de l'expéditeur (Facultatif) (Les 24 premiers caractères apparaissent sur la facture.)

2 TO (Recipient's Name) Please Print
Nom du destinataire Ecrivez en lettres d'imprimerie.

Phone Number (Very Important)
N° de téléphone (Très important)

Company/Nom de la Société

Dept./Floor No./Service/Etage

Exact Street Address/Adresse exacte

Exact Street Address/Adresse exacte

City/Ville

State/Province/Etat/Département/Province

Country/Pays

ZIP/Postal Code/Code postal

3 SERVICES
Must check one box
SERVICES
Cocher une case.

Not all options available to all destinations/Certaines options ne sont pas disponibles pour toutes les destinations.

1. International Priority

3. International Economy

DESCRIPTION/DESCRIPTION

8 SHIPMENT INFORMATION/INFORMATIONS SUR L'ENVOI

No. of pkgs. Nombre de paquets	Weight/Poids	Country of Manufacture Pays de fabrication	Specify Currency/Précisez la monnaie.	Total Declared Value for Customs Valeur totale déclarée pour la douane
	lbs livres	kgs kg		

4 PACKAGING/EMBALLAGE Must check one box/Cocher une case.

6 FEDEX Letter/Envelope

2 FEDEX Pak

1 Other Packaging
Autre emballage

Complete Description of Contents/Harmonized Code/Description complète du contenu/Classement tarifaire

Legal documents

Identification Number for Customs purposes (e.g., I.N./V.A.T./E.I.N., or as locally required)/N° d'identification pour la douane (ex : I.N./V.A.T./E.I.N., ou selon les règlements locaux)

5 DELIVERY/HANDLING INSTRUCTIONS
Check boxes required
INSTRUCTIONS POUR LA LIVRAISON/MANUTENTION
Cocher les cases nécessaires.

Not all options available to all destinations/Certaines options ne sont pas disponibles pour toutes les destinations.

1. Hold for Pick-up
Retenir et aviser le destinataire

2. Deliver Weekday
Livrer les jours ouvrables

3. Deliver Saturday
Livrer le samedi

11. Broker Selection
Sélection du courtier en douane

Broker Name/Nom du courtier en douane

City/Country/Ville/Pays

Broker Telephone Number/N° de téléphone du courtier en douane

9 By giving your shipment, you agree to the conditions on the back of this Non-Negotiable Air Waybill. Certain international treaties, including the Warsaw Convention, may apply to this shipment and limit our liability for damage, loss or delay, as described in the Conditions of Contract.

Warning: Commodities licensed by U.S. for ultimate destination must be listed on a separate Shipper's Export Declaration. Under U.S. law, diversion to another destination is prohibited. En nous remettant votre envoi, vous acceptez les conditions figurant au dos de la présente Lettre de Transport Aérien Non-Négociable. Certains traités internationaux, y compris la Convention de Varsovie, peuvent s'appliquer à cet envoi et limiter notre responsabilité pour tout dommage, perte ou retard, comme précisé dans les Conditions du Contrat.

DANGEROUS GOODS MARCHANDISES DANGEREUSES

Does this shipment contain dangerous goods?
Cet envoi contient-il des marchandises dangereuses?

No/Non

Yes/Oui

(As per attached Shipper's Declaration)
(Conformément à la déclaration ci-jointe du transporteur)

CA Cargo Aircraft Only
Avion-cargo uniquement

6 TRANSPORTATION CHARGES/FRAIS DE TRANSPORT
Not all options available to all destinations
Certaines options ne sont pas disponibles pour toutes les destinations.

1. Bill Sender
Facturer l'expéditeur

2. Bill Recipient
Facturer le destinataire

3. Bill 3rd Party
Facturer une tierce partie

4. Credit Card
Carte de crédit

5. Cash/Check
Argent liquide/Chèque

7 DUTIES AND TAXES/DROITS DE DOUANE ET TAXES
Not all options available to all destinations
Certaines options ne sont pas disponibles pour toutes les destinations.

1. Bill Sender
Facturer l'expéditeur

2. Bill Recipient
Facturer le destinataire

3. Bill 3rd Party
Facturer une tierce partie

Shipments may be subject to duties and taxes at destination.
Les envois peuvent être soumis aux droits de douane et taxes du pays de destination.

9 SIGNATURE
SIGNATURE DE L'EXPÉDITEUR X

DIM Shipment
Envoi VOL

Chargeable Wt.
Poids facturé

lbs/lb

kgs/kg

Total Volume
Volume total

in/po

cm/cm

CI Attached

SED Attached

CO Attached

Received At/Réception	Base Charges Frais de base	Dec. Val. Chrg. Valeur déclarée	Other Autre	ODA/OPA Hors cueillette/ hors livraison	Total Total
1. <input type="checkbox"/> Regular Stop Arrêt régulier					
3. <input type="checkbox"/> Drop Box Boîte à colis					
4. <input type="checkbox"/> Service Center CD					
2. <input type="checkbox"/> On-Call Stop Arrêt sur demande					
5. <input type="checkbox"/> Station Succursale					

FEC Emp. #
N° d'employé Fedex

Date

Time
Heure

Audit Emp. #
N° d'employé du vérif.

Date

Time
Heure

PART 137789
REV. 4/91

090

RECEIVED ABOVE SHIPMENT IN GOOD ORDER AND CONDITION. WE AGREE TO PAY ALL CHARGES INCLUDING CUSTOMS DUTIES AND TAXES AS APPLICABLE AND TO THE CONDITIONS OF CONTRACT AS STATED ON THE REVERSE SIDE OF THE CONSIGNEE COPY. RECIPIENT'S SIGNATURE X

Recipient Name Printed Del. Courier Emp. # Date M D Y Time

Non Negotiable International Air Waybill © 1991 Federal Express Corp. MBFAN 7/91

PREPAID CASH/STATION COPY/COPIE PAIEMENT COMPTANT/SUCCURSALE

FEDERAL EXPRESS

400-

PACKAGE TRACKING NUMBER

Shipments May Be Subject To Duties And Taxes At Destination

Les envois peuvent être soumis aux droits de douane et taxes du pays de destination.



ORIGIN STATION I.D. SUCCURSALE D'ORIGINE DEST. STATION I.D. SUCCURSALE DE DESTINATION URSA ROUTING URSA CODE DE DESTINATION

Date of Shipment Date de l'envoi			
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1 FROM (Your Name) Please Print/ Nom de L'Expéditeur	Phone Number (Very Important) N° de téléphone (Très important)	Sender Billing Reference Information (Optional) (First 24 Characters Will Appear On Invoice) Références pour la facturation de l'expéditeur (Facultatif) (Les 24 premiers caractères apparaissent sur la facture.)
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2 Company/Nom de la Société	Dept./Floor No. Service/Etage	TO (Recipient's Name) Please Print Nom du destinataire Ecrivez en lettres d'imprimerie.	Phone Number (Very Important) N° de téléphone (Très important)
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Exact Street Address/Adresse exacte	Company/Nom de la Société	Dept./Floor No./Service/Etage
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Exact Street Address/Adresse exacte	Exact Street Address/Adresse exacte
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City/Ville	State/Province Etat/Département/Province	City/Ville	State/Province/Etat/Département/Province
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Country/Pays	ZIP/Postal Code/Code postal	Country/Pays	ZIP/Postal Code/Code postal
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3 SERVICES Must check one box SERVICES Cocher une case.	Not all options available to all destinations/Certaines options ne sont pas disponibles pour toutes les destinations.	4 SHIPMENT INFORMATION/INFORMATIONS SUR L'ENVOI
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1 <input type="checkbox"/> International Priority	<input type="checkbox"/>	No. of pkgs. Nombre de paquets	Weight/Poids lbs livres	kgs kg	Country of Manufacture Pays de fabrication	Specify Currency/Précisez la monnaie.	Total Declared Value for Carriage/Valeur totale déclarée pour le transport	Total Declared Value for Customs Valeur totale déclarée pour la douane
3 <input type="checkbox"/> International Economy	<input type="checkbox"/>	DESCRIPTION/DESCRIPTION						

4 PACKAGING/EMBALLAGE Must check one box/Cocher une case.	1 <input type="checkbox"/> FEDEX Letter/Envelope	2 <input type="checkbox"/> FEDEX Pak	3 <input type="checkbox"/> Other Packaging Autre emballage	Complete Description of Contents/Harmonized Code/Description complète du contenu/Classement tarifaire
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5 DELIVERY/HANDLING INSTRUCTIONS Check boxes required INSTRUCTIONS POUR LA LIVRAISON/MANUTENTION Cocher les cases nécessaires.	Not all options available to all destinations/Certaines options ne sont pas disponibles pour toutes les destinations.	11 <input type="checkbox"/>	DESCRIPTION/DESCRIPTION
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1 <input type="checkbox"/> Hold for Pick-up Retenir et aviser le destinataire	2 <input type="checkbox"/> Deliver Weekday Livrer les jours ouvrables	3 <input type="checkbox"/> Deliver Saturday Livrer le samedi	4 <input type="checkbox"/> Broker Selection Sélection du courtier en douane	Identification Number for Customs purposes (e.g., I.N./V.A.T./E.I.N., or as locally required)/N° d'identification pour la douane (ex : I.N./V.A.T./E.I.N., ou selon les règlements locaux)
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1 <input type="checkbox"/> No/Non	2 <input type="checkbox"/> Yes/Oui	3 <input type="checkbox"/> Cargo Aircraft Only Avion-cargo uniquement	4 <input type="checkbox"/> Broker Name/Nom du courtier en douane	5 <input type="checkbox"/> City/Country/Ville/Pays	6 <input type="checkbox"/> Broker Telephone Number/N° de téléphone du courtier en douane
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6 DANGEROUS GOODS MARCHANDISES DANGEREUSES	Does this shipment contain dangerous goods? Cet envoi contient-il des marchandises dangereuses? (As per attached Shipper's Declaration) (Conformément à la déclaration ci-jointe du transporteur)	7 DUTIES AND TAXES/DROITS DE DOUANE ET TAXES Not all options available to all destinations Certaines options ne sont pas disponibles pour toutes les destinations.
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1 <input type="checkbox"/> Bill Sender Facturer l'expéditeur	2 <input type="checkbox"/> Bill Recipient Facturer le destinataire	3 <input type="checkbox"/> Bill 3rd Party Facturer une tierce partie	4 <input type="checkbox"/> Credit Card Carte de crédit	5 <input type="checkbox"/> Cash/Check Argent liquide/Chèque	6 <input type="checkbox"/> DIM Shipment Envoi VOL	Chargeable Wt. Poids facturé	7 <input type="checkbox"/> lbs/lb	8 <input type="checkbox"/> kgs/kg	Total Volume Volume total	9 <input type="checkbox"/> in/po	10 <input type="checkbox"/> cm/cm
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1 <input type="checkbox"/> Regular Stop Arrêt régulier	2 <input type="checkbox"/> On-Call Stop Arrêt sur demande	3 <input type="checkbox"/> Drop Box Boîte à colis	4 <input type="checkbox"/> Service Center CD	5 <input type="checkbox"/> Station Succursale	6 <input type="checkbox"/> CI Attached	7 <input type="checkbox"/> SED Attached	8 <input type="checkbox"/> CO Attached
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1 <input type="checkbox"/> Regular Stop Arrêt régulier	2 <input type="checkbox"/> On-Call Stop Arrêt sur demande	3 <input type="checkbox"/> Drop Box Boîte à colis	4 <input type="checkbox"/> Service Center CD	5 <input type="checkbox"/> Station Succursale	6 <input type="checkbox"/> CI Attached	7 <input type="checkbox"/> SED Attached	8 <input type="checkbox"/> CO Attached
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1 <input type="checkbox"/> Regular Stop Arrêt régulier	2 <input type="checkbox"/> On-Call Stop Arrêt sur demande	3 <input type="checkbox"/> Drop Box Boîte à colis	4 <input type="checkbox"/> Service Center CD	5 <input type="checkbox"/> Station Succursale	6 <input type="checkbox"/> CI Attached	7 <input type="checkbox"/> SED Attached	8 <input type="checkbox"/> CO Attached
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1 <input type="checkbox"/> Regular Stop Arrêt régulier	2 <input type="checkbox"/> On-Call Stop Arrêt sur demande	3 <input type="checkbox"/> Drop Box Boîte à colis	4 <input type="checkbox"/> Service Center CD	5 <input type="checkbox"/> Station Succursale	6 <input type="checkbox"/> CI Attached	7 <input type="checkbox"/> SED Attached	8 <input type="checkbox"/> CO Attached
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1 <input type="checkbox"/> Regular Stop Arrêt régulier	2 <input type="checkbox"/> On-Call Stop Arrêt sur demande	3 <input type="checkbox"/> Drop Box Boîte à colis	4 <input type="checkbox"/> Service Center CD	5 <input type="checkbox"/> Station Succursale	6 <input type="checkbox"/> CI Attached	7 <input type="checkbox"/> SED Attached	8 <input type="checkbox"/> CO Attached
---	--	--	---	--	--	---	--

1 FROM (Your Name) Please Print/ Nom de L'Expéditeur	Phone Number (Very Important) N° de téléphone (Très important)	Sender Billing Reference Information (Optional) (First 24 Characters Will Appear On Invoice) Références pour la facturation de l'expéditeur (Facultatif) (Les 24 premiers caractères apparaissent sur la facture.)
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2 Company/Nom de la Société	Dept./Floor No. Service/Etage	TO (Recipient's Name) Please Print Nom du destinataire Ecrivez en lettres d'imprimerie.	Phone Number (Very Important) N° de téléphone (Très important)
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Exact Street Address/Adresse exacte	Company/Nom de la Société	Dept./Floor No./Service/Etage
-------------------------------------	---------------------------	-------------------------------

Exact Street Address/Adresse exacte	Exact Street Address/Adresse exacte
-------------------------------------	-------------------------------------

City/Ville	State/Province Etat/Département/Province	City/Ville	State/Province/Etat/Département/Province
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Country/Pays	ZIP/Postal Code/Code postal	Country/Pays	ZIP/Postal Code/Code postal
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3 SERVICES Must check one box SERVICES Cocher une case.	Not all options available to all destinations/Certaines options ne sont pas disponibles pour toutes les destinations.	4 SHIPMENT INFORMATION/INFORMATIONS SUR L'ENVOI
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1 <input type="checkbox"/> International Priority	<input type="checkbox"/>	No. of pkgs. Nombre de paquets	Weight/Poids lbs livres	kgs kg	Country of Manufacture Pays de fabrication	Specify Currency/Précisez la monnaie.	Total Declared Value for Carriage/Valeur totale déclarée pour le transport	Total Declared Value for Customs Valeur totale déclarée pour la douane
3 <input type="checkbox"/> International Economy	<input type="checkbox"/>	DESCRIPTION/DESCRIPTION						

4 PACKAGING/EMBALLAGE Must check one box/Cocher une case.	1 <input type="checkbox"/> FEDEX Letter/Envelope	2 <input type="checkbox"/> FEDEX Pak	3 <input type="checkbox"/> Other Packaging Autre emballage	Complete Description of Contents/Harmonized Code/Description complète du contenu/Classement tarifaire
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5 DELIVERY/HANDLING INSTRUCTIONS Check boxes required INSTRUCTIONS POUR LA LIVRAISON/MANUTENTION Cocher les cases nécessaires.	Not all options available to all destinations/Certaines options ne sont pas disponibles pour toutes les destinations.	11 <input type="checkbox"/>	DESCRIPTION/DESCRIPTION
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1 <input type="checkbox"/> Hold for Pick-up Retenir et aviser le destinataire	2 <input type="checkbox"/> Deliver Weekday Livrer les jours ouvrables	3 <input type="checkbox"/> Deliver Saturday Livrer le samedi	4 <input type="checkbox"/> Broker Selection Sélection du courtier en douane	Identification Number for Customs purposes (e.g., I.N./V.A.T./E.I.N., or as locally required)/N° d'identification pour la douane (ex : I.N./V.A.T./E.I.N., ou selon les règlements locaux)
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1 <input type="checkbox"/> No/Non	2 <input type="checkbox"/> Yes/Oui	3 <input type="checkbox"/> Cargo Aircraft Only Avion-cargo uniquement	4 <input type="checkbox"/> Broker Name/Nom du courtier en douane	5 <input type="checkbox"/> City/Country/Ville/Pays	6 <input type="checkbox"/> Broker Telephone Number/N° de téléphone du courtier en douane
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6 DANGEROUS GOODS MARCHANDISES DANGEREUSES	Does this shipment contain dangerous goods? Cet envoi contient-il des marchandises dangereuses? (As per attached Shipper's Declaration) (Conformément à la déclaration ci-jointe du transporteur)	7 DUTIES AND TAXES/DROITS DE DOUANE ET TAXES Not all options available to all destinations Certaines options ne sont pas disponibles pour toutes les destinations.
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1 <input type="checkbox"/> Bill Sender Facturer l'expéditeur	2 <input type="checkbox"/> Bill Recipient Facturer le destinataire	3 <input type="checkbox"/> Bill 3rd Party Facturer une tierce partie	4 <input type="checkbox"/> Credit Card Carte de crédit	5 <input type="checkbox"/> Cash/Check Argent liquide/Chèque	6 <input type="checkbox"/> DIM Shipment Envoi VOL	Chargeable Wt. Poids facturé	7 <input type="checkbox"/> lbs/lb	8 <input type="checkbox"/> kgs/kg	Total Volume Volume total	9 <input type="checkbox"/> in/po	10 <input type="checkbox"/> cm/cm
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1 <input type="checkbox"/> Regular Stop Arrêt régulier	2 <input type="checkbox"/> On-Call Stop Arrêt sur demande	3 <input type="checkbox"/> Drop Box Boîte à colis	4 <input type="checkbox"/> Service Center CD	5 <input type="checkbox"/> Station Succursale	6 <input type="checkbox"/> CI Attached	7 <input type="checkbox"/> SED Attached	8 <input type="checkbox"/> CO Attached
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1 <input type="checkbox"/> Regular Stop Arrêt régulier	2 <input type="checkbox"/> On-Call Stop Arrêt sur demande	3 <input type="checkbox"/> Drop Box Boîte à colis	4 <input type="checkbox"/> Service Center CD	5 <input type="checkbox"/> Station Succursale	6 <input type="checkbox"/> CI Attached	7 <input type="checkbox"/> SED Attached	8 <input type="checkbox"/> CO Attached
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1 <input type="checkbox"/> Regular Stop Arrêt régulier	2 <input type="checkbox"/> On-Call Stop Arrêt sur demande	3 <input type="checkbox"/> Drop Box Boîte à colis	4 <input type="checkbox"/> Service Center CD	5 <input type="checkbox"/> Station Succursale	6 <input type="checkbox"/> CI Attached	7 <input type="checkbox"/> SED Attached	8 <input type="checkbox"/> CO Attached
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RECIPIENT COPY/COPIE DESTINATAIRE

RECEIVED ABOVE SHIPMENT IN GOOD ORDER AND CONDITION. WE AGREE TO PAY ALL CHARGES INCLUDING CUSTOMS DUTIES AND TAXES AS APPLICABLE AND TO THE CONDITIONS OF CONTRACT AS STATED ON THE REVERSE SIDE OF THE CONSIGNEE COPY. RECIPIENT'S SIGNATURE X

Recipient Name Printed Del. Courier Emp. # Date M D Y Time

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PART 137789
REV. 4/91
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SMITH, LYONS, TORRANCE, STEVENSON & MAYER

Barristers & Solicitors

Suite 550
World Trade Centre
999 Canada Place
Vancouver, Canada
V6C 3C8

TELEPHONE: (604) 662-8082
FAX: (604) 685-8542

DATE: February 8, 1993

TELECOPIER COVER NOTE

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: James A. Briscoe
FIRM: Jaba Inc.
CITY: Tucson, Arizona
FAX #: (602) 721-2768

FROM:

NAME: Lawrence W. Talbot FILE #: 10283-1

TOTAL NUMBER OF PAGES: 28 (INCLUDING COVER NOTE)

Transmitting at a Group III Level

**IF YOU DO NOT RECEIVE ALL THE PAGES
PLEASE CALL BACK AS SOON AS POSSIBLE**

TELECOPIER OPERATOR: Ronda O'Day/Rabinder Kandola (Ext. 3226)

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* * * * *

REMARKS:

DRAFT

TOMBSTONE PROPERTY ACQUISITION AGREEMENT NO. █

THIS AGREEMENT made and dated for reference the █ day of ✓ 04
February, 1993.

AMONG:

JABA, INC., a corporation duly incorporated
under the laws of the State of Arizona, and
having an office at 2100 N. Wilmot Road, #218,
Tucson, Arizona, U.S.A. 85712 ✓ 02

(hereinafter called "Jaba")

AND:

EXCELLON RESOURCES U.S.A., INC., a corporation
duly incorporated under the laws of the State
of Arizona and having an office at Suite 200,
20 Adelaide Street East, Toronto, Ontario,
Canada M5C 2T6 ✓ 02

(hereinafter called "Excellon U.S.")

AND:

EXCELLON RESOURCES INC., a company duly
incorporated under the laws of the Province of
British Columbia, Canada and having an office
at Suite 200, 20 Adelaide Street East,
Toronto, Ontario, Canada M5C 2T6 ✓ 02

(hereinafter called "Excellon")

W H E R E A S :

A. Jaba represents that it has located, is the sole legal
and beneficial owner of and is in possession of █ unpatented mining
claims located in the Tombstone Mining District, Section █,
Range █, Township █, █ Meridian, Cochise County, Arizona *10

B. Jaba has agreed to sell, assign and transfer all its
rights in and to the Property to Excellon U.S., and Excellon U.S.
has agreed to purchase the same, upon the terms and conditions
hereinafter set forth; and

C. Excellon U.S. has agreed to issue shares in its capital
stock to Excellon in consideration of Excellon issuing shares in
its capital stock to Jaba as hereinafter provided.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in
consideration of the sum of TEN (\$10.00) DOLLARS now paid by each

of Excellon U.S. and Excellon to Jaba (the receipt and sufficiency of which is hereby expressly acknowledged by Jaba) and of the premises and mutual covenants and agreements herein contained, the parties agree each with the other as follows:

1. INTERPRETATION

1.1 In this Agreement and in any Schedules or Exhibits hereto, the following words and phrases will have the following meanings:

- (a) "Area of Interest" means ■; (2)
- (b) "Closing Date" means the fifth business day after the day upon which Excellon has received written notification from the Exchange that the Exchange has accepted this Agreement for filing;
- (c) "Exchange" means the Vancouver Stock Exchange;
- (d) "Property" means the ~~■~~ ^{real property and} unpatented mining claims more particularly set forth and described in Schedule "A", together with all rights held by Jaba which are appurtenant or relate thereto, to the development thereof or to the operation of a mine thereon, including, without limitation, all water rights, and including all and any forms of after acquired, successor or substitute mineral tenure or rights to mine, extract or develop mines or minerals in respect of such claims;
- (e) "Royalty" means the applicable percentage of net smelter returns payable to Jaba pursuant to either subsection 3.1 (subject to reduction under subsection 4.1) or 5.1, calculated and paid in accordance with Schedule "B" attached hereto; and
- (f) "Shares" means the common shares in the capital stock of Excellon to be allotted and issued to Jaba pursuant to subsection 3.1;
- (g) "1933 Act" means the United States Securities Act of 1933.

2. REPRESENTATIONS AND WARRANTIES

2.1 Excellon U.S. and Excellon each represent and warrant to Jaba that:

- (a) it is a corporation duly organized and validly subsisting under the laws of its incorporating jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement; and
- (c) neither the execution and delivery of this Agreement, nor any of the agreements or instruments referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which it is a party.

2.2 Jaba represents and warrants to each of Excellon U.S. and Excellon that:

- (a) it is a corporation duly organized and validly subsisting under the laws of Arizona, and has good right, full power and absolute authority to assign all right, title and interest which Jaba has or may hereafter acquire in and to the Property in the manner set out in this Agreement;
- (b) neither the execution and delivery of this Agreement, nor any of the agreements or instruments referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated, materially conflict with, result in a material breach of or accelerate the performance required by, any agreement to which Jaba is a party;
- (c) the execution and delivery of this Agreement and the agreements or instruments contemplated hereby will not materially violate or result in a material breach of the laws of any jurisdiction applicable to or pertaining thereto or any document to which Jaba is a party or by which it is bound;
- (d) the execution and delivery of this Agreement and the agreements or instruments contemplated hereby will not materially violate or result in a material breach of the laws of any jurisdiction applicable to or pertaining thereto or any document to which Jaba is a party or by which it is bound;
- (e) *that to the best of JABA's knowledge and belief,* with respect to the unpatented mining claims comprised in the Property and subject to the paramount title of the United States of America:

Move
2.3

JABA represents, but not warrant, to each of Excellon U.S. and Excellon, that...

(i) the claims are free and clear of all liens, charges and encumbrances,

(ii) the claims have been properly laid out, monumented and posted, filings of location certificates have been properly and timely made in the real property records of Cochise County, Arizona, as well as in the Arizona State Office of the Bureau of Land Management pursuant to the Federal Land Policy and Management Act of 1976, 43 U.S.C. §1744(a), and in accordance with applicable laws, statutes and regulations of the State of Arizona,

(iii) all required location and validation work has been properly performed on the claims, *if any*

(iv)
JAB no other person, firm, corporation, partnership or other entity whatsoever claims any interest in the claims or the ground covered thereby, or has located any unpatented mining claims on the ground covered thereby, and

(v) to the extent required, all assessment work has been performed consistent with that required by law to maintain title to and possession of the claims, and all applicable filings, recordings and affidavits, including notices of intention to hold and proofs of labour, have been timely and properly recorded and filed with appropriate governmental agencies to maintain the claims in good standing under all applicable laws for each assessment year for which such recording and filing was required, to and including the assessment year ending September 1, 1992;

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??
low
(e)
JAB
(f)

Jaba has, prior to the execution of this Agreement, provided to Excellon U.S. and its representatives true and correct copies of all deeds, easements or other documents which bear upon the title of Jaba to the Property;

in their possession

(f) (g)

Jaba is not entering into this transaction as a result of any material changes with respect to the affairs of Excellon which were not disclosed as of the date hereof;

(g) (h)

in entering into this Agreement and selling the Property to Excellon U.S. in exchange for Shares, Jaba is acting as principal, and will be acquiring the Shares as principal, for its own account and not on behalf of

others and for the purposes of investment and not with the intention of effecting a distribution, and no other person, corporation, firm or other organization will have a beneficial interest in the Shares;

(h) ~~(i)~~ Jaba is a resident of Arizona for the purposes of all securities laws applicable to the transactions herein contemplated; and

(i) ~~(j)~~ Jaba is ~~fully~~ familiar with Excellon's business affairs as disclosed in publicly available information, and acknowledges that Excellon has made available to its and to the person acting as its Purchaser Representative (as such term is defined in the 1933 Act), all publicly available documents and records of Excellon in its possession, and has offered to Jaba and its Purchaser Representative an opportunity to discuss this investment with Excellon and representatives of Excellon and to obtain any additional information necessary to verify the accuracy of any information furnished, provided that Jaba acknowledges that no information furnished by Excellon constitutes investment, accounting, legal or tax advice and that Jaba is relying solely upon itself and its professional advisers for such advice.

enter 2.3 here
2.4 | 2.3
JAB

The representations and warranties hereinbefore set out on conditions on which the parties have relied on in entering this Agreement and will not merge but will survive the acquisition of any interest in the Property by Excellon U.S. and each party will indemnify and save the others harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement.



2.5 ~~2.4~~ Jaba acknowledges that the Shares to be issued to Jaba hereunder will not be registered under the 1933 Act as the transaction in which they are being acquired is exempt under section 4(2) of the 1933 Act as not involving any public offering, that the reliance of Excellon and others on this exemption is predicated in part upon the representations and warranties of Jaba, and that Jaba will be acquiring the Shares for its own account, with no present intention of selling or otherwise distributing the same to the public, and that the Shares are therefore subject to restrictions on transfer in the United States or to a U.S. person, unless subsequently registered under the 1933 Act or an exemption from registration is available.

2.6 ~~2.5~~ Concurrently with the execution of this Agreement by Jaba, Jaba will execute and deliver an originally executed copy of the Investment Letter in the form attached hereto as Schedule "D".

3. PURCHASE AND SALE

3.1 Jaba hereby agrees to sell, assign and transfer to Excellon U.S., and Excellon U.S. agrees to purchase from Jaba, all interest of Jaba in and to the Property, subject to the payment of a TWO AND ONE-HALF (2-1/2%) PERCENT Royalty, for and in consideration of the allotment and issuance by Excellon to Jaba of █ Shares.

JAB 3.2 On the Closing Date, and subject to the completion of the purchase and sale set forth in subsection 3.1, Excellon U.S. will allot and issue to Excellon common shares in its capital stock equal in value to the deemed value of the shares issued to Jaba by Excellon.

JAB 3.3 Notwithstanding that Jaba retains the Royalty, the parties acknowledge that neither Excellon nor Excellon U.S. is under any obligation whatsoever to undertake any activities or perform any work on or with respect to the Property. (1) No covenants or conditions relating to the exploration, development, mining or related operations on or in connection with the Property, or the timing thereof, will exist or be implied. After commencing any exploration, development, mining or related operations on or in connection with the Property, Excellon and Excellon U.S. may in their sole discretion curtail or cease such operations.

offer than that required by law



4. ACQUISITION OF ROYALTY INTEREST

JAB 4.1 For and in consideration of payment of the sum of One (U.S. \$1.00) Dollar in lawful currency of the United States by Excellon U.S. to Jaba on the execution of this Agreement, Excellon U.S. will have, and Jaba hereby gives and grants to Excellon U.S., the option (the "NSR Option") to purchase from Jaba, at any time within twenty-one (21) years after the date of execution of this Agreement, all of the right, title and interest of Jaba in and to two-fifths (2/5) of the two and one-half (2-1/2%) percent Royalty held by Jaba pursuant to subsection 3.1, for a total consideration of Two Hundred and Fifty Thousand (\$250,000) Dollars in lawful money of the United States (the "NSR Option Price"). Excellon U.S. may exercise the NSR Option at any time by delivering notice to that effect to Jaba, accompanied by cash or a certified cheque or bank draft in payment of the NSR Option Price. Forthwith after receipt of such notice and cash, certified cheque or bank draft, Jaba will do or cause to be done all such acts, execute and deliver all such instruments, deeds or agreements, and give all such further assurances as may be reasonably necessary or desirable to give effect to the exercise of the NSR Option and to carry out the transfer to Excellon U.S. of all of the right, title and interest of Jaba in and to two-fifths (2/5) of such Royalty. From and after the exercise of the NSR Option, the Royalty payable to Jaba

CP1

adjusted as provided herein below

pursuant to subsection 3.1 will be equal to one and one-half (1-1/2%) percent, and Excellon U.S. will pay such reduced Royalty to Jaba. (2)

5. ACQUISITIONS IN AREA OF INTEREST

5.1 If, after the date of this Agreement, Excellon U.S. locates any unpatented mining claims which lie wholly or partially within the Area of Interest, Jaba will have, and Excellon U.S. will thereafter pay to Jaba, a ONE AND A HALF (1-1/2%) PERCENT Royalty in respect of such unpatented mining claims. For greater certainty, the parties confirm that Jaba will not be entitled to receive a Royalty in respect of any ground acquired by Excellon or Excellon U.S. otherwise than directly from the United States federal or Arizona state governments.

EX Boundary OF T.D.C.

5.2 Jaba covenants and agrees that, from and after the date of this Agreement, neither Jaba nor any of its directors, officers or shareholders or any of their respective associates (as defined in the Securities Act (B.C.)) will acquire any patented or unpatented mining claims, fee lands, water rights or any other rights in minerals or rights to explore for, develop or extract minerals which lies wholly or partially within the Area of Interest (collectively, a "Mineral Interest") unless Jaba has first given Excellon U.S. not less than sixty (60) days' written notice of such proposed acquisition, together with all details known to Jaba with respect to such Mineral Interest. If, within such sixty (60) day period, Excellon U.S. elects in writing to acquire such Mineral Interest, it may do so at its sole cost and expense and Jaba will co-operate as necessary to secure for Excellon U.S. such Mineral Interest. If such Mineral Interest is ~~an unpatented mining claim~~ acquired directly from the Arizona State, or U.S. Federal Government, it will be subject to the royalty provisions of subsection 5.1. If, within such sixty (60) day period, Excellon U.S. elects not to acquire such Mineral Interest, Jaba (or its director, officer or shareholder or their associate, as the case may be) will be free to acquire such interest ^{at their expense} for its sole and absolute use, and Excellon U.S. will thereafter have no right in or with respect to such Mineral Interest.

or lease
via claim
prospecting
permit or
lease

JAB 5.3 It is specifically agreed by the parties that no Royalty will be payable to Jaba pursuant to subsection 5.1 with respect to any property held by Excellon U.S. under lease, or otherwise acquired by Excellon U.S., from Tombstone Development Company, nor with respect to any internal fractions located or acquired within ~~or adjacent to any~~ Mineral Interests held by Tombstone Development Company.

external of the boundary as provide by attached map Exhibit B.

at Standard consult notes

Public domain grounds

6. DELIVERIES AT OR FOLLOWING CLOSING

6.1 On the Closing Date, Jaba will deliver to Excellon a duly executed and recordable quitclaim deed in the form attached hereto as Schedule "C".

6.2 On the Closing Date, Excellon will deliver to Jaba share certificates representing an aggregate of █ Shares.

JAD 6.3 Within sixty (60) days after the Closing Date, Jaba will deliver to Excellon and Excellon U.S. all data in its possession with respect to the Property including, without limitation, all files, records, reports, maps, plans, drill logs, assays, sample pulps and drill cores, provided that it is understood and agreed by Excellon and Excellon U.S. that Jaba may make and retain, for its own use, copies of all such data as it may deem necessary or desirable. } ??

7. TAXES AND CONVEYANCES FEES AND EXPENSES

7.1 Excellon U.S. will pay and be responsible for the preparation of all and any conveyances, assignments, bills of sale and transfer documents and the payment of all federal, state and local transfer, sales or use taxes and fees which may be or become payable as a result of or in connection with the sale of the Property hereunder.

7.2 Subject to subsection 7.1, each party will bear its own costs and pay all its expenses (including legal, accounting and other professional fees) in connection with the negotiation and execution of this Agreement, the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby.

8. ACCEPTANCE FOR FILING BY VANCOUVER STOCK EXCHANGE

8.1 This Agreement is subject to the acceptance for filing hereof on behalf of Excellon by the Exchange. Forthwith after the execution of this Agreement by all parties, Excellon will submit this Agreement to the Exchange and request acceptance for filing, and will diligently thereafter pursue such acceptance. If such acceptance for filing has not been received by Excellon on or before March 31, 1993, Excellon may at its option and upon not less than fifteen (15) days' notice to Jaba, terminate this Agreement and all of its obligations hereunder. } ??
ok
I think

9. COVENANTS OF Jaba

9.1 During the currency of this Agreement, Jaba will:

- (a) not do any act or thing which would or might in any way adversely affect the rights of Excellon U.S. hereunder;
- (b) promptly provide Excellon U.S. with any and all notices and correspondence from government agencies in respect to the Property; and
- (c) co-operate with Excellon U.S. as necessary to permit Excellon U.S. to obtain patents to such of the unpatented mining claims comprised in the Property as it may desire.

ok

9.2 Jaba warrants and will defend title to the Property and the ground covered thereby against all persons claiming by, through or under Jaba.

*??
I think this is ok*

10. RECORDATION OF AGREEMENT

?Excellon?

10.1 Either Jaba or Excellon U.S. will, at its expense, have the right at any time to record a short form memorandum with respect to this Agreement in the real property records of Cochise County, Arizona, and each party agrees to execute and deliver a short form memorandum satisfactory to the others in a form appropriate for recordation, if so requested.

11. APPLICABLE LAWS

JAB
11.1

This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia, except for matters in connection with title to the Property, which shall be governed by and interpreted in accordance with the internal laws of the State of Arizona and federal laws of the United States applicable therein. The courts of the Province of British Columbia will have exclusive jurisdiction in respect of any matters arising therefrom and the parties hereby irrevocably attorn to such jurisdiction. The venue for all such proceedings will be Vancouver, British Columbia.

? Covered by Arizona Law - Preferable to have arbitration

12. FURTHER ASSURANCES

12.1 The parties agree to execute all such further documents, instruments or deeds, give all such further assurances and do or cause to be done all such acts and things necessary, both before and after the Closing Date, to implement and carry into effect this Agreement to the full extent contemplated herein.

13. NOTICES

13.1 Any notice, statement, approval, direction or other instrument required or permitted to be given under this Agreement will be in writing and will be given by delivery of the same or by mailing of the same by prepaid registered or certified mail or by telecopier, in each case addressed as follows:

(a) if to Jaba:

JABA, Inc.
2100 N. Wilmot Road, #218
Tucson, Arizona
U.S.A. 85712
Telecopier No.: (602) 721-2768
Attention: James A. Briscoe

(b) if to Excellon U.S. or Excellon:

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6
Telecopier No.: (416) 867-1109
Attention: A. Douglas MacKenzie, President

with a copy for information purposes only to:

Smith, Lyons, Torrance, Stevenson & Mayer
#550 - 999 Canada Place
Vancouver, B.C.
V6C 3C8
Telecopier No.: (604) 685-8542
Attention: Lawrence W. Talbot

13.2 Any notice, if delivered, will be deemed to have been given and received on the day it was delivered, if sent by telecopier, to have been given and received on the day after it was so sent and, if mailed, be deemed to have been given and received on the tenth (10th) business following the day of such mailing except in the event of a disruption of the postal services of Canada or the United States, in which event notice will be deemed to have been received only when actually received by the intended recipient.

13.3 Any party may at any time give to the others notice in writing of any change of address of such party, and from and after receipt of such notice, the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

14. DEFAULT

14.1 If any party (a "Defaulting Party") is in default of any requirement set forth in this Agreement, the party affected by such default ("Affected Party") will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement unless within thirty (30) days after the giving of a notice of default by the Affected Party the Defaulting Party has not cured the default by the appropriate performance, unless such default is of such a nature as cannot be cured within such thirty (30) day period and the Defaulting Party commences within such thirty (30) day period to remedy such default and thereafter continues to diligently use its best efforts to remedy such default. If the default is not cured as aforesaid, the Affected Party will be entitled to seek any remedy it may have on account of such default, including specific performance or other equitable remedy, damages or termination of this Agreement.

15. SUCCESSORS AND ASSIGNS

15.1 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

JAD
15.2 Either Excellon or Excellon U.S. may assign all or any portion of their rights in and to the Property or this Agreement to any party without restriction, provided that no such assignment shall become effective until the transferee has agreed in writing with Jaba to be bound by the provisions of this Agreement.

15.3 From and after the date hereof and until the Closing Date, Jaba will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate all or any part of its interest in and to the Property or this Agreement. After the Closing Date, Jaba will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate all or any of its interest in this Agreement or the Royalty without the prior written consent of Excellon and Excellon U.S., which consent will not be unreasonably withheld so long as the proposed transaction relates to Jaba's entire interest in this Agreement and the Royalty.

16. ENTIRE AGREEMENT

16.1 This Agreement constitutes the entire agreement between the parties hereto and replaces and supersedes all prior agreements, memoranda, correspondence, communications,

negotiations, warranties and representations, whether verbal or written, expressed or implied, statutory or otherwise, between the parties, or between a party and James A. Briscoe, with respect to the subject matter herein.

17. SURRENDER OR ABANDONMENT OF PROPERTY

17.1 If, at any time after the Closing Date, Excellon U.S. determines that, for any reason, it does not wish to retain any one or more of the unpatented mining claims comprising the Property, then Excellon U.S. may surrender or abandon such unpatented mining claim. If at any time Excellon U.S. proposes to so surrender or abandon any unpatented mining claims, it will deliver a notice in writing to Jaba specifying its intention to do so at least sixty (60) days prior to the proposed surrender or abandonment, which notice will list the proposed unpatented mining claims to be surrendered or abandoned. If, within fifteen (15) days of receipt of such notice, Jaba advises Excellon U.S. that it wishes to acquire one or more of such unpatented mining claims to be surrendered or abandoned, Excellon U.S. will deliver to Jaba a duly executed quitclaim in recordable form quitclaiming in favour of Jaba, without any warranties as to title, all interest of Excellon U.S. in and to such unpatented mining claims. Effective upon the delivery of such quitclaim or, if Jaba does not elect to acquire a surrendered or abandoned unpatented mining claim, upon such surrender or abandonment, neither Excellon or Excellon U.S. will thereafter have any further obligation to Jaba with respect to any such unpatented mining claim including, without limitation, any obligation to pay any Royalty in respect thereof

17.2 Notwithstanding subsection 17.1, Excellon U.S. will have the right at any time after the Closing Date (but not the obligation) to amend or relocate any or all of the unpatented mining claims comprised in the Property, and to locate any fractions existing on the date of this Agreement or resulting from the location, amendment or relocation of such unpatented mining claims.

IN WITNESS WHEREOF each of the parties has executed this Agreement as of the day and year first above written.

ATTEST:

JABA, INC.

Corporate Secretary

DRAFT

President

The Corporate Seal of EXCELLON)
RESOURCES INC. was hereunto)
affixed in the presence of:)

DRAFT

Authorized Signatory)

Authorized Signatory)

ATTEST:

DRAFT

EXCELLON RESOURCES U.S.A., INC.

Corporate Secretary

Per: _____

President

SCHEDULE "A"

[DESCRIPTION OF PROPERTY]

SCHEDULE "B"

NET SMELTER RETURNS

1. The Royalty which is payable to Jaba (hereinafter called the "Payee") by Excellon U.S. (hereinafter called the "Payor") pursuant to either subsection 3.1 or 5.1 of the Agreement will be the applicable percentage (subject to reduction pursuant to subsection 4.1 of the Agreement) of the Net Smelter Revenue (as hereinafter defined) and will be calculated and paid to the Payee in accordance with the terms of this Schedule "B". Terms having defined meanings in this Agreement and used herein will have the same meanings in this Schedule as assigned to them in the Agreement unless otherwise specified or the context otherwise requires.
2. The Net Smelter Revenue will be calculated on a calendar quarterly basis and will, subject to paragraph 7 hereof, be equal to Gross Revenue less Permissible Deductions for such month. 7(b)
3. The following words will have the following meanings:
 - (a) "Gross Revenue" means the aggregate of the following amounts received in each quarterly period:
 - (i) the revenue received by the Payor from arm's length purchasers of all Mineral Products,
 - (ii) the ^F fair ^M market ^V value of all Mineral Products sold by the Payor in such month to persons not dealing at arm's length with the Payor, and
 - (iii) any proceeds of insurance on Mineral Products;
 - (b) "Mineral Products" means the end products derived from operating the Property as a mine; *including but not limited to all concentrates, metals, aggregates, sand, gravel, industrial minerals.*
 - (c) "Permissible Deductions" means the aggregate of the following charges (to the extent that they are not ^{out} deducted by any purchaser in computing payment) that are paid in each quarterly period:
 - (i) sales charges levied by any sales agent on the sale of Mineral Products, (1)
 - (ii) transportation costs for Mineral Products ^{in their concentrated and/or saleable form} from the Property to the place of beneficiation, processing or treatment and thence to the place of delivery of Mineral Products to a purchaser thereof, including shipping, freight, handling and forwarding expenses,

(iii) all costs, expenses and charges of any nature whatsoever which are either paid or incurred by the Payor in connection with refinement, smelting and/or beneficiation of Mineral Products after leaving the Property, including all weighing, sampling, assaying and representation costs, metal losses, any umpire charges, and any penalties charged by the processor, refinery or smelter, and

(iv) all insurance costs on Mineral Products,

provided that where a cost or expense otherwise constituting a Permissible Deduction is incurred by the Payor in a transaction with a party with whom it is not dealing at arm's length (as that term is defined in the Income Tax Act (Canada)), such cost or expense may be deducted, but only as to the lesser of the actual cost incurred by the Payor or the fair market value thereof, calculated at the time of such transaction and under all the circumstances thereof; and

(d) "Precious Metals" means Mineral Products which are gold and silver;

*costs, expenses and charges
constituting a permissible deduction*

4. The Royalty will be calculated and paid within ~~forty-five (45)~~ ^{thirty (30)} days after the end of each calendar quarter. ^{Smelter} settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the "Statement") must be submitted with the payment.

at such time

5. In the event that final amounts required for the calculation of the Royalty are not available within the time period referred to in paragraph 4 hereof, then provisional amounts will be estimated and the Royalty paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the Royalty payment of the succeeding quarter.

6. All Royalty payments will be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless the Payee delivers to the Payor a written notice (the "Objection Notice") describing and setting forth a specific objection to the calculation thereof within ~~sixty (60)~~ ⁽¹⁸⁾ days after receipt by the Payee of the Statement. If the Payee objects to a particular Statement as herein provided, the Payee will, for a period of sixty (60) days after the Payor's receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Royalty in question audited by the auditors of the Payor.

eighteen (18) months

Payee

in which proceeds from the sale of Mineral Products are realized.

an excess or

If such audit determines that there has been a deficiency or an excess in the payment made to the Payee, such deficiency or excess will be resolved by adjusting the next quarterly Royalty payment due hereunder. The Payee will pay all the costs and expenses of such audit unless a deficiency of two and one-half (2-1/2%) percent or more of the amount due is determined to exist. The Payor will pay the costs and expenses of such audit if a deficiency of two and one-half (2-1/2%) percent or more of the amount due is determined to exist. All books and records used and kept by the Payor to calculate the Royalty due hereunder will be kept, at the option of the Payor, in accordance with either United States or Canadian generally accepted accounting principles. Failure on the part of the Payee to make claim against the Payor for adjustment in such ~~sixty (60)~~ *eighteen (18)* day period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and Royalty payments for such quarter.

JAB
7.

³ All profits and losses resulting from the Payor engaging in any commodity futures trading, option trading, metals trading, gold loans or any combination thereof, and any other hedging transactions with respect to Mineral Products which are Precious Metals (collectively, "Hedging Transactions") are specifically excluded from calculations of the Royalty pursuant to this Schedule "B" (it being the intent of the parties that the Payor will have the unrestricted right to market and sell Mineral Products to third parties in any manner it chooses and that the Payee will not have any right to participate in such marketing activities or to share in any profits or losses therefrom). All Hedging Transactions by the Payor and all profits or losses associated therewith, if any, will be solely for the Payor's account. The amount of Net Smelter Revenue derived from all Mineral Products subject to Hedging Transactions by the Payor will be determined pursuant to the provisions of this paragraph ~~7~~ *7(b)* and not paragraph ~~2~~ *2*. As to precious metals subject to Hedging Transactions by the Payor, Net Smelter Revenue will be determined without reference to Hedging Transactions and will be determined by using, for gold, the quarterly average price of gold, which will be calculated by dividing the sum of all London Bullion Market Association P.M. Gold Fix prices reported for the calendar quarter in question by the number of days for which such prices were quoted, and for silver, the quarterly average price of silver, which shall be calculated by dividing the sum of all New York Commodity Exchange ("COMEX") prices for silver quoted by and at the closing of COMEX reported for the calendar quarter in question by the number of days for which such prices were quoted, less, in each case, an amount reasonably equivalent to the deductions permitted by paragraph 3(c). Any Mineral Products subject to Hedging Transactions

??
~~Henry's~~
~~Monday~~

7(b)

Precious Metals

7(c)

will be deemed to be sold, and revenues received therefrom, only on the date of final settlement of the amount of refined Mineral Products allocated to the account of the Payor by a third party refinery in respect of such transactions. Furthermore, the Payor will have no obligation to fulfil, with Mineral Products, any futures contracts, forward sales, gold loans or other Hedging Transactions which the Payor or any of its associates or affiliates may hold.

8. The Payor may stockpile any mineral products at such place or places as the Payor may elect, either upon the Property or upon other properties. No Royalty will be payable in respect of such stockpiled Mineral Products unless and until Gross Revenue is received in respect of such Mineral Products.

Mineral Products removed from the Property shall remain subject to this Agreement until Payor has paid the applicable Royalty to Payee therefor

9. The Payor may commingle Mineral Products with ores, minerals or other products from other properties ("Other Ore"). Before commingling, the Payor will weigh and sample the Mineral Products and Other Ore for moisture and metal content in accordance with sound mining and metallurgical practice and will assay the samples to determine metal content. The Payor will keep records showing weights or volumes, moisture, percent metal content and gross metal content of the Mineral Products and Other Ore. The Royalty will be allocated between the Mineral Product and the Other Ore on the basis of gross metal content, with due regard being given to the difference, if any, between the royalty rate on the Mineral Products and the royalty rate on Other Ore.

including sample splits and pulps.

after first weighing and sampling in accordance with sound mining and metallurgical practice,

10. By notice given to the Payor on or before December 1 of any calendar year, the Payee may elect to have all Royalties payable with respect to Precious Metals payable in the next succeeding calendar year paid in kind by credit to the Payee's metals account at the refiner or bullion dealer at which the Payor causes Precious Metals to be refined for its account. The election will be for that calendar year only and will be irrevocable. Before crediting the Royalty to the Payee's metals account, the Payor will deduct the Payee's share of Permissible Deductions, determined by using the prices of Precious Metals used in determining Gross Revenue.

within that period

an entire

(4)

SCHEDULE "C"

OL

Recording Requested by
and Return to:

Lawrence W. Talbot
Smith, Lyons, Torrance, Stevenson & Mayer
World Trade Centre
#550 - 999 Canada Place
Vancouver, B.C.
CANADA V6C 3C8

QUITCLAIM DEED

THIS INDENTURE is made the _____ day of _____, 1993, by and between JABA, Inc., an Arizona corporation of 2100 N. Wilmot Road, #218, Tucson, Arizona, U.S.A. 85712 (hereinafter referred to as the "Grantor"); and EXCELLON RESOURCES U.S.A., INC., an Arizona corporation of Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6 (hereinafter referred to as the "Grantee").

W I T N E S S E T H :

WHEREAS the Grantor, for and in consideration of the sum of TEN (\$10.00) DOLLARS in lawful money of the United States, to it in hand paid by the Grantee, the receipt of which is hereby acknowledged, does hereby GRANT, RELEASE, and FOREVER QUITCLAIM unto the Grantee, and to its successors and assigns forever, all the right, title and interest which the Grantor has or may hereafter acquire in and to those certain unpatented lode mining claims situate in Cochise County, State of Arizona, and more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof (the "Property").

TOGETHER WITH all metals and minerals and all veins and lode of mineral-bearing rock therein and all dips, spurs and angles thereof and all mining and other rights thereto, including extralateral rights and water rights attached or belonging thereto.

TOGETHER WITH all rights, privileges and franchises thereto incident and the appurtenances thereto and all rents, issues and profits thereof, and all right, title and interest of the Grantor therein or thereto, or which it may hereafter acquire.

SUBJECT TO the right of the Grantor to receive a royalty in respect of the Property equal to two and one-half (2-1/2%) percent of Net Smelter Returns, calculated and paid in accordance with Exhibit "B" attached hereto and by this reference made a part hereof.

- 2 -

The Property is being transferred to the Grantee in accordance with, and shall be subject to all of the terms and conditions of, that certain agreement dated [redacted], 1993 among the Grantor, the Grantee and Excellon Resources Inc., a British Columbia, Canada, company.

TO HAVE AND TO HOLD the said Property, together with the appurtenances, unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF the Grantor has executed and delivered these presents the day and year first above written.

ATTEST:

JABA, INC.

Per:

President

SCHEDULE "D"

Investment Letter

February , 1993

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6

Attention: Mr. A. Douglas MacKenzie

Dear Sirs:

In connection with the acquisition by the undersigned of common shares (the "Shares") without par value in the capital of Excellon Resources Inc. (the "Company"), a Canadian corporation, in exchange for certain unpatented mining claims pursuant to an agreement dated , 1993 (the "Agreement"), the undersigned represents and acknowledges as follows:

1. The Shares are not registered under the Securities Act of 1933 (the "Act") as the transaction in which they are being acquired is exempt under Section 4(2) of the Act as not involving any public offering. Reliance of the Company and others upon this exemption is predicated in part upon our representation (which we hereby confirm) that we are acquiring these securities for our own account with no present intention of selling or otherwise distributing the same to the public. We understand that in the view of the United States Securities and Exchange Commission (the "SEC") the statutory and administrative basis for exemption would not be present if, notwithstanding our representation, we have in mind merely acquiring these securities for sale upon the occurrence or non-occurrence of some predetermined event such as, for example, holding the securities for a market rise, or for sale if the market does not rise, or for a fixed or determinable period in the future.
2. The Shares must be held by the undersigned indefinitely unless they are subsequently registered under the Act or an exemption from registration is available. Any routine sales of these securities made in reliance upon the exemption afforded by Rule 144 of the SEC can be made only in limited amounts in accordance with the terms and conditions of that rule, and, in the event this rule is for some reason inapplicable, compliance with Regulations A or S of the SEC or some other disclosure exemption will be required.

*discuss
this*

3. The undersigned has retained the following person/firm/corporation as its "Purchaser Representative" in respect of its acquisition of the Shares, and hereby certifies that its Purchaser Representative:
- (a) is not an affiliate, director or officer or other employee of Excellon or Excellon Resources U.S.A., Inc., or any 10% shareholder of Excellon;
 - (b) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in Excellon; and
 - (c) has disclosed to the undersigned any material relationships between itself or its affiliates and Excellon and its affiliates that exists, that is mutually contemplated to exist or that has existed at any time in the past 2 years, and any compensation received or to be received as a result of such relationships.

Name: _____

Address: _____

Business/Profession: _____

THE UNDERSIGNED HAS CAREFULLY READ THE FOREGOING AND UNDERSTANDS THAT EXCELLON RESOURCES INC. WILL RELY ON ITS STATEMENTS HEREIN IN ENTERING INTO THE AGREEMENT. THE UNDERSIGNED ALSO UNDERSTANDS THAT THE FOREGOING RELATES TO RESTRICTIONS ON ITS ABILITY TO SELL AND/OR TRANSFER THE SHARES ACQUIRED PURSUANT TO THE AGREEMENT. THE UNDERSIGNED HAS RETAINED A COPY OF THIS LETTER FOR ITS RECORDS.

DATED at _____, this _____ day of _____, 1993.

JABA, INC.

Per: _____
President

CANADA
PROVINCE OF
COUNTY OF

)
) ss.
)

On this _____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and _____, known to me or proved to me to be President and _____, respectively, of EXCELLON RESOURCES INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My Commission does not expire

CANADA
PROVINCE OF
COUNTY OF

)
) ss.
)

On this _____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and _____, known to me or proved to me to be President and _____, respectively, of EXCELLON RESOURCES U.S.A., INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My Commission does not expire

STATE OF ARIZONA)
) ss.
 COUNTY OF _____)

On this _____ day of February, 1993 before me, the undersigned, a notary public, personally appeared JAMES A. BRISCOE, known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial Seal)

 Notary Public in and for

Residing in _____
 My commission expires: _____

Smith, Lyons, Torrance, Stevenson & Mayer

Barristers & Solicitors

World Trade Centre
550 - 999 Canada Place
Vancouver, Canada
V6C 3C8

Telephone (604) 662-8082
Facsimile (604) 685-8542

Lawrence W. Talbot

February, 8 1993.

BY TELECOPIER

Jaba Inc.
2100 North Wilmot Road, No. 218
Tucson, Arizona
U.S.A. 85712

Attention: Mr. James A. Briscoe

Dear Jim:

Re: Acquisition of Tombstone County Properties
by Excellon Resources U.S.A., Inc.

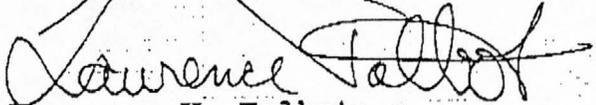
We are pleased to attach for your review and comment an initial discussion draft of the form of Acquisition Agreement among Jaba Inc. and Excellon Resources U.S.A., Inc. and Excellon Resources Inc. with respect to the sale and purchase of your five blocks of unpatented mining claims in Cochise County, Arizona.

We look forward to receiving your comments (or those of your lawyer) on the attached agreement. Please be advised that we have not yet reviewed the draft agreement fully with Excellon, nor with Arizona counsel for Excellon, and accordingly we reserve the right to make such further changes as may be required.

Should you have any questions, please do not hesitate to contact the writer.

Yours very truly,

SMITH, LYONS, TORRANCE, STEVENSON & MAYER

Per: 
Lawrence W. Talbot

LWT/ck
Attachments

cc: Excellon Resources Inc.
Attention: A. Douglas MacKenzie, President

LWT:EXCELLON40283-1BRISCOE.LT

Suite 6200, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3Z7
Telephone (416) 369-7200, Facsimile (416) 369-7250

Suite 1611, 50 O'Connor Street, Ottawa, Canada K1P 6L2
Telephone (613) 230-3988, Facsimile (613) 230-7085

TOMBSTONE PROPERTY ACQUISITION AGREEMENT NO. █

THIS AGREEMENT made and dated for reference the █ day of February, 1993, the effective date.

AMONG:

JABA, INC., a corporation duly incorporated under the laws of the State of Arizona, and having an office at 2100 N. Wilmot Road, #218, Tucson, Arizona, U.S.A. 85712

(hereinafter called "JABA")

AND:

EXCELLON RESOURCES U.S.A., INC., a corporation duly incorporated under the laws of the State of Arizona and having an office at Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6

(hereinafter called "Excellon U.S.")

AND:

EXCELLON RESOURCES INC., a company duly incorporated under the laws of the Province of British Columbia, Canada and having an office at Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6

(hereinafter called "Excellon")

W H E R E A S :

A. JABA represents that it has located, is the sole legal and beneficial owner of and is in possession of █ unpatented mining claims located in the Tombstone Mining District, Section █, Range █, Township █, █ Meridian, Cochise County, Arizona unpatented mining claims described in Schedule A attached hereto and by this reference made a part hereof (hereinafter referred to as the "Property");

B. JABA has agreed to sell, assign and transfer all its rights in and to the Property to Excellon U.S., and Excellon U.S. has agreed to purchase the same, upon the terms and conditions hereinafter set forth; and

C. Excellon U.S. has agreed to issue shares inof its capital stock to Excellon in consideration of Excellon issuing shares inof its capital stock to JABA as hereinafter provided.

take out.
ok

of

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the sum of TEN (\$10.00) DOLLARS now paid by each of Excellon U.S. and Excellon to JABA (the receipt and sufficiency of which is hereby expressly acknowledged by JABA) and of the premises, promises and mutual covenants and agreements herein contained, the parties agree each with the other as follows:

1. INTERPRETATION

1.1 In this Agreement and in any Schedules or Exhibits hereto, the following words and phrases will have the following meanings:

- (a) "Area of Interest" means those areas internal to the external rectangular boundary as illustrated on map labeled Exhibit A whose boundaries shall encompass areas between 31° 30 minutes 00 seconds north latitude to 31° 45 minutes 00 seconds north latitude and 109° 56 minutes 00 seconds west longitude to 110° 15 minutes 00 seconds west longitude;
- (b) "Closing Date" means the fifth business day after the day upon which Excellon has received written notification from the Exchange that the Exchange has accepted this Agreement for filing;
- (c) "Exchange" means the Vancouver Stock Exchange;
- (d) "Property" means the unpatented mining claims more particularly set forth and described in Schedule "A", together with all rights held by JABA which are appurtenant or relate thereto, to the development thereof or to the operation of a mine thereon, including, without limitation, all water rights, and including all and any forms of after acquired, successor or substitute mineral tenure or rights to mine, extract or develop mines or minerals in respect of such claims;
- (e) "Royalty" means the applicable percentage of net smelter returns payable to JABA pursuant to either subsection 3.1 (subject to reduction under subsection 4.1) or 5.1, calculated and paid in accordance with Schedule "B" attached hereto; and
- (f) "Shares" means the common shares in the capital stock of Excellon to be allotted and issued to JABA pursuant to subsection 3.1;
- (g) "1933 Act" means the United States Securities Act of

1933.

2. REPRESENTATIONS AND WARRANTIES

2.1 Excellon U.S. and Excellon each represent and warrant to JABA that:

- (a) it is a corporation duly organized and validly subsisting under the laws of its incorporating jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement; and
- (c) neither the execution and delivery of this Agreement, nor any of the agreements or instruments referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which it is a party;

20DA
(d) Excellon U.S. is an Arizona Corporation which is a wholly owned subsidiary of Excellon;

(e) It is not in default of any contract, lease, or other agreement to which it is a party;

(f) It has disclosed to JABA all material information pertaining to its business and financial condition and to the transactions contemplated hereby; and

(g) It has neither applied for permits nor located claims upon any State or Federal mineral ground for itself or others pursuant to which JABA would be entitled to a Royalty as defined in Subsection 5.1.

2.2 JABA represents and warrants to each of Excellon U.S. and Excellon that:

- (a) it is a corporation duly organized and validly subsisting under the laws of Arizona, and has good right, full power and absolute authority to assign all right, title and interest which JABA has or may hereafter acquire in and to the Property in the manner set out in this Agreement;
- (b) neither the execution and delivery of this Agreement, nor any of the agreements or instruments referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated, materially conflict

with, result in a material breach of or accelerate the performance required by, any agreement to which JABA is a party;

~~(c) the execution and delivery of this Agreement and the agreements or instruments contemplated hereby will not materially violate or result in a material breach of the laws of any jurisdiction applicable to or pertaining thereto or any document to which JABA is a party or by which it is bound;~~

(d) the execution and delivery of this Agreement and the agreements or instruments contemplated hereby will not materially violate or result in a material breach of the laws of any jurisdiction applicable to or pertaining thereto or any document to which JABA is a party or by which it is bound;

(e) JABA has, prior to the execution of this Agreement, provided to Excellon U.S. and its representatives true and correct copies of all deeds, easements or other documents in their possession and to the best of its knowledge which bear upon the title of JABA to the Property (additional details of which are more fully described on Schedule A);

→ ~~(f) JABA is not entering into this transaction as a result of any material changes with respect to the affairs of Excellon which were not disclosed as of the date hereof;~~ *dk*

(g) in entering into this Agreement and selling the Property to Excellon U.S. in exchange for Shares, JABA is acting as principal, and will be acquiring the Shares as principal, for its own account and not on behalf of others and for the purposes of investment and not with the intention of effecting a distribution, and no other person, corporation, firm or other organization will have a beneficial interest in the Shares;

(h) JABA is a resident of Arizona for the purposes of all securities laws applicable to the transactions herein contemplated; and

(i) JABA is fully familiar with Excellon's business affairs as disclosed in publicly available information, and acknowledges that Excellon has made available to its and to the person acting as its Purchaser Representative (as such term is defined in the 1933 Act), all publicly available documents and records of Excellon in its possession, and has offered to JABA and its Purchaser Representative an opportunity to discuss this investment

with Excellon and representatives of Excellon and to obtain any additional information necessary to verify the accuracy of any information furnished, provided that JABA acknowledges that no information furnished by Excellon constitutes investment, accounting, legal or tax advice and that JABA is relying solely upon itself and its professional advisers for such advice.

2.3 JABA represents, but does not warrant, to each of Excellon U.S. and Excellon that:

- (a) to the best of JABA's knowledge and belief, with respect to the unpatented mining claims comprised in the Property and subject to the paramount title of the United States of America:
 - (i) the claims are free and clear of all liens, charges and encumbrances,
 - (ii) the claims have been properly laid out, monumented and posted, filings of location certificates have been properly and timely made in the real property records of Cochise County, Arizona, as well as in the Arizona State Office of the Bureau of Land Management pursuant to the Federal Land Policy and Management Act of 1976, 43 U.S.C. §1744(a), and in accordance with applicable laws, statutes and regulations of the State of Arizona,
 - (iii) all required location and validation work has been properly performed on the claims,
 - (iv) no other person, firm, corporation, partnership or other entity whatsoever claims any interest in the claims or the ground covered thereby, or has located any unpatented mining claims on the ground covered thereby, and
 - (v) to the extent required, all assessment work has been performed consistent with that required by law to maintain title to and possession of the claims, and all applicable filings, recordings and affidavits, including notices of intention to hold and proofs of labour, have been timely and properly recorded and filed with appropriate governmental agencies to maintain the claims in good standing under all applicable laws for each

assessment year for which such recording and filing was required, to and including the assessment year ending September 1, 1992;

2.4 The representations and warranties hereinbefore set out onare conditions on which the parties have relied on-in entering into this Agreement and will not merge but will survive the acquisition of any interest in the Property by Excellon U.S. and each party will indemnify and save the others harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement.

2.5 JABA acknowledges that the Shares to be issued to JABA hereunder will not be registered under the 1933 Act as the transaction in which they are being acquired is exempt under section 4(2) of the 1933 Act as not involving any public offering, that the reliance of Excellon and others on this exemption is predicated in part upon the representations and warranties of JABA, and that JABA will be acquiring the Shares for its own account, with no present intention of selling or otherwise distributing the same to the public, and that the Shares are therefore subject to restrictions on transfer in the United States or to a U.S. person, unless subsequently registered under the 1933 Act or an exemption from registration is available.

2.6 Concurrently with the execution of this Agreement by JABA, JABA will execute and deliver an originally executed copy of the Investment Letter in the form attached hereto as Schedule "D" to Excellon.

3. PURCHASE AND SALE

3.1 JABA hereby agrees to sell, assign and transfer to Excellon U.S., and Excellon U.S. agrees to purchase from JABA, all interest of JABA in and to the Property, subject to the payment to JABA of a TWO AND ONE-HALF (2-1/2%) PERCENT Royalty, for and in consideration of the allotment, and issuance, and transfer by Excellon to JABA of ■ Shares. Excellon U.S. and Excellon acknowledge and affirm that Excellon U.S. is indebted to JABA in the amount of \$___ for consulting services previously rendered. JABA shall have no obligation to consummate the transactions contemplated hereby unless such consulting fees have been paid in full by Excellon U.S., or to the written satisfaction of JABA.

3.2 On the Closing Date, and subject to the completion of the purchase and sale set forth in subsection 3.1, Excellon U.S. will allot and issue to Excellon common shares in its capital stock equal in value to the deemed value of the shares issued to JABA by

Excellon.

3.3 Notwithstanding that JABA retains the Royalty, the parties acknowledge that neither Excellon nor Excellon U.S. is under any obligation whatsoever to undertake any activities or perform any work on or with respect to the Property other than that required by law. The parties affirm that the expectation of JABA in entering into this Agreement is the belief that Excellon U.S. desires and intends to diligently proceed with the exploration on and, if warranted, development of, the Property. However, No covenants or conditions relating to the exploration, development, mining or related operations on or in connection with the Property, or the timing thereof, will exist or be implied. After commencing any exploration, development, mining or related operations on or in connection with the Property, Excellon and Excellon U.S. may in their sole discretion curtail or cease such operations.

3.4 Subject to the sale of the Property to Excellon U.S. and issuing of shares, as contemplated herein, upon the Closing Date and thereafter, unless Excellon U.S. surrenders or abandons its rights to the Property as provided in Subsection 17.1, Excellon U.S. shall be the party of record responsible for dismissing all obligations and fees required to keep the Property in active and valid tenure with the jurisdiction of paramount title thereto. All Interest to JABA created herein by this Agreement shall be that of a "Carried Interest", such interest being defined whereby JABA shall be afforded all freedoms and benefits herefrom without regard, need, or requirement to dismiss, in part or whole, any obligation or fees as related to keeping an active tenure to mineral rights on the Property.

Yes

4. ACQUISITION OF ROYALTY INTEREST

4.1 For and in consideration of payment of the sum of One (U.S. \$1.00) Dollar in lawful currency of the United States by Excellon U.S. to JABA on the execution of this Agreement, Excellon U.S. will have, and JABA hereby gives and grants to Excellon U.S., the option (the "NSR Option") to purchase from JABA, at any time within twenty-one (21) years after the date of execution of this Agreement, all of the right, title and interest of JABA in and to two-fifths (2/5) of the two and one-half (2-1/2%) percent Royalty held by JABA pursuant to subsection 3.1, for an adjusted total consideration, as provided hereinbelow, of Two Hundred and Fifty Thousand (\$250,000) Dollars in lawful money of the United States (the "NSR Option Price"). Excellon U.S. may exercise the NSR Option at any time by delivering written notice to that effect to JABA, accompanied by cash or a certified cheque or bank draft in payment of the NSR Option Price. Forthwith after receipt of such notice and cash, certified cheque or bank draft, JABA will do or cause to be done all such acts, execute and deliver all such

instruments, deeds or agreements, and give all such further assurances as may be reasonably necessary or desirable to give effect to the exercise of the NSR Option and to carry out the transfer to Excellon U.S. of all of the right, title and interest of JABA in and to two-fifths (2/5) of such Royalty. From and after the exercise of the NSR Option, the Royalty payable to JABA pursuant to subsection 3.1 will be equal to one and one-half (1-1/2%) percent, and Excellon U.S. will pay such reduced Royalty to JABA. Commencing sixty (60) months from the effective date of the Agreement and continuing thereafter for so long as the NSR Option is in effect, the NSR Option Price shall be adjusted upward to its equivalent dollar value by multiplying the NSR Option Price (Two Hundred and Fifth Thousand (\$250,000) Dollars) by a percentage equal to one hundred (100) plus the percentage difference shown by the Consumer Price Index published by the U. S. Bureau of Labor Statistics from the effective date of this Agreement to the date of the end of the last calendar month before the NSR Option is exercised. Nothing in this paragraph or Agreement shall be interpreted to preclude JABA from transferring its interest in or right to assign the Royalty, provided such transfer or assignment is subject to the NSR Option.

5. ACQUISITIONS IN AREA OF INTEREST

5.1 If, after the effective date of this Agreement, Excellon U.S. ~~locates any unpatented mining claims which lie wholly or partially within the Area of Interest,~~

(a) ~~locates any unpatented mining claims (Public Domain);~~

or
→ (b) ~~locates any Type A to Type B mining claims (State Lands);~~

(c) ~~applies for and is awarded Prospecting Permits (State Lands); and/or~~

(d) ~~applies for, locates and/or converts all or any part of the Area of Interest into one or more leases or other forms of mineral tenure pursuant to any federal or state law hereinafter enacted;~~

~~the ground thus acquired by Excellon U.S. which lies wholly or partially within the Area of Interest shall collectively be referred to as the "Other Property". JABA will have, and Excellon U.S. will thereafter pay to JABA, a ONE AND A HALF (1-1/2%) PERCENT Royalty in respect of such unpatented mining claims Other Property. JABA shall be provided with a Carried Interest as defined in Subsection 3.4 in these Other Properties by Excellon U.S. For greater certainty, the parties confirm that JABA will not be~~

For this paragraph Excellon shall include 15.4 here.

entitled to receive a Royalty in respect of any ground acquired by Excellon or Excellon U.S. otherwise than directly from the United States federal or Arizona state governments.

5.2 JABA covenants and agrees that, from and after the date of this Agreement, neither JABA nor any of its directors, officers or shareholders or any of their respective associates (as defined in the Securities Act (B.C.)) will acquire any patented or unpatented mining claims, fee lands, water rights or any other rights in minerals or rights to explore for, develop or extract minerals which lies wholly or partially within the Area of Interest (collectively, a "Mineral Interest") unless JABA has first given Excellon U.S. not less than sixty (60) days' written notice of such proposed acquisition, together with all details known to JABA with respect to such Mineral Interest. If, within such sixty (60) day period, Excellon U.S. elects in writing to acquire such Mineral Interest, it may do so at its sole cost and expense and JABA will co-operate as necessary to secure for Excellon U.S. such Mineral Interest at standard consulting rates. If such Mineral Interest is an unpatented mining claim ~~Other Property as hereinabove defined in Subsection 5.1, and acquired directly from the Arizona State of Arizona or or U.S. Federal Government Public Domain~~, it will be subject to the royalty provisions of subsection 5.1. If, within such sixty (60) day period, Excellon U.S. elects not to acquire such Mineral Interest, JABA (or its director, officer or shareholder or their associates, as the case may be) will be free to acquire at their expense such interest for its sole and absolute use, and Excellon U.S. will thereafter have no right in or with respect to such Mineral Interest.

JABA'S

5.3 It is specifically agreed by the parties that no Royalty will be payable to JABA pursuant to subsection 5.1 with respect to any property held by Excellon U.S. under lease, or otherwise acquired by Excellon U.S., from Tombstone Development Company, nor with respect to any internal fractions located or acquired within or adjacent to any the external boundary of Mineral Interests held by Tombstone Development Company, as provided by the attached map, Exhibit B.

6. DELIVERIES AT OR FOLLOWING CLOSING

6.1 On the Closing Date, JABA will deliver to Excellon U.S. a duly executed and recordable quitclaim deed in the form attached hereto as Schedule "C".

6.2 On the Closing Date, Excellon will deliver to JABA share certificates representing an aggregate of ■ Shares.

6.3 ~~Within sixty (60) days after the Closing Date, JABA will deliver to Excellon and Excellon U.S. For so long as Excellon U.S.~~

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is actively exploring and/or developing the Property, JABA will make available to Excellon and Excellon U.S. for inspection and, at market cost and JABA consulting rates, copies of all data in its possession with respect to the Property including, without limitation, all files, records, reports, maps, plans, drill logs, assays, sample pulps and drill cores, provided that it is understood and agreed by Excellon and Excellon U.S. that JABA may make and retain, for its own use, copies of all such data as it may deem necessary or desirable.

7. TAXES AND CONVEYANCES FEES AND EXPENSES

7.1 Excellon U.S. will pay and be responsible for the preparation of all and any conveyances, assignments, bills of sale and transfer documents and the payment of all federal, state and local transfer, sales or use taxes and fees which may be or become payable as a result of or in connection with the sale of the Property hereunder.

7.2 Subject to subsection 7.1, each party will bear its own costs and pay all its expenses (including legal, accounting and other professional fees) in connection with the negotiation and execution of this Agreement, the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby.

8. ACCEPTANCE FOR FILING BY VANCOUVER STOCK EXCHANGE

8.1 This Agreement is subject to the acceptance for filing hereof on behalf of Excellon by the Exchange. Forthwith after the execution of this Agreement by all parties, Excellon will submit this Agreement to the Exchange and request acceptance for filing, and will diligently thereafter pursue such acceptance. If such acceptance for filing has not been received by Excellon on or before March 31, 1993, Excellon may at its option and upon not less than fifteen (15) days notice to JABA, terminate this Agreement and all of its obligations hereunder. In such case, Excellon shall direct Excellon U.S. and Excellon U.S. shall comply in providing JABA with a release to all Property covered by this Agreement upon or before the date of termination. Thereinafter neither Excellon nor Excellon U.S. will have an interest, either in whole or in part, direct or indirect in the Property.

9. COVENANTS OF JABA

9.1 During the currency of this Agreement, JABA will:

- (a) not do any act or thing which would or might in any way adversely affect the rights of Excellon U.S. hereunder;

- (b) promptly provide Excellon U.S. with any and all notices and correspondence from government agencies in respect to the Property; and
- (c) co-operate, at JABA consulting rates, with Excellon U.S. as necessary to permit Excellon U.S. to obtain patents to such of the unpatented mining claims comprised in the Property as it may desire.

9.2 JABA warrants and will defend title to the Property and the ground covered thereby against all persons claiming by, through or under JABA.

10. RECORDATION OF AGREEMENT

10.1 Either JABA or Excellon U.S. will, at its expense, have the right at any time to record a short form memorandum with respect to this Agreement in the real property records of Cochise County, Arizona, and each party agrees to execute and deliver a short form memorandum satisfactory to the others in a form appropriate for recordation, if so requested.

11. APPLICABLE LAWS

11.1 This Agreement will be governed by and interpreted in accordance with the laws of the State of Arizona ~~Province of British Columbia~~, except for matters in connection with title to the Property, which shall be governed by and interpreted in accordance with the internal laws of the State of Arizona and federal laws of the United States applicable therein. The courts of the County of Cochise ~~Province of British Columbia~~ will have exclusive jurisdiction in respect of any matters arising therefrom and the parties hereby irrevocably attorn to such jurisdiction. The venue for all such proceedings will be Vancouver, British Columbia ~~the County of Cochise~~.

12. FURTHER ASSURANCES

12.1 The parties agree to execute all such further documents, instruments or deeds, give all such further assurances and do or cause to be done all such acts and things necessary, both before and after the Closing Date, to implement and carry into effect this Agreement to the full extent contemplated herein including providing public record and assurances of Royalty in the Other Property.

12.2 In so much that Excellon U.S. is a fully owned subsidiary of Excellon, Excellon, under the fullest extent of the law shall

use it best efforts to

cause, direct, and provide means for its fully owned subsidiary Excellon U.S. to comply with, abide by, and conform with the terms, conditions and obligations undertaken herein by Excellon U.S. as they relate to JABA.

13. NOTICES

13.1 Any notice, statement, approval, direction or other instrument required or permitted to be given under this Agreement will be in writing and will be given by delivery of the same or by mailing of the same by prepaid registered or certified mail or by telecopier, in each case addressed as follows:

(a) if to JABA:

JABA, Inc.
2100 N. Wilmot Road, #218
Tucson, Arizona
U.S.A. 85712
Telecopier No.: (602) 721-2768
Attention: James A. Briscoe

with a copy for information purposes only to:

Hecker & Phillips
405 W. Franklin
Tucson, AZ, USA 85701
Telecopier No.: (602) 620-0405
Attention: Lawrence M. Hecker, Esq.

(b) if to Excellon U.S. or Excellon:

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6
Telecopier No.: (416) 867-1109
Attention: A. Douglas MacKenzie, President

with a copy for information purposes only to:

Smith, Lyons, Torrance, Stevenson & Mayer
#550 - 999 Canada Place
Vancouver, B.C.
V6C 3C8
Telecopier No.: (604) 685-8542
Attention: Lawrence W. Talbot

13.2 Any notice, if delivered, will be deemed to have been given and received on the day it was delivered, if sent by

telecopier, to have been given and received on the day after it was so sent and, if mailed, be deemed to have been given and received on the tenth (10th) business day following the day of such mailing except in the event of a disruption of the postal services of Canada or the United States, in which event notice will be deemed to have been received only when actually received by the intended recipient.

13.3 Any party may at any time give to the others notice in writing of any change of address of such party, and from and after receipt of such notice, the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

14. DEFAULT

14.1 If any party (a "Defaulting Party") is in default of any requirement set forth in this Agreement, the party affected by such default ("Affected Party") will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement unless within thirty (30) days after the giving of a notice of default by the Affected Party the Defaulting Party has not cured the default by the appropriate performance, unless such default is of such a nature as cannot be cured within such thirty (30) day period and the Defaulting Party commences within such thirty (30) day period to remedy such default and thereafter continues to diligently use its best efforts to remedy such default. If the default is not cured as aforesaid, the Affected Party will be entitled to seek any remedy it may have on account of such default, including specific performance or other equitable remedy, damages or termination of this Agreement.

15. SUCCESSORS AND ASSIGNS

15.1 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

15.2 Either Excellon or Excellon U.S. may assign all or any portion of their rights in and to the Property or this Agreement to any party without restriction, provided that no such assignment shall become effective until the transferee has agreed in writing with JABA to be bound by the provisions of this Agreement.

15.3 From and after the date hereof and until the Closing Date, JABA will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate all or any part of its interest in

and to the Property or this Agreement. After the Closing Date, JABA will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate all or any of its interest in this Agreement or the Royalty without the prior written consent of Excellon and Excellon U.S., which consent will not be unreasonably withheld so long as the proposed transaction relates to JABA's entire interest in this Agreement and the Royalty.

15.4 It is expressly understood by the Parties hereto that pursuant to this Agreement and in any Schedules or Exhibits, that Excellon U.S. shall in addition to the corporation, Excellon Resources U.S.A., Inc., also mean Excellon Resources, Inc., their respective directors, officers and shareholders or any of their respective associates (as defined in the Securities Act (B.C.) and also include their respective successors, permitted assigns, survivors of title or interest, affiliates and operational subsidiaries or units

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16. ENTIRE AGREEMENT

16.1 This Agreement constitutes the entire agreement between the parties hereto and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations, warranties and representations, whether verbal or written, expressed or implied, statutory or otherwise, between the parties, or between a party and James A. Briscoe, with respect to the subject matter herein.

17. SURRENDER OR ABANDONMENT OF PROPERTY

17.1 If, at any time after the Closing Date, Excellon U.S. determines that, for any reason, it does not wish to retain any one or more of the unpatented mining claim parcels, tracts or claims comprising the Property or Other Property, then Excellon U.S. may surrender or abandon such unpatented mining claim parcels, tracts or claims. If at any time Excellon U.S. proposes to so surrender or abandon any unpatented mining claim parcels, tracts or claims, it will deliver a notice in writing to JABA specifying its intention to do so at least sixty (60) days prior to the proposed surrender or abandonment, which notice will list the proposed unpatented mining claim parcels, tracts or claims to be surrendered or abandoned. If, within fifteen (15) days of receipt of such notice, JABA advises Excellon U.S. that it wishes to acquire one or more of such unpatented mining claim parcels, tracts or claims to be surrendered or abandoned, Excellon U.S. will deliver to JABA a duly executed quitclaim deed in recordable form quitclaiming in favour of JABA, without any warranties as to title, all interest of Excellon U.S. in and to such unpatented mining claim parcels, tracts or claims. Effective upon the delivery of such quitclaim

deed or, if JABA does not elect to acquire the surrendered or abandoned unpatented mining claim parcels, tracts or claims, upon such surrender or abandonment, neither Excellon or Excellon U.S. will thereafter have any further obligation to JABA with respect to any such unpatented mining claim parcels, tracts or claims including, without limitation, any obligation to pay any Royalty in respect thereof

17.2 Notwithstanding subsection 17.1, Excellon U.S. will have the right at any time after the Closing Date (but not the obligation) to amend or relocate any or all of the unpatented mining claims comprised in the Property, and to locate any fractions existing on the date of this Agreement or resulting from the location, amendment or relocation of such unpatented mining claims.

17.3 JABA desires and Excellon U.S. and Excellon agree to allow JABA to retain such items of goodwill which accrue with the initial acquisition of the property and determination of the Area of Interest such as exploration philosophy, methodology, and model of the genesis of potential ore deposition, including publication rights and acknowledgement of initial recognition of exploration targets in any subsequent press releases by Excellon. Any use of rights by JABA as created herein shall be first open to inspection by Excellon and Excellon U.S. for written approval, such written approval not to be unreasonably denied.

17.4 JABA desires and Excellon and Excellon U.S. recognizes the need to keep JABA informed of the on-going work being performed on the Property or Other Property. As such, Excellon shall direct and Excellon U.S. shall prepare or cause to be prepared calendar year quarterly reports to be submitted to JABA within thirty (30) days of the close of any calendar quarter, detailing work that has been accomplished on the Property and/or Other Property, if any, and details of anticipated or planned work in the next succeeding quarter. Such report shall be furnished to JABA at no cost to JABA, and accompanied by one set of reproducible copies of all available interpretive and factual data pertaining to the Property and/or Other Property, which shall include but not be limited to the following types of data: geophysical, mineralogic, hydrologic, geologic, petrographic, geochronologic, assay, environmental, land survey, drill hole logs of all types, sampling sites, elevation, contour, cross sections, ore reserve calculations or similar treatment of the above described data. The preceding sentence is not intended and shall not be construed to require Excellon U.S. to generate such data if in Excellon U.S.'s sole discretion it chooses not to do so. Excellon U.S.'s obligation to make interpretive and factual data available to JABA shall be limited to interpretive and factual data not previously provided to JABA. JABA shall not without the express written consent of Excellon U.S. disclose during the term of this Agreement any information which is provided

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as a result of operations hereunder, unless or until the first of the causes as provided hereinbelow:

- (a) surrender of the Property or Other Property to JABA as provided in Subsection 17.1;
- (b) abandonment of the Property or Other Property; or
- (c) abandonment by Excellon and Excellon U.S. of all their working and/or carried interest in the Area of Interest.

17.5 If, as provided in Subsection 17.1, Excellon U.S. determines to surrender or abandon the Property or Other Property, and upon giving proper notice to JABA, JABA elects to acquire any one or more of the parcels, tracts or claims comprising the Property or Other Property being surrendered by Excellon U.S., Excellon U.S. will provide to JABA adequate and necessary remuneration, either through work commitments on or for the benefit of the surrendered Property or Other Property in the case of assessment work requirements for unpatented mining claims on the Public Domain, or Prospecting Permits or Mineral Leases on State lands, and/or monies to pay fees, including but not limited to taxes, assessments, filing fees, special assessments, rentals or other fees, which payments bear on the ability of JABA to keep such Properties and/or Other Properties in an active status and not subject to abandonment or relinquishment pursuant to laws of the jurisdiction of venue, for a period of 180 days from date of surrender.

90 days

17.6 In the event of assignment to JABA of the Property and/or Other Property in part or in its entirety, Excellon U.S. shall provide to JABA within ninety (90) days after such assignment all available drill chip, core and sample rejects, interpretive and technical data as described in Subsection 17.4 above, and ore reserve data, if any, developed or prepared by or for Excellon U.S. pertaining to that portion of the Property or Other Property assigned. Excellon U.S. in no event shall be liable for the accuracy or comprehensiveness of any data furnished to JABA.

18. ACCESS

18.1 JABA, at its sole risk and expense, shall have access to the Property and Other Property to inspect the same at such times and upon such notice to Excellon U.S. as shall not unreasonably hinder or interrupt the operations of Excellon U.S. JABA shall not (excepting to those provided privilege) without the expressed written consent of Excellon U.S., disclose during the term of this Agreement any information it may obtain with respect to its operations or access hereunder.

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19. TAXES AND ASSESSMENTS.

19.1 Subsequent to its acquisition of Property and election to acquire Other Property, Excellon shall direct, and Excellon U.S. shall or shall cause to be performed the following unless sooner terminated by Excellon U.S. pursuant to Subsections 17.1 or 17.5 of this Agreement: (i) all applicable assessment work or work requirements on unpatented mining claims (Federal) mineral prospecting permits and/or leases (State); (ii) all necessary filings; (iii) pay all rentals; (iv) pay all royalties; (v) pay all reasonable taxes; (vi) pay all assessments; (vii) pay all special assessments; and (viii) any other obligation required to hold the Property or Other Property under any other form of tenure contemplated by this Agreement, in order to keep all mineral rights valid to both the Property and Other Property.

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20. MINERAL COLLECTING RIGHTS.

20.1 *JABA* JABA requests and Excellon and Excellon U.S. agree to grant JABA the exclusive and irrevocable right and license to collect and be sales agent for any and all "Mineral Specimens" which are mined, found and/or are otherwise removed and made available for sale from the Area of Interest by Excellon U.S. For the terms of this Agreement, Mineral Specimens shall be defined as any one or more species of minerals generally crystalline in nature, holding a uniqueness over and above the intrinsic value of the common mineral because of its collectability, aesthetic value and/or scientific interest. The parties acknowledge the need to formulate and finalize a consummation of their intent as hereby provided at a date later than the Closing Date. The terms of that agreement will be in accord with those normally acceptable in the industry for such license and rights.

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21. ACQUISITION OF PRIVATE LAND.

21.1 If Excellon U.S. now or hereafter owns, leases or otherwise claims an interest into real property or mineral rights (collectively the "Third Party Property"), not subject to the Property or Other Property, and if Excellon U.S. desires to terminate any Third Party Property mineral leases, options, and/or other forms of tenure, within the Area of Interest, Excellon U.S. shall, where practicable and where not in conflict with any pre-existing third party obligation, and where Excellon U.S. has no actual or potential liability in connection with such Third Party Property, notify JABA thereof, according to and governed by the terms of notice and acceptance as provided in Subsection 17.1, providing JABA with an opportunity to take an assignment of said Third Party Property. In connection with any such assignment, JABA thereby assumes all further obligations and liabilities therefore

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SCHEDULE "A"

[DESCRIPTION OF PROPERTY]

SCHEDULE "B"

NET SMELTER RETURNS

1. The Royalty which is payable to JABA (hereinafter called the "Payee") by Excellon U.S. (hereinafter called the "Payor") pursuant to either subsection 3.1 or 5.1 of the Agreement will be the applicable percentage (subject to reduction pursuant to subsection 4.1 of the Agreement) of the Net Smelter Revenue (as hereinafter defined) and will be calculated and paid to the Payee in accordance with the terms of this Schedule "B". Terms having defined meanings in this Agreement and used herein will have the same meanings in this Schedule as assigned to them in the Agreement unless otherwise specified or the context otherwise requires.
2. The Net Smelter Revenue will be calculated on a calendar quarterly basis and will, subject to paragraph 7(b) hereof, be equal to Gross Revenue less Permissible Deductions for such month.
3. The following words will have the following meanings:
 - (a) "Gross Revenue" means the aggregate of the following amounts received in each quarterly period:
 - (i) the revenue received by the Payor from arm's length purchasers of all Mineral Products,
 - (ii) the fair market value of all Mineral Products sold by the Payor in such month to persons not dealing at arm's length with the Payor, and
 - (iii) any proceeds of insurance on Mineral Products;
 - (iv) credits received for Precious Metals used as repayments of loans; and
 - (v) inventory value of refined and stockpiled Mineral Products.
 - (b) "Mineral Products" means the end products derived from operating the Property as a mine including but not limited to all concentrates, metals, aggregates, sand, gravel, and industrial minerals;
 - (c) "Permissible Deductions" means the aggregate of the following charges (to the extent that they are not deducted by any purchaser in computing payment) that are paid in each quarterly period:
 - (i) sales charges levied by any sales agent on the

sale of Mineral Products including but not limited to all taxes paid by Payor on such Mineral Products, excepting income taxes and royalty payments due to the superior title holder (State or Federal) of the Property, if any,

- (ii) transportation costs for Mineral Products in their concentrated and/or saleable form from the Property to the place of beneficiation, processing or treatment and thence to the place of delivery of Mineral Products to a purchaser thereof, including shipping, freight, handling and forwarding expenses,
- (iii) all costs, expenses and charges of any nature whatsoever which are either paid or incurred by the Payor in connection with refinement, smelting and/or beneficiation of Mineral Products after leaving the Property, including all weighing, sampling, assaying and representation costs, metal losses, any umpire charges, and any penalties charged by the processor, refinery or smelter, and
- (iv) all insurance costs on Mineral Products,

provided that where a cost or expense otherwise constituting a Permissible Deduction is incurred by the Payor in a transaction with a party with whom it is not dealing at arm's length (as that term is defined in the Income Tax Act (Canada)), such cost or expense may be deducted, but only as to the lesser of the actual cost incurred by the Payor or the fair market value thereof, calculated at the time of such transaction and under all the circumstances thereof; and

- (d) "Precious Metals" means Mineral Products which are gold and silver; and
- (e) "Fair Market Value" means whenever Mineral Products are delivered for direct sale or future processing thereof to a processing or sales facility owned or controlled by Payor, an affiliate or an assign (other than a processing facility constructed on the Property), or which processes or sells such Mineral Products on a toll basis for the Payor, an affiliate, or assign, the Net Smelter Revenue from such sale shall be an amount not less than the amount which would have been realized by Payor if the sale had been at the best price obtainable from a selection of the three (3) nearest independent purchasers of such product(s); and in such case Payor may deduct

amounts not to exceed the charges, costs, and expenses permitted under Paragraph 3(c) "Permissible Deductions", hereinabove.

4. The Royalty will be calculated and paid within ~~forty-five (45)~~thirty (30) days after the end of each calendar quarter in which Gross Revenue is realized. At such time Smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the "Statement") must be submitted with the payment.
5. In the event that final amounts required for the calculation of the Royalty are not available within the time period referred to in paragraph 4 hereof, then provisional amounts will be estimated and the Royalty paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the Royalty payment of the succeeding quarter.
6. All Royalty payments will be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless the Payee delivers to the Payor a written notice (the "Objection Notice") describing and setting forth a specific objection to the calculation thereof within ~~sixty (60) days~~eighteen (18) months after receipt by the Payee of the Statement. If the Payee objects to a particular Statement as herein provided, the Payee will, for a period of sixty (60) days after the Payor's receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Royalty in question audited by the auditors of the ~~Payor~~Payee. If such audit determines that there has been a deficiency or an excess in the payment made to the Payee, such deficiency or excess will be resolved by adjusting the next quarterly Royalty payment due hereunder. The Payee will pay all the costs and expenses of such audit unless a deficiency of two and one-half (2-1/2%) percent or more of the amount due is determined to exist. The Payor will pay the costs and expenses of such audit if ~~an excess or a~~ deficiency of two and one-half (2-1/2%) percent or more of the amount due is determined to exist. All books and records used and kept by the Payor to calculate the Royalty due hereunder will be kept, at the option of the Payor, in accordance with either United States or Canadian generally accepted accounting principles. Failure on the part of the Payee to make claim against the Payor for adjustment in such ~~sixty (60) day~~eighteen (18) month period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and Royalty payments for such quarter.

7.

(a) By notice given to the Payor on or before December 1 of any calendar year, the Payee may elect to have the amount of Net Smelter Revenue payable hereunder, in the next succeeding calendar year, with reference to Hedging Transactions, as hereinafter defined, if any, which Payor may engage in. Such election shall continue until terminated by Payee by written notice to Payor. Payor shall have the unrestricted right to engage in any marketing activities of its choice without notice to Payee. Payee recognizes that Net Smelter Revenues determined by these marketing activities may enhance or reduce royalties payable to Payee; as compared to Payee's Net Smelter Revenues as determined in Section 7(b) next below. All profits and losses thus accruing to Payee, through this election, shall be binding upon the Payee.

(b) Upon election by the Payee not to participate in Hedging Transaction of the Payor as hereinafter defined, All profits and losses resulting from the Payor engaging in any commodity futures trading, option trading, metals trading, gold loans or any combination thereof, and any other hedging transactions with respect to Mineral Products which are Precious Metals (collectively, "Hedging Transactions") are specifically excluded from calculations of the Royalty pursuant to this Schedule "B" (it being the intent of the parties that the Payor will have the unrestricted right to market and sell Mineral Products to third parties in any manner it chooses and that the Payee will not have any right to participate in such marketing activities or to share in any profits or losses therefrom). All Hedging Transactions by the Payor and all profits or losses associated therewith, if any, will be solely for the Payor's account. The amount of Net Smelter Revenue derived from all Mineral Products subject to Hedging Transactions by the Payor will be determined pursuant to the provisions of this paragraph 7(b) and not paragraph 27(a). As to Precious Metals subject to Hedging Transactions by the Payor, Net Smelter Revenue will be determined without reference to Hedging Transactions and will be determined by using, for gold, the quarterly average price of gold, which will be calculated by dividing the sum of all London Bullion Market Association P.M. Gold Fix prices reported for the calendar quarter in question by the number of days for which such prices were quoted, and for silver, the quarterly average price of silver, which shall be calculated by dividing the sum of all New York Commodity Exchange ("COMEX") prices for silver quoted by and at the closing of COMEX reported for the calendar quarter in question by the number of days for which such prices were

quoted, less, in each case, an amount reasonably equivalent to the deductions permitted by paragraph 3(c). Any Mineral Products subject to Hedging Transactions will be deemed to be sold, and revenues received therefrom, only on the date of final settlement of the amount of refined Mineral Products allocated to the account of the Payor by a third party refinery in respect of such transactions. Furthermore, the Payor will have no obligation to fulfil, with Mineral Products, any futures contracts, forward sales, gold loans or other Hedging Transactions which the Payor or any of its associates or affiliates may hold.

8. The Payor may stockpile any Mineral Products at such place or places as the Payor may elect after first weighing and sampling in accordance with sound mining and metallurgical practices, either upon the Property or upon other properties. No Royalty will be payable in respect of such stockpiled Mineral Products unless and until Gross Revenue is received in respect of such Mineral Products. Any Mineral Products removed from the Property shall remain Subject to this Agreement until Payor has paid the applicable Royalty to Payee therefore.
9. The Payor may commingle Mineral Products with ores, minerals or other products from other properties ("Other Ore"). Before commingling, the Payor will weigh and sample the Mineral Products and Other Ore for moisture and metal content in accordance with sound mining and metallurgical practice and will assay the samples to determine metal content. The Payor will keep records including sample splits and pulps showing weights or volumes, moisture, percent metal content and gross metal content of the Mineral Products and Other Ore. The Royalty will be allocated between the Mineral Product and the Other Ore on the basis of gross metal content, with due regard being given to the difference, if any, between the royalty rate on the Mineral Products and the royalty rate on Other Ore.
10. By notice given to the Payor on or before December 1 of any calendar year, the Payee may elect to have all Royalties payable with respect to Precious Metals payable in the next succeeding calendar year, and each succeeding calendar year thereafter until notice is so given on or before the above date by the Payee, that Payee desires to terminate its election as provided here, to be paid in kind by credit to the Payee's metals account at the refiner or bullion dealer at which the Payor causes Precious Metals to be refined for its account. The election will be for that an entire calendar year only and will be irrevocable within that period. Before crediting the Royalty to the Payee's metals account, the Payor

will deduct the Payee's share of Permissible Deductions, determined by using the prices of Precious Metals used in determining Gross Revenue.

SCHEDULE "C"

Recording Requested by
and Return to:

Lawrence W. Talbot
Smith, Lyons, Torrance, Stevenson & Mayer
World Trade Centre
#550 - 999 Canada Place
Vancouver, B.C.
CANADA V6C 3C8

QUITCLAIM DEED

THIS INDENTURE is made the ____ day of _____, 1993, by and between JABA, Inc., an Arizona corporation of 2100 N. Wilmot Road, #218, Tucson, Arizona, U.S.A. 85712 (hereinafter referred to as the "Grantor"); and EXCELLON RESOURCES U.S.A., INC., an Arizona corporation of Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6 (hereinafter referred to as the "Grantee").

W I T N E S S E T H :

WHEREAS the Grantor, for and in consideration of the sum of TEN (\$10.00) DOLLARS in lawful money of the United States, to it in hand paid by the Grantee, the receipt of which is hereby acknowledged, does hereby GRANT, RELEASE, and FOREVER QUITCLAIM unto the Grantee, and to its successors and assigns forever, all the right, title and interest which the Grantor has or may hereafter acquire in and to those certain unpatented lode mining claims situate in Cochise County, State of Arizona, and more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof (the "Property").

TOGETHER WITH all metals and minerals and all veins and lode of mineral-bearing rock therein and all dips, spurs and angles thereof and all mining and other rights thereto, including extralateral rights and water rights attached or belonging thereto.

TOGETHER WITH all rights, privileges and franchises thereto incident and the appurtenances thereto and all rents, issues and profits thereof, and all right, title and interest of the Grantor therein or thereto, or which it may hereafter acquire.

SUBJECT TO the right of the Grantor to receive a royalty in respect of the Property equal to two and one-half (2-1/2%) percent of Net Smelter Returns, calculated and paid in accordance with Exhibit "B" attached hereto and by this reference made a part hereof.

The Property is being transferred to the Grantee in accordance with, and shall be subject to all of the terms and conditions of, that certain agreement dated ■, 1993 among the Grantor, the Grantee and Excellon Resources Inc., a British Columbia, Canada, company.

TO HAVE AND TO HOLD the said Property, together with the appurtenances, unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF the Grantor has executed and delivered these presents the day and year first above written.

ATTEST:

JABA, INC.

Per: _____
President

SCHEDULE "D"

Investment Letter

February , 1993

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6

Attention: Mr. A. Douglas MacKenzie

Dear Sirs:

In connection with the acquisition by the undersigned of ■ common shares (the "Shares") without par value in the capital of Excellon Resources Inc. (the "Company"), a Canadian corporation, in exchange for certain unpatented mining claims pursuant to an agreement dated ■, 1993 (the "Agreement"), the undersigned represents and acknowledges as follows:

1. The Shares are not registered under the Securities Act of 1933 (the "Act") as the transaction in which they are being acquired is exempt under Section 4(2) of the Act as not involving any public offering. Reliance of the Company and others upon this exemption is predicated in part upon our representation (which we hereby confirm) that we are acquiring these securities for our own account with no present intention of selling or otherwise distributing the same to the public. We understand that in the view of the United States Securities and Exchange Commission (the "SEC") the statutory and administrative basis for exemption would not be present if, notwithstanding our representation, we have in mind merely acquiring these securities for sale upon the occurrence or non-occurrence of some predetermined event such as, for example, holding the securities for a market rise, or for sale if the market does not rise, or for a fixed or determinable period in the future.
2. The Shares must be held by the undersigned indefinitely unless they are subsequently registered under the Act or an exemption from registration is available. Any routine sales of these securities made in reliance upon the exemption afforded by Rule 144 of the SEC can be made only in limited amounts in accordance with the terms and conditions of that rule, and, in the event this rule is for some reason inapplicable, compliance with Regulations A or S of the SEC or some other disclosure exemption will be required.
3. The undersigned has retained the following person/firm/

corporation as its "Purchaser Representative" in respect of its acquisition of the Shares, and hereby certifies that its Purchaser Representative:

- (a) is not an affiliate, director or officer or other employee of Excellon or Excellon Resources U.S.A., Inc., or any 10% shareholder of Excellon;
- (b) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in Excellon; and
- (c) has disclosed to the undersigned any material relationships between itself or its affiliates and Excellon and its affiliates that exists, that is mutually contemplated to exist or that has existed at any time in the past 2 years, and any compensation received or to be received as a result of such relationships.

Name: _____

Address: _____

Business/Profession: _____

THE UNDERSIGNED HAS CAREFULLY READ THE FOREGOING AND UNDERSTANDS THAT EXCELLON RESOURCES INC. WILL RELY ON ITS STATEMENTS HEREIN IN ENTERING INTO THE AGREEMENT. THE UNDERSIGNED ALSO UNDERSTANDS THAT THE FOREGOING RELATES TO RESTRICTIONS ON ITS ABILITY TO SELL AND/OR TRANSFER THE SHARES ACQUIRED PURSUANT TO THE AGREEMENT. THE UNDERSIGNED HAS RETAINED A COPY OF THIS LETTER FOR ITS RECORDS.

DATED at _____, this _____ day of _____, 1993.

JABA, INC.

Per: _____
President

CANADA
PROVINCE OF
COUNTY OF

)
) ss.
)

On this _____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and _____, known to me or proved to me to be President and _____, respectively, of EXCELLON RESOURCES INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My Commission does not expire

CANADA
PROVINCE OF
COUNTY OF

)
) ss.
)

On this _____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and _____, known to me or proved to me to be President and _____, respectively, of EXCELLON RESOURCES U.S.A., INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My Commission does not expire

STATE OF ARIZONA)
) ss.
COUNTY OF _____)

On this _____ day of February, 1993 before me, the undersigned, a notary public, personally appeared JAMES A. BRISCOE, known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My commission expires:

STATE OF ARIZONA)
) SS.
COUNTY OF _____)

On this _____ day of February, 1993 before me the undersigned, a notary public, personally appeared _____, known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My commission expires:

Smith, Lyons, Torrance, Stevenson & Mayer

Barristers & Solicitors

World Trade Centre
550 - 999 Canada Place
Vancouver, Canada
V6C 3C8

Telephone (604) 662-8082
Facsimile (604) 685-8542

Lawrence W. Talbot

February 9, 1993

BY COURIER

JABA, Inc.
2100 North Wilmot Road, No. 218
Tucson, Arizona
U.S.A. 85712

Attention: Mr. James A. Briscoe

Dear Jim:

Re: Acquisition of Tombstone County Properties
by Excellon Resources U.S.A., Inc.

Further to our recent discussions, we are pleased to enclose both a hard copy of, and a disc containing, the draft acquisition agreement previously faxed to you.

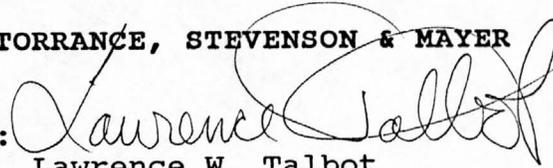
We confirm that you will, upon completion of your review of the agreement, make the changes you would like to see, and then provide blacklined copies to both the writer and Doug MacKenzie of Excellon. After we have had a chance to review and discuss those changes with our client, we suggest a conference telephone call to settle the final changes.

We confirm your advice to us that, in addition to unpatented mining claims, JABA has applied for two Arizona state prospecting permits (Block No. 5). Accordingly, the language in the agreement will have to be modified to include these tenures. We also understand that JABA does not presently own the unpatented claims referred to as "Block 4", but that these claims are held under a lease/joint venture from a third party. Accordingly, we confirm that a separate form of acquisition agreement (most probably a form of sublease) will have to be prepared with respect to this group of claims. We also confirm that, under the circumstances, consideration for such a sublease will be an overriding royalty payable to JABA, and that no shares of Excellon will be issued.

We trust you will find the enclosed and the above satisfactory and look forward to hearing from you in due course.

Yours very truly,

SMITH, LYONS, TORRANCE, STEVENSON & MAYER

Per: 
Lawrence W. Talbot

LWT/ck
Encls.

cc: Excellon Resources Inc. (by telecopier)
Attention: A. Douglas MacKenzie, President

6A

Larry Hecker's
review copy

Excellon U.S. and Excellon acknowledge and affirm that Excellon US is indebted to JABA in the amount of \$ _____ for consulting services previously rendered. JABA still have no obligation to consummate the transactions contemplated hereby unless such consulting fees have been paid in full by Excellon U.S. to the written satisfaction of JABA.

BA

- (d) Excellon U.S. is an Arizona corporation which is a wholly owned subsidiary of Excellon
- (e) it is not in default of any contract, lease or other agreement to which it is a party
- (f) it has disclosed to Juba all material information pertaining to its business and financial condition and to the transactions contemplated hereby.

TOMBSTONE PROPERTY ACQUISITION AGREEMENT NO. █

THIS AGREEMENT made and dated for reference the █ day of February, 1993.

AMONG:

JABA, INC., a corporation duly incorporated under the laws of the State of Arizona, and having an office at 2100 N. Wilmot Road, #218, Tucson, Arizona, U.S.A. 85712

(hereinafter called "JABA")

AND:

EXCELLON RESOURCES U.S.A., INC., a corporation duly incorporated under the laws of the State of Arizona and having an office at Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6

(hereinafter called "Excellon U.S.")

AND:

EXCELLON RESOURCES INC., a company duly incorporated under the laws of the Province of British Columbia, Canada and having an office at Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6

(hereinafter called "Excellon")

W H E R E A S :

A. JABA represents that it has located, is the sole legal and beneficial owner of and is in possession of █ unpatented mining claims located in the Tombstone Mining District, Section █, Range █, Township █, █ Meridian, Cochise County, Arizona the real property and unpatented mining claims described in Schedule A attached hereto and by this reference made a part hereof (hereinafter referred to as the "Property");

B. JABA has agreed to sell, assign and transfer all its rights in and to the Property to Excellon U.S., and Excellon U.S. has agreed to purchase the same, upon the terms and conditions hereinafter set forth; and

C. Excellon U.S. has agreed to issue shares in its capital stock to Excellon in consideration of Excellon issuing shares in its capital stock to JABA as hereinafter provided. ^{ob} 6

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the sum of TEN (\$10.00) DOLLARS now paid by each of Excellon U.S. and Excellon to JABA (the receipt and sufficiency of which is hereby expressly acknowledged by JABA) and of the premises and mutual covenants and agreements herein contained, the parties agree each with the other as follows:

1. INTERPRETATION

1.1 In this Agreement and in any Schedules or Exhibits hereto, the following words and phrases will have the following meanings:

- (a) "Area of Interest" means those areas internal to the external rectangular boundary as illustrated on map labeled Exhibit A whose boundaries shall encompass areas between 31° 30 minutes 00 seconds north latitude to 31° 45 minutes 00 seconds north latitude and 109° 56 minutes 00 seconds west longitude to 110° 15 minutes 00 seconds west longitude;
- (b) "Closing Date" means the fifth business day after the day upon which Excellon has received written notification from the Exchange that the Exchange has accepted this Agreement for filing;
- (c) "Exchange" means the Vancouver Stock Exchange;
- (d) "Property" means the real property and unpatented mining claims more particularly set forth and described in Schedule "A", together with all rights held by JABA which are appurtenant or relate thereto, to the development thereof or to the operation of a mine thereon, including, without limitation, all water rights, and including all and any forms of after acquired, successor or substitute mineral tenure or rights to mine, extract or develop mines or minerals in respect of such claims;
- (e) "Royalty" means the applicable percentage of net smelter returns payable to JABA pursuant to either subsection 3.1 (subject to reduction under subsection 4.1) or 5.1, calculated and paid in accordance with Schedule "B" attached hereto; and
- (f) "Shares" means the common shares in the capital stock of Excellon to be allotted and issued to JABA pursuant to subsection 3.1;
- (g) "1933 Act" means the United States Securities Act of

is an Az Corp.
which is

1. Ex. USA is wholly owned subord of Ex.
2. Ex. USA is not in material default of any
contract, lease or other agreement to which it is a
party

- 3 -

3. it has not been disclosed to JABA all material
facts pertinent to its business and financial condition
or the transaction contemplated hereby

1933.

2. REPRESENTATIONS AND WARRANTIES

2.1 Excellon U.S. and Excellon each represent and warrant to JABA that:

- (a) it is a corporation duly organized and validly subsisting under the laws of its incorporating jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement; and
- (c) neither the execution and delivery of this Agreement, nor any of the agreements or instruments referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which it is a party.

2.2 JABA represents and warrants to each of Excellon U.S. and Excellon that:

- (a) it is a corporation duly organized and validly subsisting under the laws of Arizona, and has good right, full power and absolute authority to assign all right, title and interest which JABA has or may hereafter acquire in and to the Property in the manner set out in this Agreement;
- (b) neither the execution and delivery of this Agreement, nor any of the agreements or instruments referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated, materially conflict with, result in a material breach of or accelerate the performance required by, any agreement to which JABA is a party;
- ~~(c) the execution and delivery of this Agreement and the agreements or instruments contemplated hereby will not materially violate or result in a material breach of the laws of any jurisdiction applicable to or pertaining thereto or any document to which JABA is a party or by which it is bound;~~
- (d) the execution and delivery of this Agreement and the agreements or instruments contemplated hereby will not materially violate or result in a material breach of the laws of any jurisdiction applicable to or pertaining

insert
3A

~~thereto or any document to which JABA is a party or by which it is bound;~~

- (e) JABA has, prior to the execution of this Agreement, provided to Excellon U.S. and its representatives true and correct copies of all deeds, easements or other documents in their possession and to the best of its knowledge which bear upon the title of JABA to the Property;
- (f) JABA is not entering into this transaction as a result of any material changes with respect to the affairs of Excellon which were not disclosed as of the date hereof;
- (g) in entering into this Agreement and selling the Property to Excellon U.S. in exchange for Shares, JABA is acting as principal, and will be acquiring the Shares as principal, for its own account and not on behalf of others and for the purposes of investment and not with the intention of effecting a distribution, and no other person, corporation, firm or other organization will have a beneficial interest in the Shares;
- (h) JABA is a resident of Arizona for the purposes of all securities laws applicable to the transactions herein contemplated; and
- (i) JABA is fully familiar with Excellon's business affairs as disclosed in publicly available information, and acknowledges that Excellon has made available to its and to the person acting as its Purchaser Representative (as such term is defined in the 1933 Act), all publicly available documents and records of Excellon in its possession, and has offered to JABA and its Purchaser Representative an opportunity to discuss this investment with Excellon and representatives of Excellon and to obtain any additional information necessary to verify the accuracy of any information furnished, provided that JABA acknowledges that no information furnished by Excellon constitutes investment, accounting, legal or tax advice and that JABA is relying solely upon itself and its professional advisers for such advice.

2.3 JABA represents , but does not warrant, to each of Excellon U.S. and Excellon that:

- (a) that to the best of JABA's knowledge and belief, with respect to the unpatented mining claims comprised in the Property and subject to the paramount title of the United States of America:

- (i) the claims are free and clear of all liens, charges and encumbrances,
- (ii) the claims have been properly laid out, monumented and posted, filings of location certificates have been properly and timely made in the real property records of Cochise County, Arizona, as well as in the Arizona State Office of the Bureau of Land Management pursuant to the Federal Land Policy and Management Act of 1976, 43 U.S.C. §1744(a), and in accordance with applicable laws, statutes and regulations of the State of Arizona,
- (iii) all required location and validation work has been properly performed on the claims, ~~if any~~
- (iv) no other person, firm, corporation, partnership or other entity whatsoever claims any interest in the claims ~~or the ground covered thereby, or has located any unpatented mining claims on the ground covered thereby,~~ and
- (v) to the extent required, all assessment work has been performed consistent with that required by law to maintain title to and possession of the claims, and all applicable filings, recordings and affidavits, including notices of intention to hold and proofs of labour, have been timely and properly recorded and filed with appropriate governmental agencies to maintain the claims in good standing under all applicable laws for each assessment year for which such recording and filing was required, to and including the assessment year ending September 1, 1992;

2.4 ^{are} The representations and warranties hereinbefore set out on conditions on which the parties have relied ^{into} on in entering this Agreement and will not merge but will survive the acquisition of any interest in the Property by Excellon U.S. and each party will indemnify and save the others harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement.

2.5 JABA acknowledges that the Shares to be issued to JABA

hereunder will not be registered under the 1933 Act as the transaction in which they are being acquired is exempt under section 4(2) of the 1933 Act as not involving any public offering, that the reliance of Excellon and others on this exemption is predicated in part upon the representations and warranties of JABA, and that JABA will be acquiring the Shares for its own account, with no present intention of selling or otherwise distributing the same to the public, and that the Shares are therefore subject to restrictions on transfer in the United States or to a U.S. person, unless subsequently registered under the 1933 Act or an exemption from registration is available.

2.6 Concurrently with the execution of this Agreement by JABA, JABA will execute and deliver an originally executed copy of the Investment Letter in the form attached hereto as Schedule "D".

3. PURCHASE AND SALE

to JABA

3.1 JABA hereby agrees to sell, assign and transfer to Excellon U.S., and Excellon U.S. agrees to purchase from JABA, all interest of JABA in and to the Property, subject to the payment of a TWO AND ONE-HALF (2-1/2%) PERCENT Royalty, for and in consideration of the allotment and issuance by Excellon to JABA of 1 Shares. *Variant GA* *and transfer*

3.2 On the Closing Date, and subject to the completion of the purchase and sale set forth in subsection 3.1, Excellon U.S. will allot and issue to Excellon common shares in its capital stock equal in value to the deemed value of the shares issued to JABA by Excellon. *in my* *with the* *by that Excellon U.S. the belief*

3.3 Notwithstanding that JABA retains the Royalty, the parties acknowledge that neither Excellon nor Excellon U.S. is under any obligation whatsoever to undertake any activities or perform any work on or with respect to the Property other than that required by law. The parties affirm that, in part, the expectation of JABA to enter into this Agreement was based on the assign's desires to diligently proceed in exploration for and to develop, if warranted, the Property. However, No covenants or conditions relating to the exploration, development, mining or related operations on or in connection with the Property, or the timing thereof, will exist or be implied. After commencing any exploration, development, mining or related operations on or in connection with the Property, Excellon and Excellon U.S. may in their sole discretion curtail or cease such operations.

4. ACQUISITION OF ROYALTY INTEREST

on

most of

and interests

if warranted,

written

4.1 For and in consideration of payment of the sum of One (U.S. \$1.00) Dollar in lawful currency of the United States by Excellon U.S. to JABA on the execution of this Agreement, Excellon U.S. will have, and JABA hereby gives and grants to Excellon U.S., the option (the "NSR Option") to purchase from JABA, at any time within twenty-one (21) years after the date of execution of this Agreement, all of the right, title and interest of JABA in and to two-fifths (2/5) of the two and one-half (2-1/2%) percent Royalty held by JABA pursuant to subsection 3.1, for an adjusted total consideration, as provided hereinbelow, of Two Hundred and Fifty Thousand (\$250,000) Dollars in lawful money of the United States (the "NSR Option Price"). Excellon U.S. may exercise the NSR Option at any time by delivering notice to that effect to JABA, accompanied by cash or a certified cheque or bank draft in payment of the NSR Option Price. Forthwith after receipt of such notice and cash, certified cheque or bank draft, JABA will do or cause to be done all such acts, execute and deliver all such instruments, deeds or agreements, and give all such further assurances as may be reasonably necessary or desirable to give effect to the exercise of the NSR Option and to carry out the transfer to Excellon U.S. of all of the right, title and interest of JABA in and to two-fifths (2/5) of such Royalty. From and after the exercise of the NSR Option, the Royalty payable to JABA pursuant to subsection 3.1 will be equal to one and one-half (1-1/2%) percent, and Excellon U.S. will pay such reduced Royalty to JABA. Commencing sixty (60) months from the effective date of the Agreement and continuing thereafter so long as the NSR Option is in effect, the NSR Option Price shall be adjusted upward to its equivalent dollar value by multiplying NSR Option Price (Two Hundred and Fifth Thousand (\$250,000) Dollars by a percentage equal to one hundred (100) plus the percentage difference shown by the Consumer Price Index published by the U. S. Bureau of Labor Statistics from the effective date of this Agreement to the date of the end of the last calendar month before the NSR Option is exercised. Subject to the completion of the purchase and sale set forth in subsection 3.1, nothing in this paragraph or Agreement shall be interpreted to preclude JABA from transferring its interest in or freedom of sale to an assignment of JABA's choice, in the retained production Royalty thus created in the Property.

→ provided such transfer or assignment is subject to the NSR Option.

Right to assign the

5. ACQUISITIONS IN AREA OF INTEREST

5.1 If, after the date of this Agreement, Excellon U.S. locates any unpatented mining claims which lie wholly or partially within the Area of Interest, JABA will have, and Excellon U.S. will thereafter pay to JABA, a ONE AND A HALF (1-1/2%) PERCENT Royalty in respect of such unpatented mining claims. For greater certainty, the parties confirm that JABA will not be entitled to receive a Royalty in respect of any ground acquired by Excellon or

Excellon U.S. otherwise than directly from the United States federal or Arizona state governments.

5.2 JABA covenants and agrees that, from and after the date of this Agreement, neither JABA nor any of its directors, officers or shareholders or any of their respective associates (as defined in the Securities Act (B.C.)) will acquire any patented or unpatented mining claims, fee lands, water rights or any other rights in minerals or rights to explore for, develop or extract minerals which lies wholly or partially within the Area of Interest (collectively, a "Mineral Interest") unless JABA has first given Excellon U.S. not less than sixty (60) days' written notice of such proposed acquisition, together with all details known to JABA with respect to such Mineral Interest. If, within such sixty (60) day period, Excellon U.S. elects in writing to acquire such Mineral Interest, it may do so at its sole cost and expense and JABA will co-operate as necessary to secure for Excellon U.S. such Mineral Interest at standard consulting rates. If such Mineral Interest is ~~an unpatented mining claim acquired directly from the Arizona State of Arizona via claim, prospecting permit, or lease, or unpatented mining claim or lease on or U.S. Federal Government Public Domain grounds,~~ it will be subject to the royalty provisions of subsection 5.1. If, within such sixty (60) day period, Excellon U.S. elects not to acquire such Mineral Interest, JABA (or its director, officer or shareholder or their associate, as the case may be) will be free to acquire at their expense such interest for its sole and absolute use, and Excellon U.S. will thereafter have no right in or with respect to such Mineral Interest.

5.3 It is specifically agreed by the parties that no Royalty will be payable to JABA pursuant to subsection 5.1 with respect to any property held by Excellon U.S. under lease, or otherwise acquired by Excellon U.S., from Tombstone Development Company, nor with respect to any internal fractions located or acquired within ~~or adjacent to any the external boundary of Mineral Interests held by Tombstone Development Company,~~ as provided by the attached map, Exhibit B.

6. DELIVERIES AT OR FOLLOWING CLOSING

6.1 On the Closing Date, JABA will deliver to Excellon a duly executed and recordable quitclaim deed in the form attached hereto as Schedule "C".

6.2 On the Closing Date, Excellon will deliver to JABA share certificates representing an aggregate of ■ Shares.

6.3 Within sixty (60) days after the Closing Date, JABA will deliver to Excellon and Excellon U.S. all data in its possession with respect to the Property including, without limitation, all

*For so long as Excellon U.S. is actively exploring and/or developing the Property, JABA will
make available to Excellon and Excellon U.S. for inspection,
and, at reasonable costs, copying
market and JABA consulting rates*

files, records, reports, maps, plans, drill logs, assays, sample pulps and drill cores, provided that it is understood and agreed by Excellon and Excellon U.S. that JABA may make and retain, for its own use, copies of all such data as it may deem necessary or desirable.

7. TAXES AND CONVEYANCES FEES AND EXPENSES

7.1 Excellon U.S. will pay and be responsible for the preparation of all and any conveyances, assignments, bills of sale and transfer documents and the payment of all federal, state and local transfer, sales or use taxes and fees which may be or become payable as a result of or in connection with the sale of the Property hereunder.

7.2 Subject to subsection 7.1, each party will bear its own costs and pay all its expenses (including legal, accounting and other professional fees) in connection with the negotiation and execution of this Agreement, the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby.

8. ACCEPTANCE FOR FILING BY VANCOUVER STOCK EXCHANGE

8.1 This Agreement is subject to the acceptance for filing hereof on behalf of Excellon by the Exchange. Forthwith after the execution of this Agreement by all parties, Excellon will submit this Agreement to the Exchange and request acceptance for filing, and will diligently thereafter pursue such acceptance. If such acceptance for filing has not been received by Excellon on or before March 31, 1993, Excellon may at its option and upon not less than fifteen (15) days' notice to JABA, terminate this Agreement and all of its obligations hereunder.

9. COVENANTS OF JABA

9.1 During the currency of this Agreement, JABA will:

- (a) not do any act or thing which would or might in any way adversely affect the rights of Excellon U.S. hereunder;
- (b) promptly provide Excellon U.S. with any and all notices and correspondence from government agencies in respect to the Property; and
- (c) co-operate with Excellon U.S. as necessary to permit Excellon U.S. to obtain patents to such of the unpatented mining claims comprised in the Property as it may desire.

at JABA consult rates,

9.2 JABA warrants and will defend title to the Property and the ground covered thereby against all persons claiming by, through or under JABA.

10. RECORDATION OF AGREEMENT

10.1 Either JABA or Excellon U.S. will, at its expense, have the right at any time to record a short form memorandum with respect to this Agreement in the real property records of Cochise County, Arizona, and each party agrees to execute and deliver a short form memorandum satisfactory to the others in a form appropriate for recordation, if so requested.

11. APPLICABLE LAWS

11.1 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia, except for matters in connection with title to the Property, which shall be governed by and interpreted in accordance with the internal laws of the State of Arizona and federal laws of the United States applicable therein. The courts of the Province of British Columbia will have exclusive jurisdiction in respect of any matters arising therefrom and the parties hereby irrevocably attorn to such jurisdiction. The venue for all such proceedings will be Vancouver, British Columbia.

State of Arizona

Courts of Cochise

12. FURTHER ASSURANCES

12.1 The parties agree to execute all such further documents, instruments or deeds, give all such further assurances and do or cause to be done all such acts and things necessary, both before and after the Closing Date, to implement and carry into effect this Agreement to the full extent contemplated herein.

13. NOTICES

13.1 Any notice, statement, approval, direction or other instrument required or permitted to be given under this Agreement will be in writing and will be given by delivery of the same or by mailing of the same by prepaid registered or certified mail or by telecopier, in each case addressed as follows:

(a) if to JABA:

JABA, Inc.
2100 N. Wilmot Road, #218
Tucson, Arizona

U.S.A. 85712
Telecopier No.: (602) 721-2768
Attention: James A. Briscoe

(b) if to Excellon U.S. or Excellon:

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6
Telecopier No.: (416) 867-1109
Attention: A. Douglas MacKenzie, President

with a copy for information purposes only to:

Smith, Lyons, Torrance, Stevenson & Mayer
#550 - 999 Canada Place
Vancouver, B.C.
V6C 3C8
Telecopier No.: (604) 685-8542
Attention: Lawrence W. Talbot

13.2 Any notice, if delivered, will be deemed to have been given and received on the day it was delivered, if sent by telecopier, to have been given and received on the day after it was so sent and, if mailed, be deemed to have been given and received on the tenth (10th) business following the day of such mailing except in the event of a disruption of the postal services of Canada or the United States, in which event notice will be deemed to have been received only when actually received by the intended recipient.

13.3 Any party may at any time give to the others notice in writing of any change of address of such party, and from and after receipt of such notice, the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

14. DEFAULT

14.1 If any party (a "Defaulting Party") is in default of any requirement set forth in this Agreement, the party affected by such default ("Affected Party") will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement unless within thirty (30) days after the giving of a notice of default by the Affected Party the Defaulting Party has not cured the default by the appropriate performance, unless such default is of such a nature as cannot be cured within such thirty (30) day period and the Defaulting Party commences within such thirty (30) day period to

remedy such default and thereafter continues to diligently use its best efforts to remedy such default. If the default is not cured as aforesaid, the Affected Party will be entitled to seek any remedy it may have on account of such default, including specific performance or other equitable remedy, damages or termination of this Agreement.

15. SUCCESSORS AND ASSIGNS

15.1 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

15.2 Either Excellon or Excellon U.S. may assign all or any portion of their rights in and to the Property or this Agreement to any party without restriction, provided that no such assignment shall become effective until the transferee has agreed in writing with JABA to be bound by the provisions of this Agreement *and to honor the Royalty*

15.3 From and after the date hereof and until the Closing Date, JABA will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate all or any part of its interest in and to the Property or this Agreement. After the Closing Date, JABA will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate all or any of its interest in this Agreement or the Royalty without the prior written consent of Excellon and Excellon U.S., which consent will not be unreasonably withheld so long as the proposed transaction relates to JABA's entire interest in this Agreement and the Royalty.

16. ENTIRE AGREEMENT

16.1 This Agreement constitutes the entire agreement between the parties hereto and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations, warranties and representations, whether verbal or written, expressed or implied, statutory or otherwise, between the parties, or between a party and James A. Briscoe, with respect to the subject matter herein.

17. SURRENDER OR ABANDONMENT OF PROPERTY

17.1 If, at any time after the Closing Date, Excellon U.S. determines that, for any reason, it does not wish to retain any one or more of the unpatented mining claims comprising the Property, then Excellon U.S. may surrender or abandon such unpatented mining

ATTEST:

EXCELLON RESOURCES U.S.A., INC.

Corporate Secretary

Per: _____
President

SCHEDULE "A"

[DESCRIPTION OF PROPERTY]

SCHEDULE "B"

NET SMELTER RETURNS

1. The Royalty which is payable to JABA (hereinafter called the "Payee") by Excellon U.S. (hereinafter called the "Payor") pursuant to either subsection 3.1 or 5.1 of the Agreement will be the applicable percentage (subject to reduction pursuant to subsection 4.1 of the Agreement) of the Net Smelter Revenue (as hereinafter defined) and will be calculated and paid to the Payee in accordance with the terms of this Schedule "B". Terms having defined meanings in this Agreement and used herein will have the same meanings in this Schedule as assigned to them in the Agreement unless otherwise specified or the context otherwise requires.
2. The Net Smelter Revenue will be calculated on a calendar quarterly basis and will, subject to paragraph 7(b) hereof, be equal to Gross Revenue less Permissible Deductions for such month.
3. The following words will have the following meanings:
 - (a) "Gross Revenue" means the aggregate of the following amounts received in each quarterly period:
 - (i) the revenue received by the Payor from arm's length purchasers of all Mineral Products,
 - (ii) the fair market value of all Mineral Products sold by the Payor in such month to persons not dealing at arm's length with the Payor, and
 - (iii) any proceeds of insurance on Mineral Products;
 - (b) "Mineral Products" means the end products derived from operating the Property as a mine including but not limited to all concentrates, metals, aggregates, sand, gravel, and industrial minerals;
 - (c) "Permissible Deductions" means the aggregate of the following charges (to the extent that they are not deducted by any purchaser in computing payment) that are paid in each quarterly period:
 - (i) sales charges levied by any sales agent on the sale of Mineral Products including but not limited to all taxes paid by Payor on such Mineral Products, excepting income taxes and royalty payments due to the superior title holder (State or Federal) of the Property, if any,

(ii) transportation costs for Mineral Products in their concentrated and/or saleable form from the Property to the place of beneficiation, processing or treatment and thence to the place of delivery of Mineral Products to a purchaser thereof, including shipping, freight, handling and forwarding expenses,

(iii) all costs, expenses and charges of any nature whatsoever which are either paid or incurred by the Payor in connection with refinement, smelting and/or beneficiation of Mineral Products after leaving the Property, including all weighing, sampling, assaying and representation costs, metal losses, any umpire charges, and any penalties charged by the processor, refinery or smelter, and

(iv) all insurance costs on Mineral Products,

provided that where a cost or expense otherwise constituting a Permissible Deduction is incurred by the Payor in a transaction with a party with whom it is not dealing at arm's length (as that term is defined in the Income Tax Act (Canada)), such cost or expense may be deducted, but only as to the lesser of the actual cost incurred by the Payor or the fair market value thereof, calculated at the time of such transaction and under all the circumstances thereof; and

(d) "Precious Metals" means Mineral Products which are gold and silver;

(e) "Fair Market Value" means whenever Mineral Products are delivered for direct sale or future processing thereof to a processing or sales facility owned or controlled by Payor, an affiliate or an assign (other than a processing facility constructed on the Property), or which processes or sells such Mineral Products on a toll basis for the Payor, an affiliate, or assign, the Net Smelter Revenue from such sale shall be an amount not less than the amount which would have been realized by Payor if the sale had been at the best price obtainable from a selection of the three (3) nearest independent purchasers of such product(s); and in such case Payor may deduct amounts not to exceed the charges, costs, and expenses permitted under Paragraph 3(c) "Permissible Deductions", hereinabove.

4. The Royalty will be calculated and paid within forty-five (45) ~~thirty~~ (30) days after the end of each calendar quarter in

which proceeds from the sale of Mineral Products are realized. At such time Smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the "Statement") must be submitted with the payment.

5. In the event that final amounts required for the calculation of the Royalty are not available within the time period referred to in paragraph 4 hereof, then provisional amounts will be estimated and the Royalty paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the Royalty payment of the succeeding quarter.
6. All Royalty payments will be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless the Payee delivers to the Payor a written notice (the "Objection Notice") describing and setting forth a specific objection to the calculation thereof within ~~sixty (60) days~~ ~~eighteen (18) months~~ after receipt by the Payee of the Statement. If the Payee objects to a particular Statement as herein provided, the Payee will, for a period of sixty (60) days after the Payor's receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Royalty in question audited by the auditors of the ~~Payor~~ Payee. If such audit determines that there has been a deficiency or an excess in the payment made to the Payee, such deficiency or excess will be resolved by adjusting the next quarterly Royalty payment due hereunder. The Payee will pay all the costs and expenses of such audit unless a deficiency of two and one-half (2-1/2%) percent or more of the amount due is determined to exist. The Payor will pay the costs and expenses of such audit if ~~an excess or~~ a deficiency of two and one-half (2-1/2%) percent or more of the amount due is determined to exist. All books and records used and kept by the Payor to calculate the Royalty due hereunder will be kept, at the option of the Payor, in accordance with either United States or Canadian generally accepted accounting principles. Failure on the part of the Payee to make claim against the Payor for adjustment in such ~~sixty (60) day~~ ~~eighteen (18) month~~ period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and Royalty payments for such quarter.
7. (a) By notice given to the Payor on or before December 1 of any calendar year, the Payee may elect to have the amount of Net Smelter Revenue derived from all Previous Metals payable hereunder, in the next succeeding calendar year thereafter until notice is so given on or before the

*Surv election
shall continue until
terminated by Payee
by written notice
to Payor*

above date by the Payee that Payee desires to terminate its election as provided herein, to determine its Royalties subject to Net Smelter Revenues derived by the Payor for the final sale of Mineral Products, with reference to Hedging Transactions, as hereinafter defined, if any, which Payor may engage in. Payor shall have the unrestricted right to engage in any marketing activities of its choice without notice to Payee. Payee recognizes that Net Smelter Revenues determined by these marketing activities may enhance or reduce royalties payable to Payee; as compared to Payee's Net Smelter Revenues as determined in Section 7(b) next below. All profits and losses thus accruing to Payee, through this election, shall be binding upon the Payee.

(b) Upon election by the Payee not to participate in Hedging Transaction of the Payor as hereinafter defined, All profits and losses resulting from the Payor engaging in any commodity futures trading, option trading, metals trading, gold loans or any combination thereof, and any other hedging transactions with respect to Mineral Products which are Precious Metals (collectively, "Hedging Transactions") are specifically excluded from calculations of the Royalty pursuant to this Schedule "B" (it being the intent of the parties that the Payor will have the unrestricted right to market and sell Mineral Products to third parties in any manner it chooses and that the Payee will not have any right to participate in such marketing activities or to share in any profits or losses therefrom). All Hedging Transactions by the Payor and all profits or losses associated therewith, if any, will be solely for the Payor's account. The amount of Net Smelter Revenue derived from all Mineral Products subject to Hedging Transactions by the Payor will be determined pursuant to the provisions of this paragraph 7(b) and not paragraph 27(a). As to precious metals subject to Hedging Transactions by the Payor, Net Smelter Revenue will be determined without reference to Hedging Transactions and will be determined by using, for gold, the quarterly average price of gold, which will be calculated by dividing the sum of all London Bullion Market Association P.M. Gold Fix prices reported for the calendar quarter in question by the number of days for which such prices were quoted, and for silver, the quarterly average price of silver, which shall be calculated by dividing the sum of all New York Commodity Exchange ("COMEX") prices for silver quoted by and at the closing of COMEX reported for the calendar quarter in question by the number of days for which such prices were quoted, less, in each case, an amount reasonably equivalent to the deductions permitted by paragraph 3(c).

Any Mineral Products subject to Hedging Transactions will be deemed to be sold, and revenues received therefrom, only on the date of final settlement of the amount of refined Mineral Products allocated to the account of the Payor by a third party refinery in respect of such transactions. Furthermore, the Payor will have no obligation to fulfil, with Mineral Products, any futures contracts, forward sales, gold loans or other Hedging Transactions which the Payor or any of its associates or affiliates may hold.

8. The Payor may stockpile any Mineral Products at such place or places as the Payor may elect after first weighing and sampling in accordance with sound mining and metallurgical practices, either upon the Property or upon other properties. No Royalty will be payable in respect of such stockpiled Mineral Products unless and until Gross Revenue is received in respect of such Mineral Products. Any Mineral Products removed from the Property shall remain Subject to this Agreement until Payor has paid the applicable Royalty to Payee therefore.
9. The Payor may commingle Mineral Products with ores, minerals or other products from other properties ("Other Ore"). Before commingling, the Payor will weigh and sample the Mineral Products and Other Ore for moisture and metal content in accordance with sound mining and metallurgical practice and will assay the samples to determine metal content. The Payor will keep records including sample splits and pulps showing weights or volumes, moisture, percent metal content and gross metal content of the Mineral Products and Other Ore. The Royalty will be allocated between the Mineral Product and the Other Ore on the basis of gross metal content, with due regard being given to the difference, if any, between the royalty rate on the Mineral Products and the royalty rate on Other Ore.
10. By notice given to the Payor on or before December 1 of any calendar year, the Payee may elect to have all Royalties payable with respect to Precious Metals payable in the next succeeding calendar year, and each succeeding calendar year thereafter until notice is so given on or before the above date by the Payee, that Payee desires to terminate its election as provided here, to be paid in kind by credit to the Payee's metals account at the refiner or bullion dealer at which the Payor causes Precious Metals to be refined for its account. The election will be for that an entire calendar year only and will be irrevocable within that period. Before crediting the Royalty to the Payee's metals account, the Payor will deduct the Payee's share of Permissible Deductions, determined by using the prices of Precious Metals used in

determining Gross Revenue.

SCHEDULE "C"

Recording Requested by
and Return to:

Lawrence W. Talbot
Smith, Lyons, Torrance, Stevenson & Mayer
World Trade Centre
#550 - 999 Canada Place
Vancouver, B.C.
CANADA V6C 3C8

QUITCLAIM DEED

THIS INDENTURE is made the ____ day of _____, 1993, by and between JABA, Inc., an Arizona corporation of 2100 N. Wilmot Road, #218, Tucson, Arizona, U.S.A. 85712 (hereinafter referred to as the "Grantor"); and EXCELLON RESOURCES U.S.A., INC., an Arizona corporation of Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6 (hereinafter referred to as the "Grantee").

W I T N E S S E T H :

WHEREAS the Grantor, for and in consideration of the sum of TEN (\$10.00) DOLLARS in lawful money of the United States, to it in hand paid by the Grantee, the receipt of which is hereby acknowledged, does hereby GRANT, RELEASE, and FOREVER QUITCLAIM unto the Grantee, and to its successors and assigns forever, all the right, title and interest which the Grantor has or may hereafter acquire in and to those certain unpatented lode mining claims situate in Cochise County, State of Arizona, and more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof (the "Property").

TOGETHER WITH all metals and minerals and all veins and lode of mineral-bearing rock therein and all dips, spurs and angles thereof and all mining and other rights thereto, including extralateral rights and water rights attached or belonging thereto.

TOGETHER WITH all rights, privileges and franchises thereto incident and the appurtenances thereto and all rents, issues and profits thereof, and all right, title and interest of the Grantor therein or thereto, or which it may hereafter acquire.

SUBJECT TO the right of the Grantor to receive a royalty in respect of the Property equal to two and one-half (2-1/2%) percent of Net Smelter Returns, calculated and paid in accordance with Exhibit "B" attached hereto and by this reference made a part hereof.

corporation as its "Purchaser Representative" in respect of its acquisition of the Shares, and hereby certifies that its Purchaser Representative:

- (a) is not an affiliate, director or officer or other employee of Excellon or Excellon Resources U.S.A., Inc., or any 10% shareholder of Excellon;
- (b) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in Excellon; and
- (c) has disclosed to the undersigned any material relationships between itself or its affiliates and Excellon and its affiliates that exists, that is mutually contemplated to exist or that has existed at any time in the past 2 years, and any compensation received or to be received as a result of such relationships.

Name: _____

Address: _____

Business/Profession: _____

THE UNDERSIGNED HAS CAREFULLY READ THE FOREGOING AND UNDERSTANDS THAT EXCELLON RESOURCES INC. WILL RELY ON ITS STATEMENTS HEREIN IN ENTERING INTO THE AGREEMENT. THE UNDERSIGNED ALSO UNDERSTANDS THAT THE FOREGOING RELATES TO RESTRICTIONS ON ITS ABILITY TO SELL AND/OR TRANSFER THE SHARES ACQUIRED PURSUANT TO THE AGREEMENT. THE UNDERSIGNED HAS RETAINED A COPY OF THIS LETTER FOR ITS RECORDS.

DATED at _____, this _____ day of _____, 1993.

JABA, INC.

Per: _____
President

SCHEDULE "D"

Investment Letter

February , 1993

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6

Attention: Mr. A. Douglas MacKenzie

Dear Sirs:

In connection with the acquisition by the undersigned of ■ common shares (the "Shares") without par value in the capital of Excellon Resources Inc. (the "Company"), a Canadian corporation, in exchange for certain unpatented mining claims pursuant to an agreement dated ■, 1993 (the "Agreement"), the undersigned represents and acknowledges as follows:

1. The Shares are not registered under the Securities Act of 1933 (the "Act") as the transaction in which they are being acquired is exempt under Section 4(2) of the Act as not involving any public offering. Reliance of the Company and others upon this exemption is predicated in part upon our representation (which we hereby confirm) that we are acquiring these securities for our own account with no present intention of selling or otherwise distributing the same to the public. We understand that in the view of the United States Securities and Exchange Commission (the "SEC") the statutory and administrative basis for exemption would not be present if, notwithstanding our representation, we have in mind merely acquiring these securities for sale upon the occurrence or non-occurrence of some predetermined event such as, for example, holding the securities for a market rise, or for sale if the market does not rise, or for a fixed or determinable period in the future.
2. The Shares must be held by the undersigned indefinitely unless they are subsequently registered under the Act or an exemption from registration is available. Any routine sales of these securities made in reliance upon the exemption afforded by Rule 144 of the SEC can be made only in limited amounts in accordance with the terms and conditions of that rule, and, in the event this rule is for some reason inapplicable, compliance with Regulations A or S of the SEC or some other disclosure exemption will be required.
3. The undersigned has retained the following person/firm/

The Property is being transferred to the Grantee in accordance with, and shall be subject to all of the terms and conditions of, that certain agreement dated ■, 1993 among the Grantor, the Grantee and Excellon Resources Inc., a British Columbia, Canada, company.

TO HAVE AND TO HOLD the said Property, together with the appurtenances, unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF the Grantor has executed and delivered these presents the day and year first above written.

ATTEST:

JABA, INC.

Per: _____

President

SCHEDULE "C"

Recording Requested by
and Return to:

Lawrence W. Talbot
Smith, Lyons, Torrance, Stevenson & Mayer
World Trade Centre
#550 - 999 Canada Place
Vancouver, B.C.
CANADA V6C 3C8

QUITCLAIM DEED

THIS INDENTURE is made the ____ day of _____, 1993, by and between JABA, Inc., an Arizona corporation of 2100 N. Wilmot Road, #218, Tucson, Arizona, U.S.A. 85712 (hereinafter referred to as the "Grantor"); and EXCELLON RESOURCES U.S.A., INC., an Arizona corporation of Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6 (hereinafter referred to as the "Grantee").

W I T N E S S E T H :

WHEREAS the Grantor, for and in consideration of the sum of TEN (\$10.00) DOLLARS in lawful money of the United States, to it in hand paid by the Grantee, the receipt of which is hereby acknowledged, does hereby GRANT, RELEASE, and FOREVER QUITCLAIM unto the Grantee, and to its successors and assigns forever, all the right, title and interest which the Grantor has or may hereafter acquire in and to those certain unpatented lode mining claims situate in Cochise County, State of Arizona, and more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof (the "Property").

TOGETHER WITH all metals and minerals and all veins and lode of mineral-bearing rock therein and all dips, spurs and angles thereof and all mining and other rights thereto, including extralateral rights and water rights attached or belonging thereto.

TOGETHER WITH all rights, privileges and franchises thereto incident and the appurtenances thereto and all rents, issues and profits thereof, and all right, title and interest of the Grantor therein or thereto, or which it may hereafter acquire.

SUBJECT TO the right of the Grantor to receive a royalty in respect of the Property equal to two and one-half (2-1/2%) percent of Net Smelter Returns, calculated and paid in accordance with Exhibit "B" attached hereto and by this reference made a part hereof.

The Property is being transferred to the Grantee in accordance with, and shall be subject to all of the terms and conditions of, that certain agreement dated ■, 1993 among the Grantor, the Grantee and Excellon Resources Inc., a British Columbia, Canada, company.

TO HAVE AND TO HOLD the said Property, together with the appurtenances, unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF the Grantor has executed and delivered these presents the day and year first above written.

ATTEST:

JABA, INC.

Per: _____
President

SCHEDULE "D"

Investment Letter

February , 1993

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6

Attention: Mr. A. Douglas MacKenzie

Dear Sirs:

In connection with the acquisition by the undersigned of ■ common shares (the "Shares") without par value in the capital of Excellon Resources Inc. (the "Company"), a Canadian corporation, in exchange for certain unpatented mining claims pursuant to an agreement dated ■, 1993 (the "Agreement"), the undersigned represents and acknowledges as follows:

1. The Shares are not registered under the Securities Act of 1933 (the "Act") as the transaction in which they are being acquired is exempt under Section 4(2) of the Act as not involving any public offering. Reliance of the Company and others upon this exemption is predicated in part upon our representation (which we hereby confirm) that we are acquiring these securities for our own account with no present intention of selling or otherwise distributing the same to the public. We understand that in the view of the United States Securities and Exchange Commission (the "SEC") the statutory and administrative basis for exemption would not be present if, notwithstanding our representation, we have in mind merely acquiring these securities for sale upon the occurrence or non-occurrence of some predetermined event such as, for example, holding the securities for a market rise, or for sale if the market does not rise, or for a fixed or determinable period in the future.
2. The Shares must be held by the undersigned indefinitely unless they are subsequently registered under the Act or an exemption from registration is available. Any routine sales of these securities made in reliance upon the exemption afforded by Rule 144 of the SEC can be made only in limited amounts in accordance with the terms and conditions of that rule, and, in the event this rule is for some reason inapplicable, compliance with Regulations A or S of the SEC or some other disclosure exemption will be required.
3. The undersigned has retained the following person/firm/

corporation as its "Purchaser Representative" in respect of its acquisition of the Shares, and hereby certifies that its Purchaser Representative:

- (a) is not an affiliate, director or officer or other employee of Excellon or Excellon Resources U.S.A., Inc., or any 10% shareholder of Excellon;
- (b) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in Excellon; and
- (c) has disclosed to the undersigned any material relationships between itself or its affiliates and Excellon and its affiliates that exists, that is mutually contemplated to exist or that has existed at any time in the past 2 years, and any compensation received or to be received as a result of such relationships.

Name: _____

Address: _____

Business/Profession: _____

THE UNDERSIGNED HAS CAREFULLY READ THE FOREGOING AND UNDERSTANDS THAT EXCELLON RESOURCES INC. WILL RELY ON ITS STATEMENTS HEREIN IN ENTERING INTO THE AGREEMENT. THE UNDERSIGNED ALSO UNDERSTANDS THAT THE FOREGOING RELATES TO RESTRICTIONS ON ITS ABILITY TO SELL AND/OR TRANSFER THE SHARES ACQUIRED PURSUANT TO THE AGREEMENT. THE UNDERSIGNED HAS RETAINED A COPY OF THIS LETTER FOR ITS RECORDS.

DATED at _____, this _____ day of _____, 1993.

JABA, INC.

Per: _____
President

CANADA
PROVINCE OF
COUNTY OF

)
) ss.
)

On this ____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and _____, known to me or proved to me to be President and _____, respectively, of EXCELLON RESOURCES INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My Commission does not expire

CANADA)
PROVINCE OF) ss.
COUNTY OF)

On this ____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and _____, known to me or proved to me to be President and _____, respectively, of EXCELLON RESOURCES U.S.A., INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial Seal)

Notary Public in and for

Residing in _____
My Commission does not expire

STATE OF ARIZONA)
)
COUNTY OF _____) ss.

On this _____ day of February, 1993 before me, the undersigned, a notary public, personally appeared JAMES A. BRISCOE, known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____

My commission expires:

STATE OF ARIZONA)
)
COUNTY OF _____) ss.

On this _____ day of February, 1993 before me the undersigned, a notary public, personally appeared _____, known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial Seal)

Notary Public in and for

Residing in _____
My commission expires: _____

SMITH, LYONS, TORRANCE, STEVENSON & MAYER

Barristers & Solicitors

Suite 550
World Trade Centre
999 Canada Place
Vancouver, Canada
V6C 3C8

TELEPHONE: (604) 662-8082
FAX: (604) 685-8542

DATE: Feb 22/93

TELECOPIER COVER NOTE

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: JAMES A. BRISCOE
FIRM: JABA, INC
CITY: TUCSON, ARIZONA
FAX #: (602) 721-2768

FROM:

NAME: LAWRENCE TALBOT FILE #: 12385-1

TOTAL NUMBER OF PAGES: 36 (2 parts) (INCLUDING COVER NOTE)

Transmitting at a Group III Level

IF YOU DO NOT RECEIVE ALL THE PAGES
PLEASE CALL BACK AS SOON AS POSSIBLE

TELECOPIER OPERATOR: Ronda O'Day (Ext. 3226)

CONFIDENTIALITY CAUTION:

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

REMARKS: Jim - Revised Draft Property Agreement.
Please review & contact Doug to discuss.
Being sent in 2 parts. This is Part
I - pp to 20
II - pp to end.

Regards
L. Talbot

TOMBSTONE PROPERTY ACQUISITION AGREEMENT NO. █

THIS AGREEMENT made and dated for reference the █ day of February, 1993, the effective date.

AMONG:

JABA, INC., a corporation duly incorporated under the laws of the State of Arizona, and having an office at 2100 N. Wilmot Road, #218, Tucson, Arizona, U.S.A. 85712

(hereinafter called "JABA")

AND:

EXCELLON RESOURCES U.S.A., INC., a corporation duly incorporated under the laws of the State of Arizona and having an office at Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6

(hereinafter called "Excellon U.S.")

AND:

EXCELLON RESOURCES INC., a company duly incorporated under the laws of the Province of British Columbia, Canada and having an office at Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6

(hereinafter called "Excellon")

W H E R E A S :

A. JABA represents that it has located, is the sole legal and beneficial owner of and is in possession of ~~certain~~ unpatented mining claims described in Schedule A attached hereto and by this reference made a part hereof (hereinafter referred to as the "Property" ~~situate in Tombstone Mining District, Cochise County, Arizona;~~ Arizona;

B. JABA has agreed to sell, assign and transfer all its rights in and to the Property to Excellon U.S., and Excellon U.S. has agreed to purchase the same, upon the terms and conditions hereinafter set forth; and

C. Excellon U.S. has agreed to issue shares of its capital stock to Excellon in consideration of Excellon issuing shares of its capital stock to JABA as hereinafter provided.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the sum of TEN (\$10.00) DOLLARS now paid by each of Excellon U.S. and Excellon to JABA (the receipt and sufficiency of which is hereby expressly acknowledged by JABA) and of the promises and mutual covenants and agreements herein contained, the parties agree each with the other as follows:

1. INTERPRETATION

1.1 In this Agreement and in any Schedules or Exhibits hereto, the following words and phrases will have the following meanings:

- out*
- (a) "Area of Interest" means those areas internal to the external rectangular boundary as illustrated on map labeled Exhibit A whose boundaries shall encompass areas between 31° 30 minutes 00 seconds north latitude to 31° 45 minutes 00 seconds north latitude and 109° 56 minutes 00 seconds west longitude to 110° 15 minutes 00 seconds west longitude;
 - (b) "Closing Date" means the fifth business day after the day upon which Excellon has received written notification from the Exchange that the Exchange has accepted this Agreement for filing;
 - (c) "Exchange" means the Vancouver Stock Exchange;
 - (d) "Property" means the unpatented mining claims more particularly set forth and described in Schedule "A", together with all rights held by JABA which are appurtenant or relate thereto, to the development thereof or to the operation of a mine thereon, including, without limitation, all water rights, and including all and any forms of after acquired, successor or substitute mineral tenure or rights to mine, extract or develop mines or minerals in respect of such claims;
 - (e) "Royalty" means the applicable percentage of net smelter returns payable to JABA pursuant to either subsection 3.1 (subject to reduction under subsection 4.1) or 5.1, calculated and paid in accordance with Schedule "B" attached hereto; and
 - (f) "Shares" means the common shares in the capital stock of Excellon to be allotted and issued to JABA pursuant to subsection 3.1;

- (g) "1933 Act" means the United States Securities Act of 1933.

2. REPRESENTATIONS AND WARRANTIES

2.1 Excellon U.S. and Excellon each represent and warrant to JABA that:

- (a) it is a corporation duly organized and validly subsisting under the laws of its incorporating jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) neither the execution and delivery of this Agreement, nor any of the agreements or instruments referred to herein ~~or contemplated hereby~~, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which it is a party;
- (d) Excellon U.S. is an Arizona Corporation which is a wholly owned subsidiary of Excellon;
- (e) it is not in default of any contract, lease, or other agreement to which it is a party;
- (f) it has disclosed to JABA all material information pertaining to its business and financial condition and to the transactions contemplated hereby; and
- (g) it has neither applied for permits nor located claims upon any State or Federal mineral ground for itself or others pursuant to which JABA would be entitled to a royalty as defined in Subsection 5.1.

2.2 JABA represents and warrants to each of Excellon U.S. and Excellon that:

- (a) it is a corporation duly organized and validly subsisting under the laws of Arizona, and has good right, full power and absolute authority to assign all right, title and interest which JABA has or may hereafter acquire in and to the Property in the manner set out in this Agreement;
- (b) neither the execution and delivery of this Agreement, nor any of the agreements or instruments referred to herein or contemplated hereby, nor the consummation of the

transactions hereby contemplated, materially conflict with, result in a material breach of or accelerate the performance required by, any agreement to which JABA is a party;

- (c) the execution and delivery of this Agreement and the agreements or instruments contemplated hereby will not materially violate or result in a material breach of the laws of any jurisdiction applicable to or pertaining thereto;
- (d) JABA has, prior to the execution of this Agreement, provided to Excellon U.S. and its representatives true and correct copies of all deeds, easements or other documents in ~~their~~ its possession and to the best of its knowledge which bear upon the title of JABA to the Property (additional details of which are more fully described on Schedule A);
- (e) JABA is not entering into this transaction as a result of any material changes with respect to the affairs of Excellon known to it (except for this transaction) which, to its knowledge, were not publicly disclosed as of the date hereof;
- (f) in entering into this Agreement and selling the Property to Excellon U.S. in exchange for Shares, JABA is acting as principal, and will be acquiring the Shares as principal, for its own account and not on behalf of others and for the purpose of investment and not with the intention of effecting a distribution, and no other person, corporation, firm or other organization will have a beneficial interest in the Shares;
- (g) JABA is a resident of Arizona for the purposes of all securities laws applicable to the transactions herein contemplated; and
- (h) JABA is familiar with Excellon's business affairs as disclosed in publicly available information, and acknowledges that Excellon has made available to its and to the person acting as its Purchaser Representative (as such term is defined in the 1933 Act), all publicly available documents and records of Excellon in its possession, and has offered to JABA and its Purchaser Representative an opportunity to discuss this investment with Excellon and representatives of Excellon and to obtain any additional information necessary to verify the accuracy of any information furnished, provided that JABA acknowledges that no information furnished by Excellon constitutes investment, accounting, legal or tax advice

and that JABA is relying solely upon itself and its professional advisers for such advice.

2.3 JABA represents , but does not warrant, to each of Excellon U.S. and Excellon that:

- (a) to the best of JABA's knowledge and belief, with respect to the unpatented mining claims comprised in the Property and subject to the paramount title of the United States of America:
 - (i) the claims are free and clear of all liens, charges and encumbrances,
 - (ii) the claims have been properly laid out, monumented and posted, filings of location certificates have been properly and timely made in the real property records of Cochise County, Arizona, as well as in the Arizona State Office of the Bureau of Land Management pursuant to the Federal Land Policy and Management Act of 1976, 43 U.S.C. §1744(a), and in accordance with applicable laws, statutes and regulations of the State of Arizona,
 - (iii) all required location and validation work has been properly performed on the claims,
 - (iv) no other person, firm, corporation, partnership or other entity whatsoever claims any interest in the claims, and
 - (v) to the extent required, all assessment work has been performed consistent with that required by law to maintain title to and possession of the claims, and all applicable filings, recordings and affidavits, including notices of intention to hold and proofs of labour, have been timely and properly recorded and filed with appropriate governmental agencies to maintain the claims in good standing under all applicable laws for each assessment year for which such recording and filing was required, to and including the assessment year ending September 1, 1992;

2.4 The representations and warranties hereinbefore set out are conditions on which the parties have relied in entering into this Agreement and will not merge but will survive the acquisition of any interest in the Property by Excellon U.S. and each party

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will indemnify and save the others harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement.

2.5 JABA acknowledges that the Shares to be issued to JABA hereunder will not be registered under the 1933 Act as the transaction in which they are being acquired is exempt under section 4(2) of the 1933 Act as not involving any public offering, that the reliance of Excellon and others on this exemption is predicated in part upon the representations and warranties of JABA, and that JABA will be acquiring the Shares for its own account, with no present intention of selling or otherwise distributing the same to the public, and that the Shares are therefore subject to restrictions on transfer in the United States or to a U.S. person, unless subsequently registered under the 1933 Act or an exemption from registration is available.

2.6 Concurrently with the execution of this Agreement by JABA, JABA will execute and deliver to Excellon an originally executed copy of the Investment Letter in the form attached hereto as Schedule "D" to Excellon.

3. PURCHASE AND SALE

3.1 JABA hereby agrees to sell, assign and transfer to Excellon U.S., and Excellon U.S. agrees to purchase from JABA, all interest of JABA in and to the Property, subject to the payment to JABA of a TWO AND ONE-HALF (2-1/2%) PERCENT Royalty, for and in consideration of the allotment, ~~and~~ issuance, and transfer by Excellon to JABA of Shares. ~~Excellon U.S. and Excellon acknowledge and affirm that Excellon U.S. is indebted to JABA in the amount of \$_____ for consulting services previously rendered. JABA shall have no obligation to consummate the transactions contemplated hereby unless such consulting fees have been paid in full by Excellon U.S., or to the written satisfaction of JABA.~~

3.2 On the Closing Date, and subject to the completion of the purchase and sale set forth in subsection 3.1, Excellon U.S. will allot and issue to Excellon common shares in its capital stock equal in value to the deemed value of the shares issued to JABA by Excellon.

3.3 Notwithstanding that JABA retains the Royalty, the parties acknowledge that neither Excellon nor Excellon U.S. is under any obligation whatsoever to undertake any activities or perform any work on or with respect to the Property other than that required by law. The parties affirm that the expectation of JABA in entering into this Agreement is the belief that Excellon U.S. desires and intends to diligently proceed with the exploration on

and, if warranted, development of, the Property. However, no covenants or conditions relating to the exploration, development, mining or related operations on or in connection with the Property, or the timing thereof, will exist or be implied. After commencing any exploration, development, mining or related operations on or in connection with the Property, Excellon and Excellon U.S. may in their sole discretion curtail or cease such operations.

3.4 Subject to the sale of the Property to Excellon U.S. and issuing of shares, as contemplated herein, upon the Closing Date and thereafter, unless Excellon U.S. surrenders or abandons its rights to the Property as provided in Subsection 17.1, Excellon U.S. shall be the party of record responsible for dismissing all obligations and fees required to keep the Property in active and valid tenure with the jurisdiction of paramount title thereto. ~~All interest to JABA created herein by this Agreement shall be that of a "Carried Interest", such interest being defined whereby JABA shall be afforded all freedoms and benefits herefrom without regard, need, or requirement to dismise, in part or whole, any obligation or fees as related to keeping an active tenure to mineral rights on the Property.~~

4. ACQUISITION OF ROYALTY INTEREST

4.1 For and in consideration of payment of the sum of One (U.S. \$1.00) Dollar in lawful currency of the United States by Excellon U.S. to JABA on the execution of this Agreement, Excellon U.S. will have, and JABA hereby gives and grants to Excellon U.S., the option (the "NSR Option") to purchase from JABA, at any time within twenty-one (21) years after the date of execution of this Agreement, all of the right, title and interest of JABA in and to two-fifths (2/5) of the two and one-half (2-1/2) percent Royalty held by JABA pursuant to subsection 3.1, for an adjusted total consideration, as provided hereinbelow, of Two Hundred and Fifty Thousand (\$250,000) Dollars in lawful money of the United States (the "NSR Option Price"). Excellon U.S. may exercise the NSR Option at any time by delivering written notice to that effect to JABA, accompanied by cash or a certified cheque or bank draft in payment of the NSR Option Price. Forthwith after receipt of such notice and cash, certified cheque or bank draft, JABA will do or cause to be done all such acts, execute and deliver all such instruments, deeds or agreements, and give all such further assurances as may be reasonably necessary or desirable to give effect to the exercise of the NSR Option and to carry out the transfer to Excellon U.S. of all of the right, title and interest of JABA in and to two-fifths (2/5) of such Royalty. From and after the exercise of the NSR Option, the Royalty payable to JABA pursuant to subsection 3.1 will be equal to one and one-half (1-1/2) percent, and Excellon U.S. will pay such reduced Royalty

to JABA. Commencing sixty (60) months from the effective date of ~~the this~~ Agreement and continuing thereafter for so long as the NSR Option is in effect, the NSR Option Price shall be adjusted upward to its equivalent dollar value by multiplying the ~~initial~~ NSR Option Price of ~~(Two Hundred and Fifty Thousand (\$250,000) Dollars)~~ by a percentage equal to one hundred (100) plus the percentage difference shown by the consumer Price Index published by the U.S. Bureau of Labor Statistics from the effective date of this Agreement to the date of the end of the last calendar month before the NSR Option is exercised. Nothing in this paragraph or Agreement shall be interpreted to preclude JABA from transferring its interest in or right to assign the Royalty, provided such transfer or assignment is subject to the NSR option.

5. ACQUISITIONS IN AREA OF INTEREST

5.1 If, after the effective date of this Agreement, ~~either of Excellon U.S. or Excellon, or any of their respective affiliates (as defined in the Securities Act (B.C.)):~~

- (a) locates any unpatented mining claims (Public Domain);
- (b) locates any Type A ~~to~~ ~~or~~ Type B mining claims (State Lands);
- (c) applies for and is awarded Prospecting Permits (State Lands); and/or
- (d) applies for, locates and/or converts all or any part of the Area of Interest into one or more leases or other forms of mineral tenure pursuant to any federal or state law hereinafter enacted;

the ground thus acquired by Excellon U.S. which lies wholly or partially within the Area of Interest shall collectively be referred to as the "Other Property". JABA will have, and Excellon U.S. will thereafter pay to JABA, a ONE AND A HALF (1-1/2%) PERCENT Royalty in respect of such Other Property. ~~JABA shall be provided with a Carried Interest as defined in Subsection 3.4 in these Other Properties by Excellon U.S. for greater certainty, the parties confirm that JABA will not be entitled to receive a Royalty in respect of any ground acquired by Excellon, or Excellon U.S. or any of their respective affiliates otherwise than directly from the United States federal or Arizona state governments.~~

5.2 JABA covenants and agrees that, from and after the date of this Agreement, neither JABA nor any of its directors, officers or shareholders or any of their respective associates (as defined in the Securities Act (B.C.)) will acquire any patented or unpatented mining claims, fee lands, water rights or any other

rights in minerals or rights to explore for, develop or extract minerals which lies wholly or partially within the Area of Interest (collectively, a "Mineral Interest") unless JABA has first given Excellon U.S. not less than sixty (60) days' written notice of such proposed acquisition, together with all details known to JABA with respect to such Mineral Interest. If, within such sixty (60) day period, Excellon U.S. elects in writing to acquire such Mineral Interest, it may do so at its sole cost and expense and JABA will co-operate as necessary to secure for Excellon U.S. such mineral interest at standard consulting rates. If such Mineral Interest is Other Property as hereinabove defined in Subsection 5.1, and acquired directly from the State of Arizona or Federal Public Domain, it will be subject to the royalty provisions of subsection 5.1. If, within such sixty (60) day period, Excellon U.S. elects not to acquire such Mineral Interest, JABA (or its director, officer or shareholder or their associates, as the case may be) will be free to acquire at their JABA'S expense such interest for its sole and absolute use, and Excellon U.S. will thereafter have no right in or with respect to such Mineral Interest.

5.3 It is specifically agreed by the parties that no Royalty will be payable to JABA pursuant to subsection 5.1 with respect to any property held by Excellon U.S. under lease, or otherwise acquired by Excellon U.S., from Tombstone Development Company, nor with respect to any internal fractions located or acquired within the external boundary of Mineral Interests held by Tombstone Development Company, as provided by the attached map, Exhibit B.

6. DELIVERIES AT OR FOLLOWING CLOSING

6.1 On the Closing Date, JABA will deliver to Excellon U.S. a duly executed and recordable quitclaim deed in the form attached hereto as Schedule "C".

6.2 On the Closing Date, Excellon will deliver to JABA share certificates representing an aggregate of ■ Shares.

6.3 ~~For so long as Excellon U.S. is actively exploring and/or developing the Property, within sixty (60) days after the Closing Date, JABA will make available to Excellon and Excellon U.S. for inspection and, at market cost and JABA consulting rates, copies of deliver all data in its possession with respect to the Property including, without limitation, all files, records, reports, maps, plans, drill logs, assays, sample pulps and drill cores, provided that it is understood and agreed that JABA may make and retain, for its own use, copies of all such data as it may deem necessary or desirable.~~

7. TAXES AND CONVEYANCES FEES AND EXPENSES

7.1 Excellon U.S. will pay and be responsible for the preparation of all and any conveyances, assignments, bills of sale and transfer documents and the payment of all federal, state and local transfer, sales or use taxes and fees which may be or become payable as a result of or in connection with the sale of the Property hereunder.

7.2 Subject to subsection 7.1, each party will bear its own costs and pay all its expenses (including legal, accounting and other professional fees) in connection with the negotiation and execution of this Agreement, the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby.

8. ACCEPTANCE FOR FILING BY VANCOUVER STOCK EXCHANGE

8.1 This Agreement is subject to the acceptance for filing hereof on behalf of Excellon by the Exchange. Forthwith after the execution of this Agreement by all parties, Excellon will submit this Agreement to the Exchange and request acceptance for filing, and will diligently thereafter pursue such acceptance. If such acceptance for filing has not been received by Excellon on or before March 31, 1993, Excellon may at its option and upon not less than fifteen (15) days notice to JABA, terminate this Agreement and all of its obligations hereunder. In such case, Excellon shall direct Excellon U.S. and Excellon U.S. shall comply in providing JABA with a release to all Property covered by this Agreement upon or before the date of termination. Thereinafter neither Excellon nor Excellon U.S. will have an interest, either in whole or in part, direct or indirect, in the Property.

9. COVENANTS OF JABA

9.1 During the currency of this Agreement, JABA will:

- (a) not do any act or thing which would or might in any way adversely affect the rights of Excellon U.S. hereunder;
- (b) promptly provide Excellon U.S. with any and all notices and correspondence from government agencies in respect to the Property; and
- (c) ~~at the request of Excellon U.S.~~ co-operate, at JABA consulting rates, with Excellon U.S. as necessary to permit Excellon U.S. to obtain patents to such of the unpatented mining claims comprised in the Property as it may desire.

9.3 JABA warrants and will defend title to the Property and the ground covered thereby against all persons claiming by, through or under JABA.

10. RECORDATION OF AGREEMENT

10.1 Either JABA or Excellon U.S. will, at its expense, have the right at any time to record a short form memorandum with respect to this Agreement in the real property records of Cochise County, Arizona, and each party agrees to execute and deliver a short form memorandum satisfactory to the others in a form appropriate for recordation, if so requested.

11. APPLICABLE LAWS

11.1 This Agreement will be governed by and interpreted in accordance with the laws of the State of Arizona. The courts of the County of Cochise will have exclusive jurisdiction in respect of any matters arising therefrom and the parties hereby irrevocably attorn to such jurisdiction. The venue for all such proceedings will be the County of Cochise.

12. FURTHER ASSURANCES

12.1 The parties agree to execute all such further documents, instruments or deeds, give all such further assurances and do or cause to be done all such acts and things necessary, both before and after the Closing Date, to implement and carry into effect this Agreement to the full extent contemplated herein including providing public record and assurances of Royalty in the Other Property.

12.2 In so much that Excellon U.S. is a fully owned subsidiary of Excellon, Excellon, under the fullest extent of the law shall ~~use its best efforts to~~ cause, direct, and provide means for its ~~fully owned subsidiary~~ Excellon U.S. to comply with, abide by, and conform with the terms, conditions and obligations undertaken herein by Excellon U.S. as they relate to JABA.

13. NOTICES

13.1 Any notice, statement, approval, direction or other instrument required or permitted to be given under this Agreement will be in writing and will be given by delivery of the same or by mailing of the same by prepaid registered or certified mail or by telecopier, in each case addressed as follows:

(a) if to JABA:

JABA, Inc.
2100 N. Wilmot Road, #218
Tucson, Arizona
U.S.A. 85712
Telecopier No.: (602) 721-2768
Attention: James A. Briscoe

with a copy for information purposes only to:

Hecker & Phillips
405 W. Franklin
Tucson, AZ, USA 85701
Telecopier No.: (602) 620-0405
Attention: Lawrence M. Hecker, Esq.

(b) if to Excellon U.S. or Excellon:

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6
Telecopier No.: (416) 867-1109
Attention: A. Douglas MacKenzie, President

with a copy for information purposes only to:

Smith, Lyons, Torrance, Stevenson & Mayer
#550 - 999 Canada Place
Vancouver, B.C.
V6C 3C8
Telecopier No.: (604) 685-8542
Attention: Lawrence W. Talbot

13.2 Any notice, if delivered, will be deemed to have been given and received on the day it was delivered, if sent by telecopier, to have been given and received on the day after it was so sent and, if mailed, be deemed to have been given and received on the tenth (10th) business day following the day of such mailing except in the event of a disruption of the postal services of Canada or the United States, in which event notice will be deemed to have been received only when actually received by the intended recipient.

13.3 Any party may at any time give to the others notice in writing of any change of address of such party, and from and after receipt of such notice, the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

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14. DEFAULT

14.1 If any party (a "Defaulting Party") is in default of any requirement set forth in this Agreement, the party affected by such default ("Affected Party") will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement unless within thirty (30) days after the giving of a notice of default by the Affected Party the Defaulting Party has not cured the default by the appropriate performance, unless such default is of such a nature as cannot be cured within such thirty (30) day period and the Defaulting Party commences within such thirty (30) day period to remedy such default and thereafter continues to diligently use its best efforts to remedy such default. If the default is not cured as aforesaid, the Affected Party will be entitled to seek any remedy it may have on account of such default, including specific performance or other equitable remedy, damages or termination of this Agreement.

15. SUCCESSORS AND ASSIGNS

15.1 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

15.2 Either Excellon or Excellon U.S. may assign all or any portion of their rights in and to the Property or this Agreement to any party without restriction, provided that no such assignment shall become effective until the transferee has agreed in writing with JABA to be bound by the provisions of this Agreement.

15.3 From and after the date hereof and until the Closing Date, JABA will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate all or any part of its interest in and to the Property or this Agreement. After the Closing Date, JABA will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate all or any of its interest in this Agreement or the Royalty without the prior written consent of Excellon and Excellon U.S., which consent will not be unreasonably withheld.

15.4 ~~It is expressly understood by the Parties hereto that pursuant to this Agreement and in any Schedules or Exhibits, that Excellon U.S. shall in addition to the corporation, Excellon Resources U.S.A., Inc., also mean Excellon Resources, Inc., their respective directors, officers and shareholders or any of their respective associates (as defined in the Securities Act (B.C.) and also include their respective successors, permitted assigns,~~

~~survivors of title or interest, affiliates and operational subsidiaries or units~~

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15.4 No change or division in the ownership of or entitlement to the Royalty pursuant to subsection 15.3, however accomplished, shall enlarge the obligations or diminish the rights of either Excellon U.S. or Excellon hereunder. JABA covenants that, subject to subsection 15.3, any change in the ownership of or entitlement to the Royalty shall only be effected in such a manner that neither Excellon nor Excellon U.S. shall be required to make payments, provide information or give notices to more than one person, firm, corporation or other entity, and upon breach of this covenant, Excellon U.S. or Excellon, as the case may be, may retain all moneys otherwise due pursuant to the Royalty until such breach has been cured. In no event will any change or division in the ownership of or entitlement to the Royalty be binding on either Excellon or Excellon U.S. unless and until:

(a) any transferee or assignee has acknowledged in writing with Excellon U.S. that the interest in the Royalty acquired by them is subject to the NSR Option; and

(b) thirty (30) days after JABA has given Excellon U.S. a certified copy of the recorded instrument evidencing such change or division.

16. ENTIRE AGREEMENT

16.1 This Agreement constitutes the entire agreement between the parties hereto and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations, warranties and representations, whether verbal or written, expressed or implied, statutory or otherwise, between the parties, or between a party and James A. Briscoe, with respect to the subject matter herein.

17. SURRENDER OR ABANDONMENT OF PROPERTY

17.1 If, at any time after the Closing Date, Excellon U.S. determines that, for any reason, it does not wish to retain any one or more of the parcels, tracts or claims comprising the Property or Other Property, then Excellon U.S. may surrender or abandon such parcels, tracts or claims. If at any time Excellon U.S. proposes to so surrender or abandon any parcels, tracts or claims, it will deliver a notice in writing to JABA specifying its intention to do so at least ~~sixty (60)~~ ^{ninety (90)} days prior to the proposed surrender or abandonment, which notice will list the proposed parcels, tracts or claims to be surrendered or abandoned. If, within fifteen (15) days of receipt of such notice, JABA advises

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Excellon U.S. that it wishes to acquire one or more of such parcels, tracts or claims to be surrendered or abandoned, Excellon U.S. will deliver to JABA a duly executed quitclaim deed in recordable form quitclaiming in favour of JABA, without any warranties as to title, all interest of Excellon U.S. in and to such parcels, tracts or claims. Effective upon the delivery of such quitclaim deed or, if JABA does not elect to acquire the surrendered or abandoned parcels, tracts or claims, upon such surrender or abandonment, neither Excellon or Excellon U.S. will thereafter have any further obligation to JABA with respect to any such parcels, tracts or claims including, without limitation, any obligation to pay any Royalty in respect thereof

17.2 Notwithstanding subsection 17.1, Excellon U.S. will have the right at any time after the Closing Date (but not the obligation) to:

(a) amend or relocate any or all of the unpatented mining claims comprised in the Property or Other Property, and to locate any fractions existing on the date of this Agreement or resulting from the location, amendment or relocation of such unpatented mining claims; or

(b) where Excellon U.S. may be required, or finds it appropriate, to abandon certain rights in order to secure additional or ongoing rights to explore and mine the Property or Other Property pursuant to any new or amended laws of the United States concerning the acquisition and maintenance of mineral rights on the public domain of the United States, to do so.

17.3 ~~JABA desires and Excellon U.S. and Excellon agree to allow JABA to retain such items of goodwill which accrue with the initial acquisition of the property and determination of the Area of Interest such may, but is under no obligation to, prepare and publish professional papers and articles on or concerning the Property including, but not limited to, such matters as exploration philosophy, methodology, and models of the genesis of potential ore deposition, including publication rights and acknowledgement of initial recognition of exploration targets in any subsequent press releases by Excellon. Any use of rights by JABA as created herein such papers or articles shall be first open to inspection by Excellon and Excellon U.S. for written approval, such written approval not to be unreasonably denied. For greater certainty, it is confirmed that no interest in the Property is retained by JABA by virtue of this subsection 17.3, and that nothing herein shall preclude Excellon or Excellon U.S. from preparing or publishing any information with respect to the Property without notice to JABA. However, where deemed professionally appropriate by Excellon and Excellon U.S., credit shall be given to JABA.~~

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~~17.4 JABA desires and Excellon and Excellon U.S. recognizes the need to keep JABA informed of the on-going work being performed on the Property or Other Property. As such, Excellon shall direct and Excellon U.S. shall prepare or cause to be prepared calendar year quarterly reports to be submitted to JABA within thirty (30) days of the close of any calendar quarter, detailing work that has been accomplished on the Property and/or Other Property, if any, and details of anticipated or planned work in the next succeeding quarter. Such report shall be furnished to JABA at no cost to JABA, and accompanied by one set of reproducible copies of all available interpretive and factual data pertaining to the Property and/or Other Property, which shall include but not be limited to the following types of data: geophysical, mineralogic, hydrologic, geologic, petrographic, geochronologic, assay, environmental, land survey, drill hole logs of all types, sampling sites, elevation, contour, cross sections, ore reserve calculations or similar treatment of the above described data. The preceding sentence is not intended and shall not be construed to require Excellon U.S. to generate such data if in Excellon U.S.'s sole discretion it chooses not to do so. Excellon U.S.'s obligation to make interpretive and factual data available to JABA shall be limited to interpretive and factual data not previously provided to JABA. JABA shall not without the express written consent of Excellon U.S. disclose during the term of this Agreement any information which is provided as a result of operations hereunder, unless or until the first of the causes as provided hereinbelow:~~

- ~~(a) surrender of the Property or Other Property to JABA as provided in Subsection 17.1;~~
- ~~(b) abandonment of the Property or Other Property; or~~
- ~~(c) abandonment by Excellon and Excellon U.S. of all their working and/or carried interest in the Area of Interest.~~

~~17.5 If, as provided in Subsection 17.1, Excellon U.S. determines to surrender or abandon the Property or Other Property, and upon giving proper notice to JABA, JABA elects to acquire any one or more of the parcels, tracts or claims comprising the Property or Other Property being surrendered by Excellon U.S., Excellon U.S. will provide to JABA adequate and necessary remuneration, either through work commitments on or for the benefit of the surrendered Property or Other Property in the case of assessment work requirements for unpatented mining claims on the Public Domain, or Prospecting Permits or Mineral Leases on State lands, and/or monies to pay fees, including but not limited to taxes, assessments, filing fees, special assessments, rentals or other fees, which payments bear on the ability of JABA to keep such Properties and/or Other Properties in an active status and not subject to abandonment or relinquishment pursuant to laws of the~~

~~jurisdiction of venue, for a period of 180 days from date of surrender.~~

17.4 In the event of assignment to JABA of the Property and/or Other Property in part or in its entirety pursuant to subsection 17.1, Excellon U.S. shall provide to, within ninety (90) days after such assignment, at JABA's cost, make available to JABA at the place of storage all available drill chip, core and sample rejects, and deliver to JABA copies of all maps, drill logs, assay results and other technical data compiled by Excellon U.S., interpretive and technical data as described in Subsection 17.4 above, and ore reserve data, if any, developed or prepared by or for Excellon U.S. pertaining to that portion of the Property or Other Property assigned. Neither Excellon nor Excellon U.S. in no event shall in any event be liable for the accuracy or comprehensiveness of any data furnished to JABA.

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(X)

18. ACCESS

18.1 ~~JABA, at its sole risk and expense, shall have access to the Property and Other Property to inspect the same at such times and upon such notice to Excellon U.S. as shall not unreasonably hinder or interrupt the operations of Excellon U.S. JABA shall not (excepting to those provided privilege) without the expressed written consent of Excellon U.S., disclose during the term of this Agreement any information it may obtain with respect to its operations or access hereunder. JABA and its employees, on reasonable notice to Excellon U.S., may have access to the Property and Other Property in order to examine same, provided that:~~

~~(a) none of JABA or its employees shall interfere with or obstruct the operations of Excellon U.S., its employees or agents on the Property or Other Property;~~

~~(b) JABA and its employees shall enter on the Property and Other Property at their own risk and expense; and~~

~~(c) each of JABA and its employees shall defend, indemnify and save each of Excellon U.S., Excellon and their respective directors, officers, employees and representatives harmless from and against all and any loss or damage of any kind or nature whatsoever in any way referable to the entry, presence or activities of JABA or its employees on the Property or Other Property, including, without limitation, bodily injuries or death or damage to property at any time resulting therefrom.~~

Cannot read.

oh I think

18.2 All information, of whatever kind or nature, obtained by JABA or its employees as a result of the exercise of the right of access contained in subsection 18.1 shall be kept confidential by

ly

JABA and such employees and shall not be disclosed to any third party or to the public without the prior written consent of Excellon U.S. except with respect to disclosure of such information

Ed:

(a) JABA's professional advisers who require such information in order to advise JABA, and who are bound by law to keep such information confidential; or

(b) as and to the extent required by law.

19. TAXES AND ASSESSMENTS.

19.1 ~~Subsequent to its acquisition of Property and election to acquire Other Property, Excellon shall direct, and following the Closing Date, Excellon U.S., subject to, and until it exercises its rights under, section 17, and subject to its rights to dispute the requirement for or amount or legitimacy of any obligations or amounts due, shall or shall cause to be made, paid or performed the following unless sooner terminated by Excellon U.S. pursuant to Subsections 17.1 or 17.5 of this Agreement:~~

(a) all applicable assessment work or work requirements on unpatented mining claims (Federal) mineral prospecting permits and/or leases (State);

(b) all necessary filings;

(c) ~~pay~~ all rentals, royalties, reasonable taxes, assessments, special assessments; and

~~(d) pay all royalties;~~

~~(e) pay all reasonable taxes;~~

~~(f) pay all assessments;~~

~~(g) pay all special assessments; and~~

~~(h) any other obligation required to hold the Property or Other Property under any other form of tenure contemplated by this Agreement,~~

in order to keep all mineral rights valid to both the Property and Other Property.

20. MINERAL COLLECTING RIGHTS.

cut
~~20.1 JABA requests and Excellon and Excellon U.S. agree to grant JABA the exclusive and irrevocable right and license to collect and be sales agent for any and all "Mineral Specimens" which are mined, found and/or are otherwise removed and made available for sale from the Area of Interest by Excellon U.S. For the terms of this Agreement, Mineral Specimens shall be defined as any one or more species of minerals generally crystalline in nature, holding a uniqueness over and above the intrinsic value of the common mineral because of its collectability, aesthetic value and/or scientific interest. The parties acknowledge the need to formulate and finalize a consummation of their intent as hereby provided at a date later than the Closing Date. The terms of that agreement will be in accord with those normally acceptable in the industry for such license and rights.~~

cut
21 ACQUISITION OF PRIVATE LAND.

~~21.1 If Excellon U.S. now or hereafter owns, leases or otherwise claims an interest in its real property or mineral rights (collectively the "Third Party Property"), not subject to the Property or Other Property, and if Excellon U.S. desires to terminate any Third Party Property mineral leases, options, and/or other forms of tenure, within the Area of Interest, Excellon U.S. shall, where practicable and where not in conflict with any pre-existing third party obligation, and where Excellon U.S. has no actual or potential liability in connection with such Third Party Property, notify JABA thereof, according to and governed by the terms of notice and acceptance as provided in Subsection 17.1, providing JABA with an opportunity to take an assignment of said Third Party Property. In connection with any such assignment, JABA thereby assumes all further obligations and liabilities therefore and agrees to indemnify and hold harmless Excellon U.S.~~

cut
~~21.2 In conjunction with and accompanying any termination notice as provided in Subsection 21.1 to JABA, Excellon U.S. shall provide original copies of all interpretive and factual data (to include but not be limited to that data which is referenced in Subsections 17.4 and 17.6) so as to determine its election to accept or reject the assignment as provided herein. If JABA takes assignment of the Third Party Property, it shall retain all original data; otherwise, all original data will be returned to Excellon U.S. on or before the date required by JABA to make its election. Excellon U.S. shall in no event be liable for the accuracy or comprehensiveness of any data thus furnished to JABA.~~

02/22/93 09:15 ☎604 685 8542

SMITH, LYONS-VCR.

☑001/016

SMITH, LYONS, TORRANCE, STEVENSON & MAYER

Barristers & Solicitors

Suite 550
World Trade Centre
999 Canada Place
Vancouver, Canada
V6C 3C8

TELEPHONE: (604) 662-8082
FAX: (604) 685-8542

DATE: Feb 22/93

TELECOPIER COVER NOTE

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: JAMES A. BRISCOE
FIRM: JABA, INC
CITY: TUCSON, ARIZONA
FAX #: (602) 721-2768

FROM:

NAME: LAWRENCE TALBOT FILE #: 12385-1

TOTAL NUMBER OF PAGES: 37 (2 Parts) (INCLUDING COVER NOTE)

Transmitting at a Group III Level

IF YOU DO NOT RECEIVE ALL THE PAGES
PLEASE CALL BACK AS SOON AS POSSIBLE

TELECOPIER OPERATOR: Ronda O'Day (Ext. 3226)

CONFIDENTIALITY CAUTION:

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

REMARKS: Jim - Revised Draft Property Agreement.
Please review & contact Doug to discuss.
Being sent in 2 parts. This is Part
I - pp to 20 (21 pp)
→ II - pp to end. (16 pp)

Regards
LW Talbot

02/22/93

09:15

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SCHEDULE "A"

[DESCRIPTION OF PROPERTY]

SCHEDULE "B"

NET SMELTER RETURNS

1. The Royalty which is payable to JABA (hereinafter called the "Payee") by Excellon U.S. (hereinafter called the "Payor") pursuant to either subsection 3.1 or 5.1 of the Agreement will be the applicable percentage (subject to reduction pursuant to subsection 4.1 of the Agreement) of the Net Smelter Revenue (as hereinafter defined) and will be calculated and paid to the Payee in accordance with the terms of this Schedule "B". Terms having defined meanings in this Agreement and used herein will have the same meanings in this Schedule as assigned to them in the Agreement unless otherwise specified or the context otherwise requires.
2. The Net Smelter Revenue will be calculated on a calendar quarterly basis and will, subject to paragraph 7(b) hereof, be equal to Gross Revenue less Permissible Deductions for such month.
3. The following words will have the following meanings:
 - (a) "Gross Revenue" means the aggregate of the following amounts received in each quarterly period:
 - (i) the revenue received by the Payor from arm's length purchasers of all Mineral Products,
 - (ii) the Fair Market Value of all Mineral Products sold by the Payor in such month to persons not dealing at arm's length with the Payor, and
 - (iii) any proceeds of insurance on Mineral Products;
 - (iv) ~~credits received for Precious Metals used as repayments of loans; and~~
 - (v) ~~inventory value of refined and stockpiled Mineral Products.~~
 - (b) "Mineral Products" means the end products derived from ~~mining the Property~~ ^{or other Property} in a mine including but not limited to all concentrates, metals, aggregates, sand, gravel, and industrial minerals; ~~but for the purposes of calculating the Royalty, does not include Mineral Products, such as aggregates, sand or gravel, which are used by the Payor on the Property or other Property;~~
 - (c) "Permissible Deductions" means the aggregate of the following charges (to the extent that they are ~~not~~ deducted by any purchaser in computing payment) that are

out {

Cannot read {

NOT

- 2 -

paid in each quarterly period:

(i) sales charges levied by any sales agent on the sale of Mineral Products ~~including but not limited to all taxes paid by Payer on such Mineral Products, excepting income taxes and royalty payments due to the superior title holder (State or Federal) of the Property, if any,~~

~~(ii) any sales, severance, gross production, privilege or similar taxes assessed on or in connection with the Mineral Products or measured by the value thereof (but not including income taxes);~~

~~(iii) any royalties or fees paid to the United States or any State in connection with Mineral Products;~~

(iv) transportation costs for Mineral Products in their concentrated and/or saleable form from the Property to the place of beneficiation, processing or treatment and thence to the place of delivery of Mineral Products to a purchaser thereof, including shipping, freight, handling and forwarding expenses,

(v) all costs, expenses and charges of any nature whatsoever which are either paid or incurred by the Payor in connection with refinement, smelting and/or beneficiation of Mineral Products after leaving the Property, including all weighing, sampling, assaying and representation costs, metal losses, any umpire charges, and any penalties charged by the processor, refinery or smelter, and

(vi) all insurance costs on Mineral Products,

provided that where a cost or expense otherwise constituting a Permissible Deduction is incurred by the Payor in a transaction with a party with whom it is not dealing at arm's length (as that term is defined in the Income Tax Act (Canada)), such cost or expense may be deducted, but only as to the lesser of the actual cost incurred by the Payor or the Fair Market Value thereof, calculated at the time of such transaction and under all the circumstances thereof;

(d) "Precious Metals" means Mineral Products which are gold and silver; and

(e) "Fair Market Value" means whenever Mineral Products are

- 3 -

delivered for direct sale or future processing thereof to a processing or sales facility owned or controlled by Payor, an affiliate or an assign (other than a processing facility constructed on the Property), or which processes or sells such Mineral Products on a toll basis for the Payor, an affiliate, or assign, the Net Smelter Revenue from such sale shall be an amount not less than the amount which would have been realized by Payor if the sale had been at the best price obtainable from a selection of the three (3) nearest independent purchasers of such product(s); ~~and in such case Payor may deduct amounts not to exceed the charges, costs, and expenses permitted under Paragraph 3(c) "Permissible Deductions", hereinabove.~~

4. The Royalty will be calculated and paid within thirty (30) days after the end of each calendar quarter in which Gross Revenue is realized. At such time smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the "Statement") must be submitted with the payment.
5. In the event that final amounts required for the calculation of the Royalty are not available within the time period referred to in paragraph 4 hereof, then provisional amounts will be estimated and the Royalty paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the Royalty payment of the succeeding quarter.
6. All Royalty payments will be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless the Payee delivers to the Payor a written notice (the "Objection Notice") describing and setting forth a specific objection to the calculation thereof within ~~eighteen (18)~~ (6) months after receipt by the Payee of the Statement. If the Payee objects to a particular Statement as herein provided, the Payee will, for a period of sixty (60) days after the Payor's receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Royalty in question audited by the auditors of the Payee. If such audit determines that there has been a deficiency or an excess in the payment made to the Payee, such deficiency or excess will be resolved by adjusting the next quarterly Royalty payment due hereunder. The Payee will pay all the costs and expenses of such audit unless a deficiency ~~or excess~~ of two and one-half (2-1/2%) percent or more of the amount due is determined to exist. The Payor will pay the costs and expenses of such audit if an excess or a deficiency of two and one-half (2-1/2%) percent or more of the amount due is determined to exist. All books and records used and kept

Ok
I think
6 months??

- 4 -

by the Payor to calculate the Royalty due hereunder will be kept, at the option of the Payor, in accordance with either United States or Canadian generally accepted accounting principles. Failure on the part of the Payee to make claim against the Payor for adjustment in such ~~eighteen (18)~~ ~~six (6)~~ month period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and Royalty payments for such quarter.

7.

out

~~(a) By notice given to the Payor on or before December 1 of any calendar year, the Payee may elect to have the amount of Net Smelter Revenue payable hereunder, in the next succeeding calendar year, with reference to Hedging Transactions, as hereinafter defined, if any, which Payor may engage in. Such election shall continue until terminated by Payee by written notice to Payor. Payor shall have the unrestricted right to engage in any marketing activities of its choice without notice to Payee. Payee recognizes that Net Smelter Revenues determined by these marketing activities may enhance or reduce royalties payable to Payee, as compared to Payee's Net Smelter Revenues as determined in Section 7(b) next below. All profits and losses thus accruing to Payee, through this election, shall be binding upon the Payee.~~

~~(a) Upon election by the Payee not to participate in Hedging Transaction of the Payor as hereinafter defined, all profits and losses resulting from the Payor engaging in any commodity futures trading, option trading, metals trading, gold loans or any combination thereof, and any other hedging transactions with respect to Mineral Products which are Precious Metals (collectively, "Hedging Transactions") are specifically excluded from calculations of the Royalty pursuant to this Schedule "B" (it being the intent of the parties that the Payor will have the unrestricted right to market and sell Mineral Products to third parties in any manner it chooses and that the Payee will not have any right to participate in such marketing activities or to share in any profits or losses therefrom). All Hedging Transactions by the Payor and all profits or losses associated therewith, if any, will be solely for the Payor's account. The amount of Net Smelter Revenue derived from all Mineral Products subject to Hedging Transactions by the Payor will be determined pursuant to the provisions of this paragraph ~~7(b)~~ and not paragraph ~~7(a)~~. As to Precious Metals subject to Hedging Transactions by the Payor, Net Smelter Revenue will be determined without reference to Hedging Transactions and will be determined by using, for gold, the quarterly average price of gold, which will be~~

- 5 -

calculated by dividing the sum of all London Bullion Market Association P.M. Gold Fix prices reported for the calendar quarter in question by the number of days for which such prices were quoted, and for silver, the quarterly average price of silver, which shall be calculated by dividing the sum of all New York Commodity Exchange ("COMEX") prices for silver quoted by and at the closing of COMEX reported for the calendar quarter in question by the number of days for which such prices were quoted, less, in each case, an amount reasonably equivalent to the deductions permitted by paragraph 3(c). Any Mineral Products subject to Hedging Transactions will be deemed to be sold, and revenues received therefrom, only on the date of final settlement of the amount of refined Mineral Products allocated to the account of the Payor by a third party refinery in respect of such transactions. Furthermore, the Payor will have no obligation to fulfil, with Mineral Products, any futures contracts, forward sales, gold loans or other Hedging Transactions which the Payor or any of its associates or affiliates may hold.

8. The Payor may stockpile any Mineral Products at such place or places as the Payor may elect after first weighing and sampling in accordance with sound mining and metallurgical practices, either upon the Property or upon other properties. No Royalty will be payable in respect of such stockpiled Mineral Products unless and until Gross Revenue is received in respect of such Mineral Products. Any Mineral Products removed from the Property shall remain Subject to this Agreement until Payor has paid the applicable Royalty to Payee therefore.
9. The Payor may commingle Mineral Products with ores, minerals or other products from other properties ("Other Ore"). Before commingling, the Payor will weigh and sample the Mineral Products and Other Ore for moisture and metal content in accordance with sound mining and metallurgical practice and will assay the samples to determine metal content. The Payor will keep records including sample splits and pulps showing weights or volumes, moisture, percent metal content and gross metal content of the Mineral Products and Other Ore. The Royalty will be allocated between the Mineral Product and the Other Ore on the basis of gross metal content.
10. By notice given to the Payor on or before December 1 of any calendar year, the Payee may elect to have all Royalties payable with respect to Precious Metals payable in the next succeeding calendar year, and each succeeding calendar year thereafter until notice is so given on or before the above date by the Payee, that Payee desires to terminate its

- 6 -

election as provided herein, ~~to be~~ paid in kind by credit to the Payee's metals account at the refiner or bullion dealer at which the Payor causes Precious Metals to be refined for its account. The election will be for an entire calendar year and will be irrevocable within that period. Before crediting the Royalty to the Payee's metals account, the Payor will deduct the Payee's share of Permissible Deductions, determined by using the prices of Precious Metals used in determining Gross Revenue.

SCHEDULE "C"

Recording Requested by
and Return to:

Lawrence W. Talbot
Smith, Lyons, Torrance, Stevenson & Mayer
World Trade Centre
#550 - 999 Canada Place
Vancouver, B.C.
CANADA V6C 3C8

QUITCLAIM DEED

THIS INDENTURE is made the _____ day of _____, 1993, by and between JABA, Inc., an Arizona corporation of 2100 N. Wilmot Road, #218, Tucson, Arizona, U.S.A. 85712 (hereinafter referred to as the "Grantor"); and EXCELLON RESOURCES U.S.A., INC., an Arizona corporation of Suite 200, 20 Adelaide Street East, Toronto, Ontario, Canada M5C 2T6 (hereinafter referred to as the "Grantee").

W I T N E S S E T H :

WHEREAS the Grantor, for and in consideration of the sum of TEN (\$10.00) DOLLARS in lawful money of the United States, to it in hand paid by the Grantee, the receipt of which is hereby acknowledged, does hereby GRANT, RELEASE, and FOREVER QUITCLAIM unto the Grantee, and to its successors and assigns forever, all the right, title and interest which the Grantor has or may hereafter acquire in and to those certain unpatented lode mining claims situate in ~~Rombstone Mining District~~ Cochise County, State of Arizona, and more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof (the "Property").

TOGETHER WITH all metals and minerals and all veins and lode of mineral-bearing rock therein and all dips, spurs and angles thereof and all mining and other rights thereto, including extralateral rights and water rights attached or belonging thereto.

TOGETHER WITH all rights, privileges and franchises thereto incident and the appurtenances thereto and all rents, issues and profits thereof, and all right, title and interest of the Grantor therein or thereto, or which it may hereafter acquire.

~~SUBJECT TO the right of the Grantor to receive a royalty in respect of the Property equal to EXCEPTING AND RESERVING UNTO THE GRANTOR two and one-half (2-1/2%) percent of the Net Smelter Returns on Mineral Products, calculated and paid in accordance with Exhibit "B" attached hereto and by this reference made a part~~

02/22/93 09:31

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SMITH, LYONS-VCR.

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- 2 -

hereof.

why is this out ←

~~The Property is being transferred to the Grantee in accordance with, and shall be subject to all of the terms and conditions of, that certain agreement dated ■, 1993 among the Grantor, the Grantee and Exzellen Resources Inc., a British Columbia, Canada, company.~~

TO HAVE AND TO HOLD the said Property, together with the appurtenances, unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF the Grantor has executed and delivered these presents the day and year first above written.

ATTEST:

JABA, INC.

Per: _____

President

02/22/93 09:32

604 685 8542

SMITH, LYONS-VCR.

011/016

STATE OF ARIZONA

COUNTY OF _____)

) ss.

On this _____ day of February, 1993 before me, the undersigned, a notary public, personally appeared JAMES A. BRISCOE, known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial Seal)

Notary Public in and for

Residing in _____
My commission expires: _____

SCHEDULE "D"

Investment Letter

February , 1993

Excellon Resources Inc.
Suite 200, 20 Adelaide Street East
Toronto, Ontario
M5C 2T6

Attention: Mr. A. Douglas MacKenzie

Dear Sirs:

In connection with the acquisition by the undersigned of common shares (the "Shares") without par value in the capital of Excellon Resources Inc. (the "Company"), a Canadian corporation, in exchange for certain unpatented mining claims pursuant to an agreement dated , 1993 (the "Agreement"), the undersigned represents and acknowledges as follows:

1. The Shares are not registered under the Securities Act of 1933 (the "Act") as the transaction in which they are being acquired is exempt under Section 4(2) of the Act as not involving any public offering. Reliance of the Company and others upon this exemption is predicated in part upon our representation (which we hereby confirm) that we are acquiring these securities for our own account with no present intention of selling or otherwise distributing the same to the public. We understand that in the view of the United States Securities and Exchange Commission (the "SEC") the statutory and administrative basis for exemption would not be present if, notwithstanding our representation, we have in mind merely acquiring these securities for sale upon the occurrence or non-occurrence of some predetermined event such as, for example, holding the securities for a market rise, or for sale if the market does not rise, or for a fixed or determinable period in the future.
2. The Shares must be held by the undersigned indefinitely unless they are subsequently registered under the Act or an exemption from registration is available. Any routine sales of these securities made in reliance upon the exemption afforded by Rule 144 of the SEC can be made only in limited amounts in accordance with the terms and conditions of that rule, and, in the event this rule is for some reason inapplicable, compliance with Regulations A or S of the SEC or some other disclosure exemption will be required.
3. The undersigned has retained the following person/firm/

- 2 -

corporation as its "Purchaser Representative" in respect of its acquisition of the Shares, and hereby certifies that its Purchaser Representative:

- (a) is not an affiliate, director or officer or other employee of Excellon or Excellon Resources U.S.A., Inc., or any 10% shareholder of Excellon;
- (b) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in Excellon; and
- (c) has disclosed to the undersigned any material relationships between itself or its affiliates and Excellon and its affiliates that exists, that is mutually contemplated to exist or that has existed at any time in the past 2 years, and any compensation received or to be received as a result of such relationships.

Name: _____

Address: _____

Business/Profession: _____

THE UNDERSIGNED HAS CAREFULLY READ THE FOREGOING AND UNDERSTANDS THAT EXCELLON RESOURCES INC. WILL RELY ON ITS STATEMENTS HEREIN IN ENTERING INTO THE AGREEMENT. THE UNDERSIGNED ALSO UNDERSTANDS THAT THE FOREGOING RELATES TO RESTRICTIONS ON ITS ABILITY TO SELL AND/OR TRANSFER THE SHARES ACQUIRED PURSUANT TO THE AGREEMENT. THE UNDERSIGNED HAS RETAINED A COPY OF THIS LETTER FOR ITS RECORDS.

DATED at _____, this _____ day of _____, 1993.

JABA, INC.

Per: _____
President

02/22/93 09:36

☎604 885 8542

SMITH, LYONS-VCR.

☑014/018

CANADA)
PROVINCE OF) ss.
COUNTY OF)

On this ____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and _____, known to me or proved to me to be President and _____, respectively, of EXCELLON RESOURCES INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My Commission does not expire

CANADA)	
PROVINCE OF)	ss.
COUNTY OF)	

On this ____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and _____, known to me or proved to me to be President and _____, respectively, of EXCELLON RESOURCES U.S.A., INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial Seal)

Notary Public in and for

Residing in _____
My Commission does not expire

STATE OF ARIZONA

COUNTY OF _____

)
)
)

ss.

On this _____ day of February, 1993 before me the undersigned, a notary public, personally appeared _____, known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial Seal)

Notary Public in and for

Residing in _____

My commission expires: _____

FAX TRANSMITTAL

of Pages 77

TO: Larry Hester FROM: JA BRISCOE

CO: _____ JABA, INC.

DATE: 2/10/93 PHONE: (602) 721-1375

FAX # 620-0405 FAX # (602) 298-6688 *2

COMMENTS Don't know if the 1st version of this ~~was~~ went thru properly JH

NOTES AND SUGGESTED VERBIAGE ON THE PROPOSED EXCELLON CONTRACT, TOMBSTONE MINING DISTRICT, JABA CLAIMS

Ref. p. 4(iv)

done Take out last part of the last sentence... or has located...

Ref. p. 4 (f)

... correct deeds easements etc. - we can't do that in the Block 1 claims as only the subsurface mineral is federal & owned by JABA and JABA has no right to the surface which is private. This is not a problem in the other blocks 2, 3 & 4. Block 5, Robbers Roost is subject to Charleston Rd. right of way.

done
except for Excellon will have to take it as it is, & straighten out the problems, if any, as they come.

Ref. p. 5, 2.3

done Do we really want to warrant this. We have much more liability from unpatented claims than they have in their warranties.

Ref. p. 6 3.2

This is a closing deal between
What are we talking about in stock amount. It sounds pretty fluid, when in fact we had agreed that \$100K would be used to buy stock at \$0.27 buying about 14% of the stock. Now it appears pretty fluid. *closing* Δ *LH says ok*

Ref. p. 6 3.3

backdoor There is no work commitment & no way to insure that the property will be pursued diligently.

Ref. p. 6, 4.1

done Need a CPP escalator to take into account the inflation rate.

Ref. p. 7, 5.3

done Claims acquired within the outer boundary of the Tombstone Development Co., claim block.

Ref. p. 8, 6.3

done There was never an agreement to turn JABA data over to Excellon!! Excellon can have the use of all JABA data, at consulting rates and normal copying rates. But there will be no deal for



2/4

them to take over the JABA files.

Ref. p. 9, 9.1c

Caution here vis a vis Julian Smith to not insist on patent, & risk having claims declared invalid. — invalid because Jaba doesn't own claims.

Ref. p 9. 11.1

change
I don't like the Venue in Vancouver -- give too much of an advantage. I think we should insist that rules of AZ should be followed & Venue should be Bisbee.

Ref. p. 11 15.2

As we're in part dependent on the value of Excellon Stock & JAB present as a director, what's to protect JABA if the property can be transferred at will. *they own property invalid argument*

Ref. p. 11, 15.3

L.H. says this is acceptable
No the 1st part of this PP - we haven't agreed to this agreement until its done.

p. 12, 17.1 mid PP -- they will return with out warrant on title but they want us to warrant title. *L.H. we have right to accept or not to accept? validity of argument.*

Ref. Schedule. B, p. 2, (iv) - don't understand that. *Insurance cost of transport etc. - ok no problem*

Ref. p. 2, 6

over
Should extend the time to examine rec. pts to 1 year.

Ref. p. 3, 7

over
Should have the right to participate in hedging if we so choose. Recall the profitability of Wind Mountain in that regard.

We should have a clause that gives us publication rights on the data and genesis of discovery of the JABA properties. *I think this was considered but will data delivery*

Related to data and generated and potential relinquishment of the property we need:

Enter

A monthly report on each block, including assays, drill logs, ore reserves etc, etc.



Need

this information will be held in confidence and not relinquished without the written permission of Excellon, except that when parcels are relinquished to JABA, pertinent data may be used in any way towards JABA's development of that property.

need

If a property is relinquished to JABA after the date 6 months prior to the payment of fees, lease payments or any other payments to governments or private parties, Excellon shall advance to JABA moneys necessary to hold that property for an additional 6 months beyond the due date of such fees or payments.

Payment of current fees for professional services.

As part of the verbal agreement leading up to this agreement, Excellon engaged JABA on a minimum retainer of \$2,000 per month plus expenses and vehicle charges. Further, any fees over the basic \$2,000 per month for requested services were in addition to the retainer.

Examination of the history of payments, show that this obligation was never carried out. Further, JABA is currently owed approximately \$63K in fees, expenses and interest on past due balances.

As part of this agreement, Excellon must acknowledge this debt, and make a substantial payment on it and secure it with adequate security to insure its payment regardless of the outcome of any events concerning the district.

Consideration might be given to accepting completely negotiable stock or other security.

Summary:

Excellon, I believe is getting an extremely favorable deal. JABA has been instrumental in providing information on the district, and good will from key players ie the Tombstone Development Company. It has been acknowledged by MacKenzie et al that they wouldn't be there is it wasn't for Briscoe and the JABA data. JABA could have had a lease on the portion of the TDC ground exclusive of the Contention lease



(verbally committed to by TDC President, Lavern Baxter, (now deceased). This lease was not pursued in deference to Excellon with the understanding that JABA would get stock in Excellon. Thus the stock is in reality in return for this accommodation.



Smith, Lyons, Torrance, Stevenson & Mayer

Barristers & Solicitors

P-174-01
FILE

World Trade Centre
550 - 999 Canada Place
Vancouver, Canada
V6C 3C8

Lawrence W. Talbot

Telephone (604) 662-8082
Facsimile (604) 685-8542

March 24, 1993

BY COURIER

JABA, Inc.
2100 North Wilmot Road, No. 218
Tucson, Arizona
U.S.A. 85712

Attention: Mr. James A. Briscoe
President

Dear Jim:

Re: Tombstone Property Acquisition Agreements:
Blocks 4 and 5

We have received and reviewed your draft #2 of the Acquisition Agreements with respect to Blocks 4 and 5 of the Tombstone Properties. With respect to the agreement for Block 5, as the permits have now been issued, we have amended the agreement to reflect that the permits are in existence, and have made certain other minor changes. With respect to the agreement for Block 4, we have found it necessary only to make certain minor changes. For both agreements, we have changed the date by which regulatory must have been obtained to April 30 from April 15 to give more time for review by the Vancouver Stock Exchange. The only other change of note is to the Net Smelter Return Royalty schedule in paragraph 3(c), where we have retained the phrase "fair market value" as an undefined term, as in this case it deals with deductions and costs, and not receipts from the sale of mineral products as is the case with the defined term "Fair Market Value".

On the expectation that the agreements will be in satisfactory form for execution, we enclose the following:

- (a) draft #3 for each of the agreements, blacklined to show the changes we have made since draft #2;
- (b) one original and three extra execution pages and notarial acknowledgements for each agreement;
- (c) execution copies of the Quitclaims for Blocks 4 and 5; and

Suite 6200, Scotia Plaza, 40 King Street West, Toronto, Canada M5H 3Z7
Telephone (416) 369-7200, Facsimile (416) 369-7250

Suite 1611, 50 O'Connor Street, Ottawa, Canada K1P 6L2
Telephone (613) 230-3988, Facsimile (613) 230-7085

- (d) execution copies of the Investment Letters for Blocks 4 and 5.

If the agreements are now satisfactory, would you kindly attend to execution of the agreements, quitclaims and investment letters on behalf of each of JABA and Charlou, as appropriate, and thereafter courier to us all of the execution and acknowledgement pages, the quitclaims and one copy of each of the investment letters. Concurrently with this letter, we have forwarded execution copies of the agreements to Excellon for execution, acknowledgement and return to us. If at all possible, we would very much appreciate receiving the signed copies of the agreements by Friday so that we can make the filings with the Vancouver Stock Exchange regarding these agreements this week.

We have not prepared execution copies of the Memoranda of Agreement for each of the properties, as these are not required to be executed until the transactions have been approved by the Exchange. However, upon reviewing your changes, we do not anticipate any further significant changes will be required to the drafts you forwarded to us.

Should you have any questions or comments, please do not hesitate to contact the writer.

Yours very truly,

SMITH, LYONS, TORRANCE, STEVENSON & MAYER

Per:

Lawrence W. Talbot

LWT/ck
Encls.

cc: Excellon Resources Inc. (by courier)
Attention: A. Douglas MacKenzie, President

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P174-d
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Federal Express Account Number 1063-3311-4	Telephone No./TELEX No. (Important)
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Company Name JABA INC	(602) 885-9141
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From (Sender's Name)	To (Consignee's Name)
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Street Address (No P.O. Box Numbers)	Street Address (No P.O. Box Numbers)
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Street Address 2100 N WILMOT STE 210	Street Address
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City/Town TUCSON	State/Province AZ	Country USA	ZIP/Postal Code 857123091
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Sender References (If Needed. First 24 characters will appear on invoice.)
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SERVICES (Not All Services Available To All Countries)	SPECIAL HANDLING
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Bill Transportation Charges To: (Must Check One)	1 <input type="checkbox"/> Sender 2 <input type="checkbox"/> Consignee Fill in Acct. # Below 3 <input type="checkbox"/> Third Party Fill in Acct. # Below 4 <input type="checkbox"/> Credit Card Fill in Acct. # Below 5 <input type="checkbox"/> Cash/Check In Advance
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PART 119423 Rev. 2/90 © 1989-1990 FedEx
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Deliver To 2 <input checked="" type="checkbox"/> Address Below 1 <input type="checkbox"/>	Hold and Notify Telephone Number	Hold Station I.D.
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Company Name	Telephone No./TELEX No. (Important)
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To (Consignee's Name) Caitie, Lyons, Torrance	Telephone No./TELEX No. (Important)
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Street Address (No P.O. Box Numbers) Lawrence N. Talbot	Street Address (No P.O. Box Numbers)
--	--------------------------------------

Street Address 550 - 999 Canada Place	Street Address
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City/Town Vancouver, BC, Canada	State/Province	Country	ZIP/Postal Code V6C 3C8
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	M D Y		M D Y

You hereby agree to the conditions on the back of this Non-Negotiable Air Waybill. You warrant that the information contained on this Air Waybill is true and correct. The Warsaw Convention may apply to this shipment and limit our liability for damage, loss or delay. Our maximum liability for damage or loss is limited to U.S. \$100 per shipment or U.S. \$9.07 per pound (U.S. \$20.38 per kilo), whichever is greater, and our liability for delay is limited to a refund of your transportation charges or the maximum liability for damage or loss, whichever is greater. However, you may declare a higher value for carriage, all in accordance with the terms on the reverse of this Air Waybill.

Sender's Signature	X
Received Above Shipment In Good Order And Condition. We Agree To Pay All Charges Including Customs Duties and Taxes As Applicable And To The Conditions Of Contract As Stated On The Reverse Of The Consignee Copy.	
Consignee's Signature	X

Consignee Name Printed	Del Courier Emp. #	Date M D Y	Time
------------------------	--------------------	------------	------

SHIPPER COPY

[DRAFT 1: MARCH 9, 1993]

Recording Requested by
and Return to:

Lawrence W. Talbot
Smith, Lyons, Torrance, Stevenson & Mayer
#550 - 999 Canada Place
Vancouver, B.C.
V6C 3C8

MEMORANDUM OF ACQUISITION AGREEMENT

NOTICE IS HEREBY GIVEN that pursuant to that certain agreement entitled "Tombstone Property Acquisition Agreement (Block No. ■)" (the "Agreement") dated for reference and effective the 24th day of February, 1993 (the "effective date") by and among JABA, Inc., an Arizona corporation ("JABA"), Excellon Resources U.S.A., Inc., an Arizona corporation ("Excellon U.S.") and Excellon Resources Inc., a British Columbia, Canada corporation ("Excellon"), JABA agreed to sell, assign and transfer all of its rights in and to those certain unpatented lode mining claims situate in Tombstone Mining District, Cochise County, State of Arizona and more particularly described on Schedule "A" attached hereto and by this reference made a part hereof (the "Property") and that by a quitclaim deed made the 24th day of February, 1993 between JABA and Excellon U.S., has granted, released and forever quitclaimed unto Excellon U.S. all of its right, title and interest in and to the Property, subject to reservation of a royalty as hereinafter set forth.

This memorandum is executed for the purpose of affording notice of the existence of the Agreement and the terms and provisions thereof, which terms and provisions are incorporated herein by reference for all purposes. This memorandum is not intended to alter or vary the terms of the Agreement. All capitalized words in this memorandum have the same meaning as assigned to them in the Agreement. Some of the terms and provisions of the Agreement are hereby summarized as follows:

1. Pursuant to the Agreement, for TEN (\$10.00) DOLLARS and other valuable consideration, JABA has sold, assigned and transferred to Excellon U.S. all of its right, title and interest in and to the Property subject to the reservation of a royalty equal to two and one-half (2-1/2%) percent of net smelter returns from mineral products produced from the Property calculated and paid in accordance with Schedule "B" to the Agreement.

2. Excellon U.S. has, and JABA has given and granted to Excellon U.S., the option to purchase from JABA, at any time within 21 years after March 1, 1993, all of the right, title and interest

of JABA in and to two-fifths (2/5ths) of the two and one-half (2-1/2%) percent Royalty reserved by JABA for an adjusted total consideration as set forth in subsection 4.1 of the Agreement. The purchase price is subject to adjustment in accordance with changes in the Consumer Price Index published by the U.S. Bureau of Labor Statistics. Upon the exercise of the Option, the royalty reserved by and payable to JABA will be reduced to one and one-half (1-1/2%) percent.

3. If, after February 24, 1993, either of Excellon U.S. or Excellon or any of their respective affiliates:

- (a) locates any unpatented mining claims within the Area of Interest (public domain);
- (b) locates any type A or type B mining claims within the Area of Interest (State lands);
- (c) applies for and is awarded prospecting permits or mineral leases within the Area of Interest (State lands); and/or
- (d) applies for, locates and/or converts all or any part of the Area of Interest into one or more leases or other forms of mineral tenure pursuant to any Federal or State law hereinafter acted;

JABA will have and Excellon U.S. will thereafter pay to JABA a one and one-half (1-1/2%) percent Royalty in respect thereof. For greater certainty, the parties confirm that JABA will not be entitled to receive any Royalty in respect of any ground acquired by Excellon, Excellon U.S. or any of their respective affiliates otherwise than directly from the United States Federal or Arizona State governments.

4. From and after February 24, 1993, neither JABA nor any of its directors, officers or shareholders or any of their respective associates will acquire any patented or unpatented mining claims, fee lands, water rights or any other rights in minerals or rights to explore for, develop or extract minerals which lies wholly or partially within the Area of Interest unless JABA has first given Excellon U.S. not less than sixty (60) days' written notice of such proposed acquisition, together with all details known to JABA with respect thereto. Excellon U.S. will have the right to acquire such interest within sixty (60) days after notice is given by JABA. If Excellon U.S. elects not to acquire such interest, JABA will be free to acquire such interest at its own expense and Excellon U.S. will thereafter have no right in or with respect to such interest.

5. If, at any time after [Closing Date], Excellon U.S. determines that it does not wish to retain any one or more of the parcels, tracts or claims comprising the Property or Other

Property, then Excellon U.S. may surrender or abandon such parcels, tracts or claims upon at least ninety (90) days' prior notice to JABA. JABA will have fifteen (15) days after receipt of such notice to advise Excellon U.S. that it wishes to acquire one or more of such parcels, tracts or claims and, if JABA exercises such right, Excellon U.S. will deliver to JABA a duly executed quitclaim deed in recordable form quitclaiming in favour of JABA, without any warranties as to title, all interest of Excellon U.S. in and to such parcels, tracts or claims.

6. Excellon U.S. will have the right at any time after [Closing Date], 1993 (but not the obligation) to:

- (a) amend or relocate any or all of the unpatented mining claims comprised in the Property or Other Property, and to locate any fractions existing as of February 24, 1993 or resulting from the location, amendment or relocation of such unpatented mining claims; or
- (b) where Excellon U.S. may be required, or finds it appropriate, to abandon certain rights in order to secure additional or ongoing rights to explore and mine the Property or Other Property pursuant to any new or amended laws of the United States and/or State of Arizona concerning the acquisition of maintenance of mineral rights on public domain of the United States and/or State lands, to do so.

7. Either Excellon or Excellon U.S. may assign any or all portion of their rights in and to the Property or the Agreement to any party without restriction, provided that no such assignment shall become effective until the transferee has agreed in writing with JABA to be bound by the provisions of the Agreement.

8. JABA shall not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate any or all of its interest in the Agreement or the Royalty without the prior written consent of Excellon and Excellon U.S., which consent will not be unreasonably withheld, provided that no change or division in the ownership of or entitlement to the Royalty, however accomplished, shall enlarge the obligations or diminish the rights of either Excellon U.S. or Excellon under the Agreement. In no event will any change or division in the ownership of or entitlement to the Royalty be binding upon either Excellon or Excellon U.S. unless and until:

- (a) any transferee or assignee has acknowledged in writing with Excellon U.S. that the interest in the Royalty acquired by them is subject to Excellon U.S.'s option to purchase a portion thereof; and

(b) thirty (30) days after JABA has given Excellon U.S. a certified copy of the recorded instrument evidencing such change or division.

9. A copy of the Agreement is on file with counsel for Excellon, whose address is:

Smith, Lyons, Torrance, Stevenson & Mayer
Suite 550, 999 Canada Place
Vancouver, B.C.
Canada V6C 3C8
Attention: Lawrence W. Talbot

EXECUTED effective as of this _____ day of March, 1993.

JABA, INC.

By: _____

EXCELLON RESOURCES U.S.A., INC.

By: _____

EXCELLON RESOURCES INC.

By: _____

CANADA
PROVINCE OF ONTARIO
COUNTY OF

)
) ss.
)

On this _____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and Richard Brissenden, known to me or proved to me to be President and Chairman, respectively, of EXCELLON RESOURCES INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for Ontario

Residing in _____
My Commission does not expire

CANADA
PROVINCE OF ONTARIO
COUNTY OF

)
) ss.
)

On this _____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and Richard Brissenden, known to me or proved to me to be President and Secretary, respectively, of EXCELLON RESOURCES U.S.A., INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for Ontario

Residing in _____
My Commission does not expire

STATE OF ARIZONA

)

COUNTY OF _____

)

ss.

On this _____ day of March, 1993 before me, the undersigned, a notary public, personally appeared JAMES A. BRISCOE, known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____

My commission expires:

[DRAFT 12: MARCH 915, 1993]

Recording Requested by
and Return to:

Lawrence W. Talbot
Smith, Lyons, Torrance, Stevenson & Mayer
#550 - 999 Canada Place
Vancouver, B.C.
V6C 3C8

MEMORANDUM OF ACQUISITION AGREEMENT

NOTICE IS HEREBY GIVEN that pursuant to that certain agreement entitled "Tombstone Property Acquisition Agreement (Block No. ■)" (the "Agreement") dated for reference and effective the 24th day of February, 1993 (the "effective date") by and among JABA, Inc., an Arizona corporation ("JABA"), Excellon Resources U.S.A., Inc., an Arizona corporation ("Excellon U.S.") and Excellon Resources Inc., a British Columbia, Canada corporation ("Excellon"), JABA agreed to sell, assign and transfer all of its rights in and to those certain unpatented lode mining claims situate in Tombstone Mining District, Cochise County, State of Arizona and more particularly described on Schedule "A" attached hereto and by this reference made a part hereof (the "Property") and that by a quitclaim deed made the 24th day of February, 1993 between JABA and Excellon U.S., has granted, released and forever quitclaimed unto Excellon U.S. all of its right, title and interest in and to the Property, subject to reservation of a royalty as hereinafter set forth.

This memorandum is executed for the purpose of affording notice of the existence of the Agreement and the terms and provisions thereof, which terms and provisions are incorporated herein by reference for all purposes. This memorandum is not intended to alter or vary the terms of the Agreement. All capitalized words in this memorandum have the same meaning as assigned to them in the Agreement. Some of the terms and provisions of the Agreement are hereby summarized as follows:

I. Pursuant to the Agreement, for TEN (\$10.00) DOLLARS and other valuable consideration, JABA has sold, assigned and transferred to Excellon U.S. all of its right, title and interest in and to the Property subject to the reservation of a royalty equal to two and one-half (2-1/2%) percent of net smelter returns revenue from mineral products produced from the Property calculated and paid in accordance with Schedule "B" to the Agreement.

II. Excellon U.S. has, and JABA has given and granted to Excellon U.S., the NSR Option to purchase from JABA, at any time

within 21 years after ~~March~~ February 24, 1993, all of the right, title and interest of JABA in and to two-fifths (2/5ths) of the two and one-half (2-1/2%) percent Royalty reserved by JABA for an adjusted total consideration as set forth in subsection 4.1 of the Agreement. The purchase price is subject to adjustment in accordance with changes in the Consumer Price Index published by the U.S. Bureau of Labor Statistics. Upon the exercise of the NSR Option, the Royalty reserved by and payable to JABA will be reduced to one and one-half (1-1/2%) percent.

III. If, after February 24, 1993, either of Excellon U.S. or Excellon or any of their respective affiliates:

- A. locates any unpatented mining claims within the Area of Interest (public domain);
- B. locates any type A or type B mining claims within the Area of Interest (State lands);
- C. applies for and is awarded prospecting permits or mineral leases within the Area of Interest (State lands); and/or
- D. applies for, locates and/or converts all or any part of the Area of Interest into one or more leases or other forms of mineral tenure pursuant to any Federal or State law hereinafter acted;

JABA will have and Excellon U.S. will thereafter pay to JABA a one and one-half (1-1/2%) percent Royalty in respect thereof. For greater certainty, the parties confirm that JABA will not be entitled to receive any Royalty in respect of any ground acquired by Excellon, Excellon U.S. or any of their respective affiliates otherwise than directly from the United States Federal or Arizona State governments.

IV. From and after February 24, 1993, neither JABA nor any of its directors, officers or shareholders or any of their respective associates will acquire any patented or unpatented mining claims, fee lands, water rights or any other rights in minerals or rights to explore for, develop or extract minerals which lies wholly or partially within the Area of Interest unless JABA has first given Excellon U.S. not less than sixty (60) days⁺ written notice of such proposed acquisition, together with all details known to JABA with respect thereto. Excellon U.S. will have the right to acquire such interest within sixty (60) days after notice is given by JABA. If Excellon U.S. elects not to acquire such interest, JABA will be free to acquire such interest at its own expense and Excellon U.S. will thereafter have no right in or with respect to such interest.

V. If, at any time after [Closing Date], Excellon U.S. determines that it does not wish to retain any one or more of the

parcels, tracts or claims comprising the Property or Other Property, then Excellon U.S. may surrender or abandon such parcels, tracts or claims upon at least ninety (90) days⁺ prior notice to JABA. JABA will have fifteen (15) days after receipt of such notice to advise Excellon U.S. that it wishes to acquire one or more of such parcels, tracts or claims and, if JABA exercises such right, Excellon U.S. will deliver to JABA a duly executed quitclaim deed in recordable form quitclaiming in favour of JABA, without any warranties as to title, all interest of Excellon U.S. in and to such parcels, tracts or claims. In the event of assignment of the Property or Other Property in part or in its entirety to JABA, Excellon U.S. shall within ninety (90) days after assignment provide JABA, at its cost, access to and copies of all available technical data and physical samples pertaining to the assigned parcels, tracts or claims.

VI. Excellon U.S. will have the right at any time after [Closing Date], 1993 (but not the obligation) to:

- A. amend or relocate any or all of the unpatented mining claims comprised in the Property or Other Property, and to locate any fractions existing as of February 24, 1993 or resulting from the location, amendment or relocation of such unpatented mining claims; or
- B. where Excellon U.S. may be required, or finds it appropriate, to abandon certain rights in order to secure additional or ongoing rights to explore and mine the Property or Other Property pursuant to any new or amended laws of the United States and/or State of Arizona concerning the acquisition of maintenance of mineral rights on public domain of the United States and/or State lands, to do so.

VII. Either Excellon or Excellon U.S. may assign any or all portion of their rights in and to the Property, the Other Property or the Agreement to any party without restriction, provided that no such assignment shall become effective until the transferee has agreed in writing with JABA to be bound by the provisions of the Agreement.

VIII. JABA shall not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate any or all of its interest in the Agreement or the Royalty without the prior written consent of Excellon and Excellon U.S., which consent will not be unreasonably withheld, provided that no change or division in the ownership of or entitlement to the Royalty, however accomplished, shall enlarge the obligations or diminish the rights of either Excellon U.S. or Excellon under the Agreement. In no event will any change or division in the ownership of or entitlement to the

Royalty be binding upon either Excellon or Excellon U.S. unless and until:

- A. any transferee or assignee has acknowledged in writing with Excellon U.S. that the interest in the Royalty acquired by them is subject to Excellon U.S.'s NSR Option to purchase a portion thereof; and
- B. thirty (30) days after JABA has given Excellon U.S. a certified copy of the recorded instrument evidencing such change or division.

IX. If Excellon U.S. now or hereafter owns, leases or otherwise acquires an interest in any real property or mineral rights within the Area of Interest other than the Property or any Other Property, and if Excellon U.S. desires to terminate any leases, options or other form of tenure with respect to a Third Party Property, except in the case where Excellon U.S. will retain an interest therein, Excellon U.S. shall, where practicable and where not in conflict with any pre-existing third party obligation or agreement, and where neither Excellon U.S. nor Excellon has any actual or potential liability in connection with such Third Party Property, notify JABA thereof, according to and governed by the terms of notice and acceptance as provided in subsection 17.1 of the Agreement, providing JABA with an opportunity to take an assignment of such Third Party Property and any agreements in connection therewith. In connection with any such assignment, JABA shall thereby assume all further obligations and liabilities with respect to such Third Party Property and any agreements in connection therewith, and shall indemnify and hold harmless each of Excellon U.S. and Excellon in connection therewith. In conjunction with and accompanying any notice provided by Excellon U.S. pursuant to subsection 21.1 of the Agreement, Excellon U.S. shall provide copies of all data in its possession with respect to the Third Party Property which is the subject of such notice pursuant to the terms and conditions of subsection 21.2 of the Agreement. JABA acknowledges and agrees that any and all costs and expenses associated with the operation as set forth in subsections 21.1 and 21.2 of the Agreement shall be solely for the account of JABA, and that neither Excellon nor Excellon U.S. shall have any obligation under either of subsections 21.1 or 21.2 of the Agreement unless and until any costs or expenses of Excellon or Excellon U.S. in connection therewith shall have been settled by JABA in a manner satisfactory to Excellon and Excellon U.S.

X. A copy of the Agreement is on file with counsel for Excellon, whose address is:

Smith, Lyons, Torrance, Stevenson & Mayer
Suite 550, 999 Canada Place
Vancouver, B.C.
Canada V6C 3C8
Attention: Lawrence W. Talbot

EXECUTED effective as of this _____ day of March, 1993.

JABA, INC.

By: _____

EXCELLON RESOURCES U.S.A., INC.

By: _____

EXCELLON RESOURCES INC.

By: _____

CANADA
PROVINCE OF ONTARIO
COUNTY OF

)
) ss.
)

On this _____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and Richard Brissenden, known to me or proved to me to be President and Chairman, respectively, of EXCELLON RESOURCES INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for Ontario

Residing in _____
My Commission does not expire

CANADA
PROVINCE OF ONTARIO
COUNTY OF

)
) ss.
)

On this _____ day of _____, 1993 before me the undersigned, a notary public, personally appeared A. Douglas MacKenzie and Richard Brissenden, known to me or proved to me to be President and Secretary, respectively, of EXCELLON RESOURCES U.S.A., INC., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for Ontario

Residing in _____
My Commission does not expire

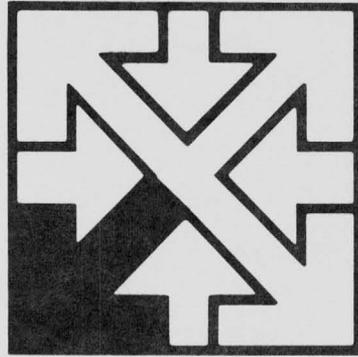
STATE OF ARIZONA)
COUNTY OF Pima) SS.

On this _____ day of March, 1993 before me, the undersigned, a notary public, personally appeared JAMES A. BRISCOE, known to me (or proved to me on the basis of satisfactory evidence) to be the President of JABA, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

(Notarial
Seal)

Notary Public in and for

Residing in _____
My commission expires: _____



Southwestern Exploration Associates

COUNTY NOTEBOOK RESEARCH SYSTEM

4500 E. Speedway, Suite 14
Tucson, Arizona 85712
(602) 795-6097

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VOL. 1

GENERAL ARTICLES

COUNTY NOTEBOOK INVENTORY LIST

Volume 1: County Summary Material

1. Mining District index map with USGS quadrangle overlay
2. County bibliography list with explanations
3. Target listing
4. Listing of all deposits with current exploration status
5. Map indexes to various commodities and a generalized land status map
6. County report by State Bureau of Mines
7. Information on industrial mineral occurrences within the county
8. General articles filed alphabetically, preceded by bibliography list
9. Metal price list

Volume 2: Thesis Material

1. Index map of available theses
2. Theses arranged alphabetically by author

Volume 3: U.S.G.S. Reduced Topographic Sheets

1. Reduced A.M.S. sheets
2. Reduced 7½ and 15 minute quad sheets with list of mines located on each quad sheet

Volume 4: U.S.G.S. Geologic, Geophysical, Geochemical and Open File Maps

1. Index to maps in Volume 4
2. Geologic maps
3. Geophysical maps
4. Geochemical maps
5. Photo index maps

Volume 5: Mining District Notebooks

1. Mining district summary sheet
2. Mint records, mineral resources material, Weed's Copper Handbook (colored sheets separate these sections)
3. Mining district articles listed alphabetically
4. Bibliography
5. Mine summary sheets with geologic data
6. Land status