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V. 8, Bk. 27

**Tombstone
Mining District
Cochise Co., AZ**

**Agreements
Between
JABA &
Excellon
Blocks
1 thru 3**



**Southwestern
Exploration Associates**

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Block 1

TOMBSTONE PROPERTY ACQUISITION AGREEMENT (BLOCK NO. 1)

THIS AGREEMENT made and dated for reference the 24th 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 situate in Tombstone Mining District, Cochise County, 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:

- (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 55 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 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 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".

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 by Excellon to JABA of 155,250 Shares.

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.

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 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 or Type B mining claims (State Lands);
- (c) applies for and is awarded Prospecting Permits or Mineral Leases (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. For greater certainty, the parties confirm that JABA will not be entitled to receive a 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.

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, 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 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 155,250 Shares.

6.3 Within sixty (60) days after the Closing Date, JABA will 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. Thereafter 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.

9.2 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. 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 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.

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 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 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 and/or State of Arizona

concerning the acquisition and maintenance of mineral rights on the public domain of the United States and/or State lands, to do so.

17.3 JABA 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. Any 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.

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, 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., pertaining to that portion of the Property or Other Property assigned. Neither Excellon nor Excellon U.S. shall in any event be liable for the accuracy or comprehensiveness of any data furnished to JABA.

18. ACCESS

18.1 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.

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 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:

- (a) to 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 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:

- (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) all rentals, royalties, reasonable taxes, assessments, special assessments; and
- (d) any other obligation required to hold the Property under any other form of tenure contemplated by this Agreement,

in order to keep all mineral rights valid to the Property.

20. ACKNOWLEDGEMENT

20.1 At the request of JABA, Excellon U.S. hereby acknowledges that it is indebted to JABA in a substantial amount for professional services rendered, which amount is presently under negotiation but which Excellon U.S. acknowledges is a minimum of

U.S. Forty Five Thousand (U.S.\$45,000) Dollars, and Excellon U.S. acknowledges that it will pay such amount.

21. ACQUISITION OF THIRD PARTY INTERESTS

21.1 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 (a "Third Party 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, 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.

21.2 In conjunction with and accompanying any notice provided by Excellon U.S. pursuant to subsection 21.1, 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 (subject to any confidentiality and non-disclosure provisions in the agreements governing such Third Party Property and to JABA entering into and executing a confidentiality agreement satisfactory to Excellon U.S.) in order to permit JABA to determine whether or not it wishes to seek to obtain an assignment of such Third Party Property and any agreements in connection therewith as provided in subsection 21.1. If JABA completes an assignment of such Third Party Property, it will be entitled to retain all such data, otherwise all such data will be returned to Excellon U.S. on or before the date by which JABA is required to make its election. Neither Excellon U.S. nor Excellon shall in any event be liable for the accuracy or comprehensiveness of any data thus furnished to JABA.

21.3 JABA acknowledges and agrees that any and all costs and expenses associated with the operation of subsections 21.1 and 21.2 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 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.

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

Per: 
President

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

Authorized Signatory

Authorized Signatory

c/s

ATTEST:

EXCELLON RESOURCES U.S.A., INC.

Corporate Secretary

Per: _____
President

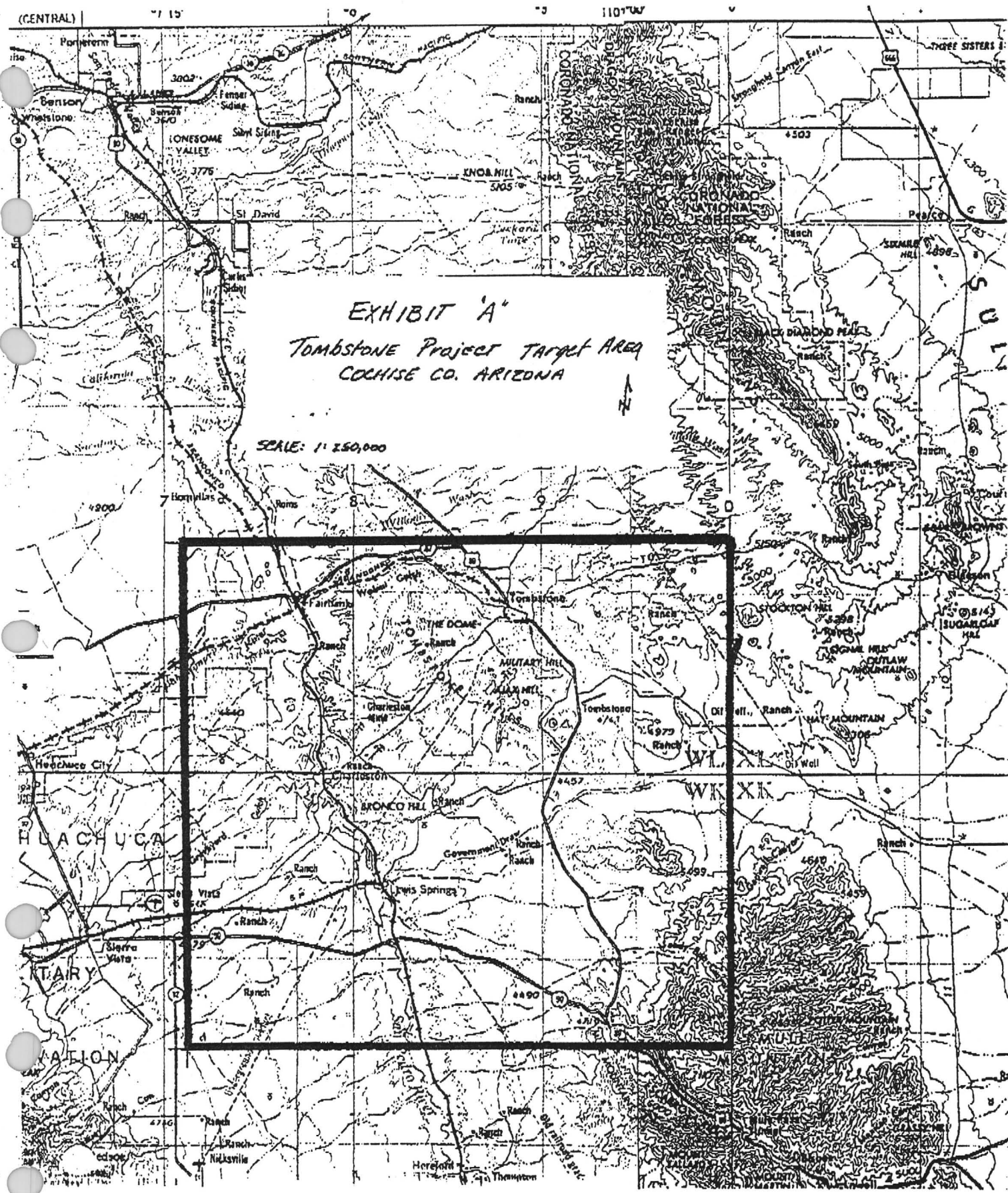


EXHIBIT 'A'
TOMBSTONE PROJECT TARGET AREA
COCHISE CO. ARIZONA

SCALE: 1:150,000

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

EXHIBIT A
TOMBSTONE PROPERTY ACQUISITION AGREEMENT
BLOCK 1 CLAIMS

Page 1 of 3

Tombstone Project - Master Claim List
TS Lode Mining Claim Group
Tombstone Mining District, Cochise County, Arizona
Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial Legal	tion	Sec- ship	Town- Range	Meridian	
T.S. #125	8		1546	488	A-MC-141834	NE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S. #126	8		1546	489	A-MC-141835	NE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S. #127	10		1546	490	A-MC-141836	SE1/4	12	20S.	22E.	G.&S.R.B.M.
						SW1/4	12	20S.	22E.	G.&S.R.B.M.
						NE1/4	13	20S.	22E.	G.&S.R.B.M.
						NW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S. #128	7		1546	491	A-MC-141837	SE1/4	12	20S.	22E.	G.&S.R.B.M.
						NE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S. #129	7		1546	492	A-MC-141838	SE1/4	12	20S.	22E.	G.&S.R.B.M.
						SW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #130			1546	493	A-MC-141839	SE1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #131	7		1546	494	A-MC-141840	SE1/4	12	20S.	22E.	G.&S.R.B.M.
						SW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #132			1546	495	A-MC-141841	SE1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #133	7		1546	496	A-MC-141842	SE1/4	12	20S.	22E.	G.&S.R.B.M.
						SW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #134			1546	497	A-MC-141843	SE1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #135			1546	498	A-MC-141844	NE1/4	12	20S.	22E.	G.&S.R.B.M.
						NW1/4	12	20S.	22E.	G.&S.R.B.M.
						SE1/4	12	20S.	22E.	G.&S.R.B.M.
						SW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #136			1546	499	A-MC-141845	NE1/4	12	20S.	22E.	G.&S.R.B.M.
						SE1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #137			1546	500	A-MC-141846	NE1/4	12	20S.	22E.	G.&S.R.B.M.
						NW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #138			1546	501	A-MC-141847	NE1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #139	9		1546	502	A-MC-141848	NE1/4	12	20S.	22E.	G.&S.R.B.M.
						NW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #140			1546	503	A-MC-141849	NE1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #141	9		1546	504	A-MC-141850	NE1/4	12	20S.	22E.	G.&S.R.B.M.
						NW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #142			1546	505	A-MC-141851	NE1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #143	5		1546	506	A-MC-141852	NE1/4	12	20S.	22E.	G.&S.R.B.M.
						NW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #144	6		1546	507	A-MC-141853	NE1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #145	10		1546	508	A-MC-141854	SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
						NE1/4	12	20S.	22E.	G.&S.R.B.M.
						NW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #146	10		1546	509	A-MC-141855	SE1/4	1	20S.	22E.	G.&S.R.B.M.
						NE1/4	12	20S.	22E.	G.&S.R.B.M.

BLOCK 1 CLAIMS

Page 2 of 3

Tombstone Project - Master Claim List
 TS Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	B.L.M. Serial Number	Legal	tion	Sec- ship	Town- Range	Meridian	
T.S. #147	5		1546	510	A-MC-141856	SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #148	5		1546	511	A-MC-141857	SE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #149	5		1546	512	A-MC-141858	SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #150	5		1546	513	A-MC-141859	SE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #151	5		1546	514	A-MC-141860	SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #152	5		1546	515	A-MC-141861	SE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #153	5		1546	516	A-MC-141862	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #154	5		1546	517	A-MC-141863	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #155	4		1546	518	A-MC-141864	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #156	4		1546	519	A-MC-141865	NE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #157	4		1546	520	A-MC-141866	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #158	4		1546	521	A-MC-141867	NE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #159	4		1546	522	A-MC-141868	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #160	4		1546	523	A-MC-141869	NE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #161	4		1546	524	A-MC-141870	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #162	4		1546	525	A-MC-141871	NE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #163	9		1546	526	A-MC-141872	SW1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #164	4		1546	527	A-MC-141873	SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #165	3		1546	528	A-MC-141874	SW1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #166	4		1546	529	A-MC-141875	SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #167	2		1546	530	A-MC-141876	SW1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #168	4		1546	531	A-MC-141877	SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #169	1		1546	532	A-MC-141878	SW1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #170	4		1546	533	A-MC-141879	NW1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.

EXHIBIT A
 TOMBSTONE PROPERTY ACQUISITION AGREEMENT
 BLOCK 1 CLAIMS

Tombstone Project - Master Claim List
 TS Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial	Legal	tion	Sec- ship	Town- Range	Meridian	
T.S. #171	1		1546	534	A-MC-141880		NW1/4	1	20S.	22E.	G.&S.R.B.M.
							SW1/4	1	20S.	22E.	G.&S.R.B.M.
							NE1/4	2	20S.	22E.	G.&S.R.B.M.
							SE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #172	4		1546	535	A-MC-141881		NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #173	1		1546	536	A-MC-141882		NW1/4	1	20S.	22E.	G.&S.R.B.M.
							NE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #174	4		1546	537	A-MC-141883		NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #175	1		1546	538	A-MC-141884		NW1/4	1	20S.	22E.	G.&S.R.B.M.
							NE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #176	4		1546	539	A-MC-141885		NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #177	1		1546	540	A-MC-141886		NW1/4	1	20S.	22E.	G.&S.R.B.M.
							NE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #178	4		1546	541	A-MC-141887		NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #179	1		1546	542	A-MC-141888		NW1/4	1	20S.	22E.	G.&S.R.B.M.
							NE1/4	2	20S.	22E.	G.&S.R.B.M.

Noted Exceptions of Record:

- 1 Less fee simple surface (in whole on valid portion of claim) & state surface/mineral ownership (in part)
- 2 Less fee simple surface (in whole on valid portion of claim) fee simple surface/mineral (in part) & state surface/mineral ownership (in part)
- 3 Less fee simple surface (in whole on valid portion of claim) & fee simple surface/mineral ownership (in part)
- 4 Less fee simple surface ownership (in whole)
- 5 Less fee simple surface ownership (in whole on valid portion of claim) & senior mineral rights (in part)
- 6 Less senior mineral rights (in part)
- 7 Less fee simple surface/mineral ownership (in part)
- 8 Less fee simple surface/mineral ownership (in part) and senior mineral rights (in part)
- 9 Less fee simple surface ownership (in part)
- 10 Less fee simple surface ownership (in part) and senior mineral rights (in part)

EXHIBIT "B"

NET SMELTER RETURNS

1. The royalty (the "Royalty") which is payable to JABA (hereinafter called the "Payee") by Excellon U.S. (hereinafter called the "Payor") will be TWO AND ONE HALF (2-1/2%) PERCENT (subject to reduction pursuant to the Payor's right to purchase a portion of such Royalty) of the Net Smelter Revenue (as hereinafter defined) and will be calculated and paid to the Payee in accordance with the terms of this Exhibit "B".
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 quarter.
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, 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;
 - (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,
 - (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;
- (e) "Property" means the unpatented mining claims more particularly set forth and described in Exhibit "A" to the within quitclaim deed; and
- (f) "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).

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 six (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 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 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. 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 Exhibit "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 Precious Metals subject to Hedging Transactions by the Payor will be determined pursuant to the provisions of this paragraph 7 and not paragraph 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 Precious Metals subject to Hedging Transactions will be deemed to be sold, and revenues received therefrom, on the date of final settlement in which the amount of refined Precious Metals is allocated to the account of the Payor by a third party refinery, irrespective 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 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 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 election as provided herein, 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.

STATE OF ARIZONA

COUNTY OF _____

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ss.

On this _____ day of March, 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: _____

SCHEDULE "D"

Investment Letter

March , 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 155,250 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 for reference February 24, 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.

EXHIBIT B

10.
GROUP

MSY 1	MSY 2	MSY 3	MSY 4	MSY 5	MSY 6	MSY 7	MSY 8	MSY 9	MSY 10
MSY 11	MSY 12	MSY 13	MSY 14	MSY 15	MSY 16	MSY 17	MSY 18	MSY 19	MSY 20
MSY 21	MSY 22	MSY 23	MSY 24	MSY 25	MSY 26	MSY 27	MSY 28	MSY 29	MSY 30
MSY 31	MSY 32	MSY 33	MSY 34	MSY 35	MSY 36	MSY 37	MSY 38	MSY 39	MSY 40
MSY 41	MSY 42	MSY 43	MSY 44	MSY 45	MSY 46	MSY 47	MSY 48	MSY 49	MSY 50
MSY 51	MSY 52	MSY 53	MSY 54	MSY 55	MSY 56	MSY 57	MSY 58	MSY 59	MSY 60
MSY 61	MSY 62	MSY 63	MSY 64	MSY 65	MSY 66	MSY 67	MSY 68	MSY 69	MSY 70
MSY 71	MSY 72	MSY 73	MSY 74	MSY 75	MSY 76	MSY 77	MSY 78	MSY 79	MSY 80
MSY 81	MSY 82	MSY 83	MSY 84	MSY 85	MSY 86	MSY 87	MSY 88	MSY 89	MSY 90
MSY 91	MSY 92	MSY 93	MSY 94	MSY 95	MSY 96	MSY 97	MSY 98	MSY 99	MSY 100

Outer Boundary

LEASE NO. 2

TS 175	TS 174	TS 157	TS 158
TS 173	TS 172	TS 155	TS 156
TS 171	TS 170	TS 153	TS 154
TS 169	TS 168	TS 151	TS 152
TS 167	TS 166	TS 149	TS 150
TS 165	TS 164	TS 147	TS 148
TS 163	TS 162	TS 145	TS 146
TS 143	TS 144	TS 141	TS 142
TS 139	TS 140	TS 137	TS 138
TS 135	TS 136	TS 133	TS 134
TS 131	TS 132	TS 129	TS 130
TS 127	TS 128	TS 125	TS 126

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TS 121	TS 122	TS 123	TS 124	TS 125	TS 126	TS 127	TS 128	TS 129	TS 130
TS 131	TS 132	TS 133	TS 134	TS 135	TS 136	TS 137	TS 138	TS 139	TS 140
TS 141	TS 142	TS 143	TS 144	TS 145	TS 146	TS 147	TS 148	TS 149	TS 150
TS 151	TS 152	TS 153	TS 154	TS 155	TS 156	TS 157	TS 158	TS 159	TS 160
TS 161	TS 162	TS 163	TS 164	TS 165	TS 166	TS 167	TS 168	TS 169	TS 170
TS 171	TS 172	TS 173	TS 174	TS 175	TS 176	TS 177	TS 178	TS 179	TS 180

SCHEDULE A
TOMBSTONE PROPERTY ACQUISITION AGREEMENT
BLOCK 1 CLAIMS

Page 1 of 3

Tombstone Project - Master Claim List
TS Lode Mining Claim Group
Tombstone Mining District, Cochise County, Arizona
Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial	Legal	tion	Sec- ship	Town- Range	Meridian
T.S. #125	8		1546	488	A-MC-141834		NE1/4	13	20S.	22E. G.&S.R.B.M.
T.S. #126	8		1546	489	A-MC-141835		NE1/4	13	20S.	22E. G.&S.R.B.M.
T.S. #127	10		1546	490	A-MC-141836		SE1/4	12	20S.	22E. G.&S.R.B.M.
							SW1/4	12	20S.	22E. G.&S.R.B.M.
							NE1/4	13	20S.	22E. G.&S.R.B.M.
							NW1/4	13	20S.	22E. G.&S.R.B.M.
T.S. #128	7		1546	491	A-MC-141837		SE1/4	12	20S.	22E. G.&S.R.B.M.
							NE1/4	13	20S.	22E. G.&S.R.B.M.
T.S. #129	7		1546	492	A-MC-141838		SE1/4	12	20S.	22E. G.&S.R.B.M.
							SW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #130			1546	493	A-MC-141839		SE1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #131	7		1546	494	A-MC-141840		SE1/4	12	20S.	22E. G.&S.R.B.M.
							SW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #132			1546	495	A-MC-141841		SE1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #133	7		1546	496	A-MC-141842		SE1/4	12	20S.	22E. G.&S.R.B.M.
							SW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #134			1546	497	A-MC-141843		SE1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #135			1546	498	A-MC-141844		NE1/4	12	20S.	22E. G.&S.R.B.M.
							NW1/4	12	20S.	22E. G.&S.R.B.M.
							SE1/4	12	20S.	22E. G.&S.R.B.M.
							SW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #136			1546	499	A-MC-141845		NE1/4	12	20S.	22E. G.&S.R.B.M.
							SE1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #137			1546	500	A-MC-141846		NE1/4	12	20S.	22E. G.&S.R.B.M.
							NW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #138			1546	501	A-MC-141847		NE1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #139	9		1546	502	A-MC-141848		NE1/4	12	20S.	22E. G.&S.R.B.M.
							NW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #140			1546	503	A-MC-141849		NE1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #141	9		1546	504	A-MC-141850		NE1/4	12	20S.	22E. G.&S.R.B.M.
							NW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #142			1546	505	A-MC-141851		NE1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #143	5		1546	506	A-MC-141852		NE1/4	12	20S.	22E. G.&S.R.B.M.
							NW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #144	6		1546	507	A-MC-141853		NE1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #145	10		1546	508	A-MC-141854		SE1/4	1	20S.	22E. G.&S.R.B.M.
							SW1/4	1	20S.	22E. G.&S.R.B.M.
							NE1/4	12	20S.	22E. G.&S.R.B.M.
							NW1/4	12	20S.	22E. G.&S.R.B.M.
T.S. #146	10		1546	509	A-MC-141855		SE1/4	1	20S.	22E. G.&S.R.B.M.
							NE1/4	12	20S.	22E. G.&S.R.B.M.

BLOCK 1 CLAIMS

Page 2 of 3

Tombstone Project - Master Claim List
 TS Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial Legal	tion	Sec- ship	Town- Range	Meridian	
T.S. #147	5		1546	510	A-MC-141856	SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #148	5		1546	511	A-MC-141857	SE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #149	5		1546	512	A-MC-141858	SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #150	5		1546	513	A-MC-141859	SE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #151	5		1546	514	A-MC-141860	SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #152	5		1546	515	A-MC-141861	SE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #153	5		1546	516	A-MC-141862	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #154	5		1546	517	A-MC-141863	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #155	4		1546	518	A-MC-141864	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #156	4		1546	519	A-MC-141865	NE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #157	4		1546	520	A-MC-141866	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #158	4		1546	521	A-MC-141867	NE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #159	4		1546	522	A-MC-141868	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #160	4		1546	523	A-MC-141869	NE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #161	4		1546	524	A-MC-141870	NE1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #162	4		1546	525	A-MC-141871	NE1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #163	9		1546	526	A-MC-141872	SW1/4	1	20S.	22E.	G.&S.R.B.M.
						NW1/4	12	20S.	22E.	G.&S.R.B.M.
T.S. #164	4		1546	527	A-MC-141873	SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #165	3		1546	528	A-MC-141874	SW1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #166	4		1546	529	A-MC-141875	SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #167	2		1546	530	A-MC-141876	SW1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #168	4		1546	531	A-MC-141877	SW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #169	1		1546	532	A-MC-141878	SW1/4	1	20S.	22E.	G.&S.R.B.M.
						SE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #170	4		1546	533	A-MC-141879	NW1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.

SCHEDULE A
 TOMBSTONE PROPERTY ACQUISITION AGREEMENT
 BLOCK 1 CLAIMS

Tombstone Project - Master Claim List
 TS Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial	tion	Sec- ship	Town- Range	Meridian	
	Legal									
T.S. #171	1		1546	534	A-MC-141880	NW1/4	1	20S.	22E.	G.&S.R.B.M.
						SW1/4	1	20S.	22E.	G.&S.R.B.M.
						NE1/4	2	20S.	22E.	G.&S.R.B.M.
						SE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #172	4		1546	535	A-MC-141881	NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #173	1		1546	536	A-MC-141882	NW1/4	1	20S.	22E.	G.&S.R.B.M.
						NE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #174	4		1546	537	A-MC-141883	NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #175	1		1546	538	A-MC-141884	NW1/4	1	20S.	22E.	G.&S.R.B.M.
						NE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #176	4		1546	539	A-MC-141885	NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #177	1		1546	540	A-MC-141886	NW1/4	1	20S.	22E.	G.&S.R.B.M.
						NE1/4	2	20S.	22E.	G.&S.R.B.M.
T.S. #178	4		1546	541	A-MC-141887	NW1/4	1	20S.	22E.	G.&S.R.B.M.
T.S. #179	1		1546	542	A-MC-141888	NW1/4	1	20S.	22E.	G.&S.R.B.M.
						NE1/4	2	20S.	22E.	G.&S.R.B.M.

Noted Exceptions of Record:

- 1 Less fee simple surface (in whole on valid portion of claim) & state surface/mineral ownership (in part)
- 2 Less fee simple surface (in whole on valid portion of claim) fee simple surface/mineral (in part) & state surface/mineral ownership (in part)
- 3 Less fee simple surface (in whole on valid portion of claim) & fee simple surface/mineral ownership (in part)
- 4 Less fee simple surface ownership (in whole)
- 5 Less fee simple surface ownership (in whole on valid portion of claim) & senior mineral rights (in part)
- 6 Less senior mineral rights (in part)
- 7 Less fee simple surface/mineral ownership (in part)
- 8 Less fee simple surface/mineral ownership (in part) and senior mineral rights (in part)
- 9 Less fee simple surface ownership (in part)
- 10 Less fee simple surface ownership (in part) and senior mineral rights (in part)

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 quarter.
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 or other Property as 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 paid in each quarterly period:
 - (i) sales charges levied by any sales agent on the sale of Mineral Products,

- (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 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).

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 six (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 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 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. 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 and not paragraph 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 will be deemed to be sold, and revenues received therefrom, on the date of final settlement in which the amount of refined Mineral Products is allocated to the account of the Payor by a third party refinery, irrespective 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 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 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 election as provided herein, 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 24th day of February, 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 Tombstone 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.

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 hereof.

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 ONTARIO
COUNTY OF

)
) ss.
)

On this 3rd day of March, 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 Toronto, Ontario
My Commission does not expire

CANADA
PROVINCE OF ONTARIO
COUNTY OF

)
) ss.
)

On this 3rd day of March, 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 Toronto, Ontario
My Commission does not expire

STATE OF ARIZONA

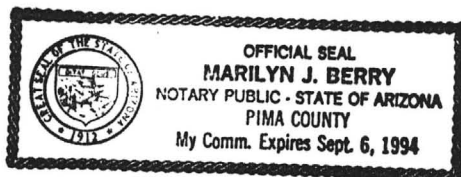
COUNTY OF

Pima

)
)
)
SS.

On this 1st 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)



Marilyn J. Berry
Notary Public in and for
Pima Co. ARIZONA
Residing in Pima Co. ARIZONA
My commission expires:

Sept 6, 1994

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

Block 2

TOMBSTONE PROPERTY ACQUISITION AGREEMENT (BLOCK NO. 2)

THIS AGREEMENT made and dated for reference the 24th 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 situate in Tombstone Mining District, Cochise County, 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:

- (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 50 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 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 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".

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 by Excellon to JABA of 82,350 Shares.

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.

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 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 or Type B mining claims (State Lands);
- (c) applies for and is awarded Prospecting Permits or Mineral Leases (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. For greater certainty, the parties confirm that JABA will not be entitled to receive a 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.

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, 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 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 82,350 Shares.

6.3 Within sixty (60) days after the Closing Date, JABA will 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. Thereafter 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.

9.2 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. 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 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.

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 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 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 and/or State of Arizona

concerning the acquisition and maintenance of mineral rights on the public domain of the United States and/or State lands, to do so.

17.3 JABA 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. Any 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.

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, 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., pertaining to that portion of the Property or Other Property assigned. Neither Excellon nor Excellon U.S. shall in any event be liable for the accuracy or comprehensiveness of any data furnished to JABA.

18. ACCESS

18.1 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.

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 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:

(a) to 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 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:

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

(d) any other obligation required to hold the Property under any other form of tenure contemplated by this Agreement,

in order to keep all mineral rights valid to the Property.

20. ACKNOWLEDGEMENT

20.1 At the request of JABA, Excellon U.S. hereby acknowledges that it is indebted to JABA in a substantial amount for professional services rendered, which amount is presently under negotiation but which Excellon U.S. acknowledges is a minimum of

U.S. Forty Five Thousand (U.S.\$45,000) Dollars, and Excellon U.S. acknowledges that it will pay such amount.

21. ACQUISITION OF THIRD PARTY INTERESTS

21.1 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 (a "Third Party 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, 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.

21.2 In conjunction with and accompanying any notice provided by Excellon U.S. pursuant to subsection 21.1, 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 (subject to any confidentiality and non-disclosure provisions in the agreements governing such Third Party Property and to JABA entering into and executing a confidentiality agreement satisfactory to Excellon U.S.) in order to permit JABA to determine whether or not it wishes to seek to obtain an assignment of such Third Party Property and any agreements in connection therewith as provided in subsection 21.1. If JABA completes an assignment of such Third Party Property, it will be entitled to retain all such data, otherwise all such data will be returned to Excellon U.S. on or before the date by which JABA is required to make its election. Neither Excellon U.S. nor Excellon shall in any event be liable for the accuracy or comprehensiveness of any data thus furnished to JABA.

21.3 JABA acknowledges and agrees that any and all costs and expenses associated with the operation of subsections 21.1 and 21.2 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 unless and until any costs or expenses of Excellon or Excellon U.S. in connection therewith shall have been

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

ATTEST:

JABA, INC.

Nathan S. Briscoe
Corporate Secretary

Per: Juan A. Bascor
President

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

Authorized Signatory

Authorized Signatory

c/s

ATTEST:

EXCELLON RESOURCES U.S.A., INC.

Corporate Secretary

Per: President

(CENTRAL)

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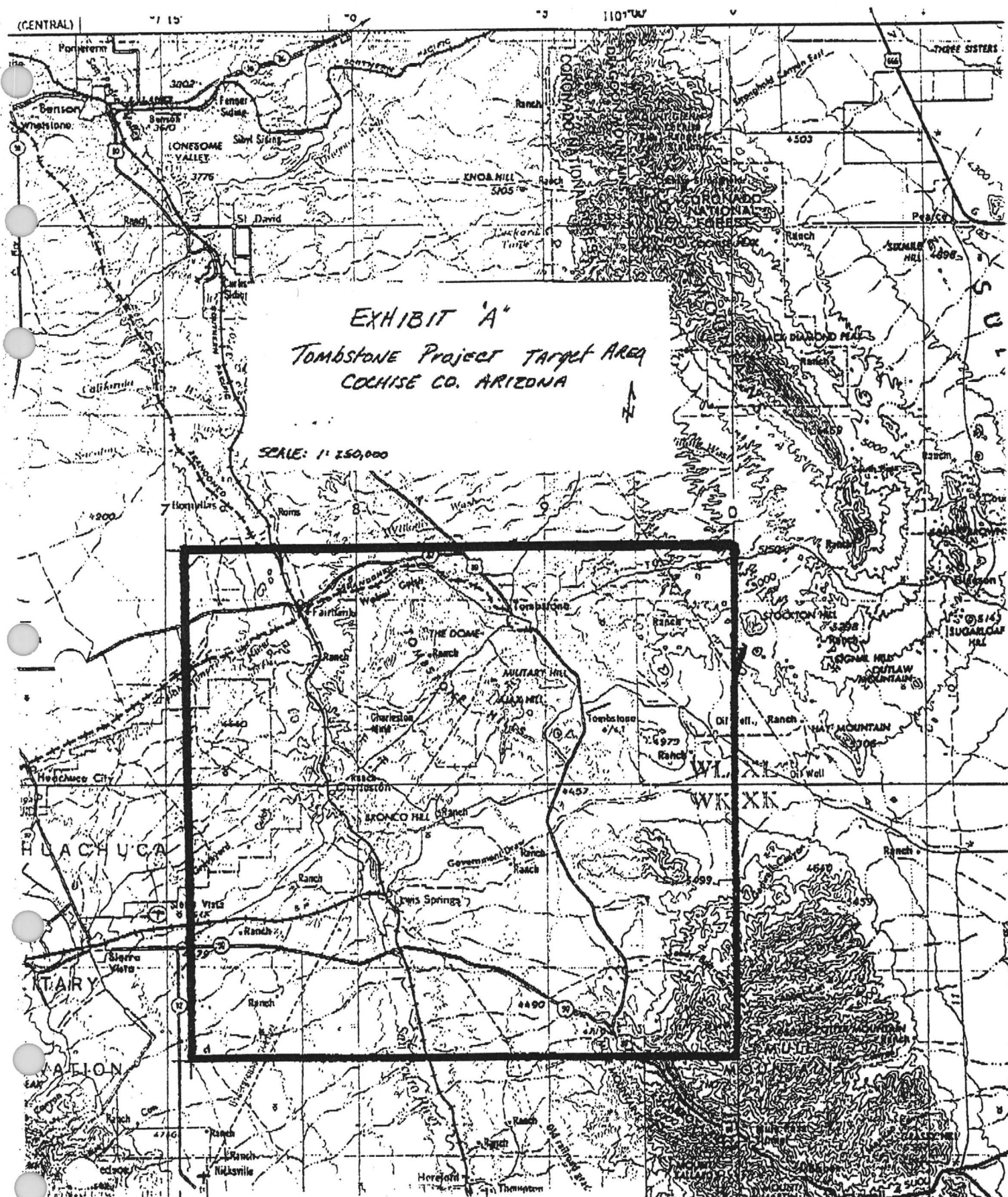


EXHIBIT B

GROUP

TS 175	TS 174	TS 167	TS 158
TS 172	TS 172	TS 155	TS 156
TS 171	TS 170	TS 153	TS 154
TS 169	TS 168	TS 151	TS 152
TS 167	TS 166	TS 149	TS 150
TS 165	TS 164	TS 147	TS 148
TS 163	TS 163	TS 145	TS 146
TS 143	TS 143	TS 141	TS 142
TS 139	TS 139	TS 137	TS 138
TS 135	TS 135	TS 133	TS 134
TS 131	TS 131	TS 129	TS 130
TS 127	TS 127	TS 125	TS 126
TS 123	TS 123	TS 121	TS 122
TS 119	TS 119	TS 117	TS 118
TS 115	TS 115	TS 113	TS 114
TS 109	TS 109	TS 107	TS 108
TS 105	TS 105	TS 103	TS 104
TS 99	TS 99	TS 97	TS 98
TS 95	TS 95	TS 93	TS 94
TS 89	TS 89	TS 87	TS 88
TS 85	TS 85	TS 83	TS 84
TS 79	TS 79	TS 77	TS 78
TS 75	TS 75	TS 73	TS 74
TS 69	TS 69	TS 67	TS 68
TS 65	TS 65	TS 63	TS 64
TS 59	TS 59	TS 57	TS 58
TS 55	TS 55	TS 53	TS 54
TS 49	TS 49	TS 47	TS 48
TS 45	TS 45	TS 43	TS 44
TS 39	TS 39	TS 37	TS 38
TS 35	TS 35	TS 33	TS 34
TS 29	TS 29	TS 27	TS 28
TS 25	TS 25	TS 23	TS 24
TS 19	TS 19	TS 17	TS 18
TS 15	TS 15	TS 13	TS 14
TS 9	TS 9	TS 7	TS 8
TS 5	TS 5	TS 3	TS 4
TS 1	TS 1	TS 0	TS 2

Outer Boundary

LEASE NO. 2

SCHEDULE A
TOMBSTONE PROPERTY ACQUISITION AGREEMENT
BLOCK 2 CLAIMS

Page 1 of 3

Tombstone Project - Master Claim List
TSA Lode Mining Claim Group
Tombstone Mining District, Cochise County, Arizona
Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial Legal	tion	Sec- ship	Town- Range	Meridian
T.S.A. #1	6		1741	286	A-MC-215430	SE1/4	19	20S.	23E. G.&S.R.B.M.
						NE1/4	30	20S.	23E. G.&S.R.B.M.
T.S.A. #2	6		1741	288	A-MC-215431	SE1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #3	6		1741	289	A-MC-215432	SE1/4	19	20S.	23E. G.&S.R.B.M.
						NE1/4	30	20S.	23E. G.&S.R.B.M.
T.S.A. #4	3		1741	290	A-MC-215433	SE1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #5	6		1741	291	A-MC-215434	SE1/4	19	20S.	23E. G.&S.R.B.M.
						SW1/4	19	20S.	23E. G.&S.R.B.M.
						NW1/4	30	20S.	23E. G.&S.R.B.M.
						NE1/4	30	20S.	23E. G.&S.R.B.M.
T.S.A. #6	6		1741	292	A-MC-215435	SE1/4	19	20S.	23E. G.&S.R.B.M.
						SW1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #7	3		1741	293	A-MC-215436	NE1/4	19	20S.	23E. G.&S.R.B.M.
						NW1/4	20	20S.	23E. G.&S.R.B.M.
T.S.A. #8	4		1741	294	A-MC-215437	SE1/4	18	20S.	23E. G.&S.R.B.M.
						NE1/4	19	20S.	23E. G.&S.R.B.M.
						SW1/4	17	20S.	23E. G.&S.R.B.M.
						NW1/4	20	20S.	23E. G.&S.R.B.M.
T.S.A. #9	3		1741	295	A-MC-215438	NE1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #10	4		1741	296	A-MC-215439	SE1/4	18	20S.	23E. G.&S.R.B.M.
						NE1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #11	3		1741	297	A-MC-215440	NE1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #12	4		1741	298	A-MC-215441	SE1/4	18	20S.	23E. G.&S.R.B.M.
						NE1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #13	3		1741	299	A-MC-215442	NE1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #14	4		1741	300	A-MC-215443	SE1/4	18	20S.	23E. G.&S.R.B.M.
						NE1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #15	3		1741	301	A-MC-215444	NE1/4	19	20S.	23E. G.&S.R.B.M.
						NW1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #16	4		1741	302	A-MC-215445	SE1/4	18	20S.	23E. G.&S.R.B.M.
						SW1/4	18	20S.	23E. G.&S.R.B.M.
						NW1/4	19	20S.	23E. G.&S.R.B.M.
						NW1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #17	3		1741	303	A-MC-215446	NW1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #18	4		1741	304	A-MC-215447	SW1/4	18	20S.	23E. G.&S.R.B.M.
						NW1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #19	6		1741	305	A-MC-215448	NW1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #20	6		1741	306	A-MC-215449	SW1/4	18	20S.	23E. G.&S.R.B.M.
						NW1/4	19	20S.	23E. G.&S.R.B.M.
T.S.A. #21	3		1741	307	A-MC-215450	NE1/4	24	20S.	22E. G.&S.R.B.M.
T.S.A. #22	3		1741	308	A-MC-215451	NE1/4	24	20S.	22E. G.&S.R.B.M.

SCHEDULE A
TOMBSTONE PROPERTY ACQUISITION AGREEMENT

BLOCK 2 CLAIMS

Page 2 of 3

Tombstone Project - Master Claim List
 TSA Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial Legal	tion	Sec- ship	Town- Range	Meridian	
T.S.A. #23	3		1741	309	A-MC-215452	NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #24	3		1741	310	A-MC-215453	NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #25	3		1741	311	A-MC-215454	NE1/4	24	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #26	3		1741	312	A-MC-215455	NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #27	3		1741	313	A-MC-215456	NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #28	3		1741	314	A-MC-215457	NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #29	7		1741	315	A-MC-215458	NE1/4	23	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #30	5		1741	316	A-MC-215459	SW1/4	18	20S.	23E.	G.&S.R.B.M.
T.S.A. #31	4		1741	317	A-MC-215460	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #32	5		1741	318	A-MC-215461	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #33	3		1741	319	A-MC-215462	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #34	1		1741	320	A-MC-215463	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #35	3		1741	321	A-MC-215464	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #36	1		1741	322	A-MC-215465	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #37	3		1741	323	A-MC-215466	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #38	1		1741	324	A-MC-215467	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #39	3		1741	325	A-MC-215468	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #40	1		1741	326	A-MC-215469	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #41	3		1741	327	A-MC-215470	SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #42	1		1741	328	A-MC-215471	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #43	3		1741	329	A-MC-215472	SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #44	1		1741	330	A-MC-215473	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #45	3		1741	331	A-MC-215474	SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #46	1		1741	332	A-MC-215475	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #47	2		1741	333	A-MC-215476	SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #48	1		1741	334	A-MC-215477	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #49	1		1741	335	A-MC-215478	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #50	1		1741	336	A-MC-215479	SW1/4	13	20S.	22E.	G.&S.R.B.M.

SCHEDULE A

TOMBSTONE PROPERTY ACQUISITION AGREEMENT
 BLOCK 2 CLAIMS

Noted Exceptions of Record:

- 1 Less fee simple surface/mineral ownership (in part) & senior mineral rights (in part)
- 2 Less state surface (in part) & fee simple surface/mineral ownership (in part)
- 3 Less state surface ownership (in whole)
- 4 Less state surface ownership (in whole on valid portion of claim) & senior mineral rights (in part)
- 5 Less state surface (in whole on valid portion of claim) & senior mineral rights (in part)
- 6 Less state surface (in whole on valid portion of claim) & state surface/mineral ownership (in part)
- 7 Less state surface ownership (in whole) and fee simple surface/mineral (in part)

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 quarter.
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 or other Property as 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 paid in each quarterly period:
 - (i) sales charges levied by any sales agent on the sale of Mineral Products,

- (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 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).

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 six (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 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 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. 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 and not paragraph 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 will be deemed to be sold, and revenues received therefrom, on the date of final settlement in which the amount of refined Mineral Products is allocated to the account of the Payor by a third party refinery, irrespective 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 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 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 election as provided herein, 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 24th day of February, 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 Tombstone 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.

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 hereof.

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

EXHIBIT A
TOMBSTONE PROPERTY ACQUISITION AGREEMENT
BLOCK 2 CLAIMS

Page 1 of 3

Tombstone Project - Master Claim List
TSA Lode Mining Claim Group
Tombstone Mining District, Cochise County, Arizona
Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial	Legal	tion	Sec- ship	Town- Range	Meridian	
T.S.A. #1	6		1741	286	A-MC-215430	SE1/4	19	20S.	23E.	G.&S.R.B.M.	
						NE1/4	30	20S.	23E.	G.&S.R.B.M.	
T.S.A. #2	6		1741	288	A-MC-215431	SE1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #3	6		1741	289	A-MC-215432	SE1/4	19	20S.	23E.	G.&S.R.B.M.	
						NE1/4	30	20S.	23E.	G.&S.R.B.M.	
T.S.A. #4	3		1741	290	A-MC-215433	SE1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #5	6		1741	291	A-MC-215434	SE1/4	19	20S.	23E.	G.&S.R.B.M.	
						SW1/4	19	20S.	23E.	G.&S.R.B.M.	
						NW1/4	30	20S.	23E.	G.&S.R.B.M.	
						NE1/4	30	20S.	23E.	G.&S.R.B.M.	
T.S.A. #6	6		1741	292	A-MC-215435	SE1/4	19	20S.	23E.	G.&S.R.B.M.	
						SW1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #7	3		1741	293	A-MC-215436	NE1/4	19	20S.	23E.	G.&S.R.B.M.	
						NW1/4	20	20S.	23E.	G.&S.R.B.M.	
T.S.A. #8	4		1741	294	A-MC-215437	SE1/4	18	20S.	23E.	G.&S.R.B.M.	
						NE1/4	19	20S.	23E.	G.&S.R.B.M.	
						SW1/4	17	20S.	23E.	G.&S.R.B.M.	
						NW1/4	20	20S.	23E.	G.&S.R.B.M.	
T.S.A. #9	3		1741	295	A-MC-215438	NE1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #10	4		1741	296	A-MC-215439	SE1/4	18	20S.	23E.	G.&S.R.B.M.	
						NE1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #11	3		1741	297	A-MC-215440	NE1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #12	4		1741	298	A-MC-215441	SE1/4	18	20S.	23E.	G.&S.R.B.M.	
						NE1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #13	3		1741	299	A-MC-215442	NE1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #14	4		1741	300	A-MC-215443	SE1/4	18	20S.	23E.	G.&S.R.B.M.	
						NE1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #15	3		1741	301	A-MC-215444	NE1/4	19	20S.	23E.	G.&S.R.B.M.	
						NW1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #16	4		1741	302	A-MC-215445	SE1/4	18	20S.	23E.	G.&S.R.B.M.	
						SW1/4	18	20S.	23E.	G.&S.R.B.M.	
						NW1/4	19	20S.	23E.	G.&S.R.B.M.	
						NW1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #17	3		1741	303	A-MC-215446	NW1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #18	4		1741	304	A-MC-215447	SW1/4	18	20S.	23E.	G.&S.R.B.M.	
						NW1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #19	6		1741	305	A-MC-215448	NW1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #20	6		1741	306	A-MC-215449	SW1/4	18	20S.	23E.	G.&S.R.B.M.	
						NW1/4	19	20S.	23E.	G.&S.R.B.M.	
T.S.A. #21	3		1741	307	A-MC-215450	NE1/4	24	20S.	22E.	G.&S.R.B.M.	
T.S.A. #22	3		1741	308	A-MC-215451	NE1/4	24	20S.	22E.	G.&S.R.B.M.	

EXHIBIT A
TOMBSTONE PROPERTY ACQUISITION AGREEMENT

BLOCK 2 CLAIMS

Page 2 of 3

Tombstone Project - Master Claim List
 TSA Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located January, 1984

Claim Name/ Number of Record	*Noted Exceptions	Book	Page	Number	B.L.M. Serial Legal	tion	Sec- ship	Town- Range	Meridian	
T.S.A. #23	3		1741	309	A-MC-215452	NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #24	3		1741	310	A-MC-215453	NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #25	3		1741	311	A-MC-215454	NE1/4	24	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #26	3		1741	312	A-MC-215455	NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #27	3		1741	313	A-MC-215456	NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #28	3		1741	314	A-MC-215457	NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #29	7		1741	315	A-MC-215458	NE1/4	23	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #30	5		1741	316	A-MC-215459	SW1/4	18	20S.	23E.	G.&S.R.B.M.
T.S.A. #31	4		1741	317	A-MC-215460	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #32	5		1741	318	A-MC-215461	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #33	3		1741	319	A-MC-215462	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #34	1		1741	320	A-MC-215463	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #35	3		1741	321	A-MC-215464	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #36	1		1741	322	A-MC-215465	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #37	3		1741	323	A-MC-215466	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #38	1		1741	324	A-MC-215467	SE1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #39	3		1741	325	A-MC-215468	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NE1/4	24	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #40	1		1741	326	A-MC-215469	SE1/4	13	20S.	22E.	G.&S.R.B.M.
						SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #41	3		1741	327	A-MC-215470	SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #42	1		1741	328	A-MC-215471	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #43	3		1741	329	A-MC-215472	SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #44	1		1741	330	A-MC-215473	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #45	3		1741	331	A-MC-215474	SW1/4	13	20S.	22E.	G.&S.R.B.M.
						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #46	1		1741	332	A-MC-215475	SW1/4	13	20S.	22E.	G.&S.R.B.M.
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						NW1/4	24	20S.	22E.	G.&S.R.B.M.
T.S.A. #48	1		1741	334	A-MC-215477	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #49	1		1741	335	A-MC-215478	SW1/4	13	20S.	22E.	G.&S.R.B.M.
T.S.A. #50	1		1741	336	A-MC-215479	SW1/4	13	20S.	22E.	G.&S.R.B.M.

EXHIBIT A

TOMBSTONE PROPERTY ACQUISITION AGREEMENT
 BLOCK 2 CLAIMS

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 - (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, 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;
 - (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,
 - (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;
- (e) "Property" means the unpatented mining claims more particularly set forth and described in Exhibit "A" to the within quitclaim deed; and
- (f) "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).

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 six (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 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 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. 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 Exhibit "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 Precious Metals subject to Hedging Transactions by the Payor will be determined pursuant to the provisions of this paragraph 7 and not paragraph 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 Precious Metals subject to Hedging Transactions will be deemed to be sold, and revenues received therefrom, on the date of final settlement in which the amount of refined Precious Metals is allocated to the account of the Payor by a third party refinery, irrespective 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 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 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 election as provided herein, 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.

STATE OF ARIZONA

COUNTY OF _____

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ss.

On this _____ day of March, 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: _____

SCHEDULE "D"

Investment Letter

March , 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 82,350 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 for reference February 24, 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 ONTARIO
COUNTY OF

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) ss.
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On this 3rd day of March, 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)



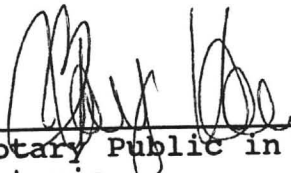
Notary Public in and for
Ontario
Residing in Toronto, Ontario
My Commission does not expire

CANADA
PROVINCE OF ONTARIO
COUNTY OF

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) ss.
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On this 3rd day of March, 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 Toronto, Ontario
My Commission does not expire

STATE OF ARIZONA

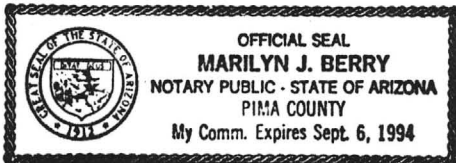
COUNTY OF

Pima

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ss.

On this 1st 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)



Marilyn J. Berry
Notary Public in and for
Pima Co Arizona
Residing in Pima Co Arizona
My commission expires:

Sept 6, 1994

Block 3

TOMBSTONE PROPERTY ACQUISITION AGREEMENT (BLOCK NO. 3)

THIS AGREEMENT made and dated for reference the 24th 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 situate in Tombstone Mining District, Cochise County, 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:

- (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 66 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 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 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".

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 by Excellon to JABA of 68,375 Shares.

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.

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 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 or Type B mining claims (State Lands);
- (c) applies for and is awarded Prospecting Permits or Mineral Leases (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. For greater certainty, the parties confirm that JABA will not be entitled to receive a 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.

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, 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 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 68,375 Shares.

6.3 Within sixty (60) days after the Closing Date, JABA will 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. Thereafter 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.

9.2 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. 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 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.

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 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 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 and/or State of Arizona

concerning the acquisition and maintenance of mineral rights on the public domain of the United States and/or State lands, to do so.

17.3 JABA 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. Any 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.

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, 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., pertaining to that portion of the Property or Other Property assigned. Neither Excellon nor Excellon U.S. shall in any event be liable for the accuracy or comprehensiveness of any data furnished to JABA.

18. ACCESS

18.1 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.

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 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:

- (a) to 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 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:

- (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) all rentals, royalties, reasonable taxes, assessments, special assessments; and
- (d) any other obligation required to hold the Property under any other form of tenure contemplated by this Agreement,

in order to keep all mineral rights valid to the Property.

20. ACKNOWLEDGEMENT

20.1 At the request of JABA, Excellon U.S. hereby acknowledges that it is indebted to JABA in a substantial amount for professional services rendered, which amount is presently under negotiation but which Excellon U.S. acknowledges is a minimum of

U.S. Forty Five Thousand (U.S.\$45,000) Dollars, and Excellon U.S. acknowledges that it will pay such amount.

21. ACQUISITION OF THIRD PARTY INTERESTS

21.1 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 (a "Third Party 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, 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.

21.2 In conjunction with and accompanying any notice provided by Excellon U.S. pursuant to subsection 21.1, 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 (subject to any confidentiality and non-disclosure provisions in the agreements governing such Third Party Property and to JABA entering into and executing a confidentiality agreement satisfactory to Excellon U.S.) in order to permit JABA to determine whether or not it wishes to seek to obtain an assignment of such Third Party Property and any agreements in connection therewith as provided in subsection 21.1. If JABA completes an assignment of such Third Party Property, it will be entitled to retain all such data, otherwise all such data will be returned to Excellon U.S. on or before the date by which JABA is required to make its election. Neither Excellon U.S. nor Excellon shall in any event be liable for the accuracy or comprehensiveness of any data thus furnished to JABA.


21.3 JABA acknowledges and agrees that any and all costs and expenses associated with the operation of subsections 21.1 and 21.2 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 unless and until any costs or expenses of Excellon or Excellon U.S. in connection therewith shall have been

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

ATTEST:


Corporate Secretary

JABA, INC.

Per: 
President


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

Authorized Signatory

c/s

Authorized Signatory

ATTEST:



Corporate Secretary

EXCELLON RESOURCES U.S.A., INC.

Per: President

settled by JABA in a manner satisfactory to Excellon and Excellon U.S.

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

Per: _____
President

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

Q.D. MacKey
Authorized Signatory

c/s

L. Burdick
Authorized Signatory

ATTEST:

EXCELLON RESOURCES U.S.A., INC.

L. Burdick
Corporate Secretary

Per: *Q.D. MacKey*
President

(CENTRAL)

11° 15'

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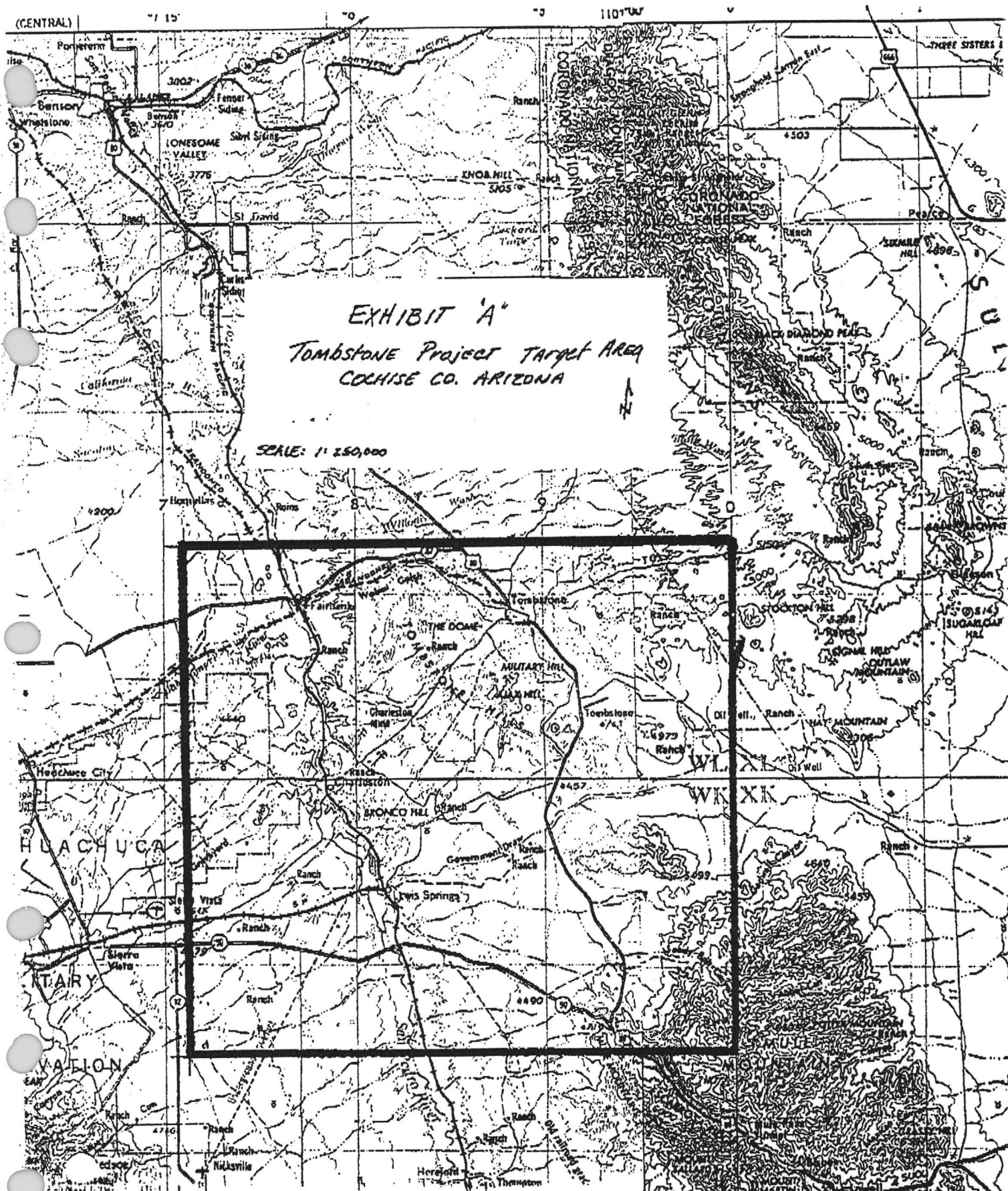


EXHIBIT B

10.
GROUP

1	2	3	4	5	6	7	8	9	10
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21	22	23	24	25	26	27	28	29	30
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81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100

Outer

Boundary

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LEASE NO. 2

TS 175	TS 174	TS 167	TS 158
TS 173	TS 172	TS 155	TS 156
TS 171	TS 170	TS 153	TS 154
TS 169	TS 168	TS 151	TS 152
TS 167	TS 166	TS 149	TS 150
TS 165	TS 164	TS 147	TS 148
TS 163	TS 162	TS 145	TS 146
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TS 15	TS 16		
TS 13	TS 14		
TS 11	TS 12		
TS 9	TS 10		
TS 7	TS 8		
TS 5	TS 6		
TS 3	TS 4		
TS 1	TS 2		

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SCHEDULE A
TOMBSTONE PROPERTY ACQUISITION AGREEMENT
BLOCK 3 CLAIMS

Page 1 of 3

Tombstone Project - Master Claim List
TSB Lode Mining Claim Group
Tombstone Mining District, Cochise County, Arizona
Claims Located November & December, 1988

Claim Name	*Noted Exception	Book	B.L.M. Serial		Sec- ship	Town- Range	Meridian	
			Number	Legal				
TSB-464	3		881226634	A-MC-293004	SE1/4 13	21S.	22E.	G.&S.R.B.M.
TSB-465	3		881226635	A-MC-293005	SE1/4 13	21S.	22E.	G.&S.R.B.M.
TSB-466	3		881226636	A-MC-293006	SE1/4 13	21S.	22E.	G.&S.R.B.M.
TSB-467	3		881226637	A-MC-293007	SE1/4 13	21S.	22E.	G.&S.R.B.M.
TSB-468	3		881226638	A-MC-293008	SW1/4 13	21S.	22E.	G.&S.R.B.M.
					SE1/4 13	21S.	22E.	G.&S.R.B.M.
					NW1/4 24	21S.	22E.	G.&S.R.B.M.
					NE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-469	3		881226639	A-MC-293009	SE1/4 13	21S.	22E.	G.&S.R.B.M.
					NE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-470	3		881226640	A-MC-293010	NE1/4 24	21S.	22E.	G.&S.R.B.M.
					NW1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-471	3		881226641	A-MC-293011	NE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-472	3		881226642	A-MC-293012	NE1/4 24	21S.	22E.	G.&S.R.B.M.
					NW1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-473	3		881226643	A-MC-293013	NE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-474	3		881226644	A-MC-293014	NE1/4 24	21S.	22E.	G.&S.R.B.M.
					NW1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-475	3		881226645	A-MC-293015	NE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-476	2		881226646	A-MC-293016	NE1/4 24	21S.	22E.	G.&S.R.B.M.
					NW1/4 24	21S.	22E.	G.&S.R.B.M.
					SE1/4 24	21S.	22E.	G.&S.R.B.M.
					SW1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-477	3		881226647	A-MC-293017	NE1/4 24	21S.	22E.	G.&S.R.B.M.
					SE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-478	2		881226648	A-MC-293018	SE1/4 24	21S.	22E.	G.&S.R.B.M.
					SW1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-479	3		881226649	A-MC-293019	SE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-480	2		881226650	A-MC-293020	SE1/4 24	21S.	22E.	G.&S.R.B.M.
					SW1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-481	3		881226651	A-MC-293021	SE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-482	2		881226652	A-MC-293022	SE1/4 24	21S.	22E.	G.&S.R.B.M.
					SW1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-483	3		881226653	A-MC-293023	SE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-484	2		881226654	A-MC-293024	SE1/4 24	21S.	22E.	G.&S.R.B.M.
					SW1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-485	3		881226655	A-MC-293025	SE1/4 24	21S.	22E.	G.&S.R.B.M.
TSB-486	2		881226656	A-MC-293026	SE1/4 24	21S.	22E.	G.&S.R.B.M.
					SW1/4 24	21S.	22E.	G.&S.R.B.M.
					NE1/4 25	21S.	22E.	G.&S.R.B.M.
					NW1/4 25	21S.	22E.	G.&S.R.B.M.

BLOCK 3 CLAIMS

Page 2 of 3

Tombstone Project - Master Claim List
 TSB Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located November & December, 1988

Claim Name	*Noted Exception	Book	Number	B.L.M. Serial	Legal	tion	Sec- ship	Town- Range	Meridian
TSB-487	3		881226657	A-MC-293027	SE1/4	24	21S.	22E.	G.&S.R.B.M.
					NE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-488	3		881226658	A-MC-293028	NE1/4	25	21S.	22E.	G.&S.R.B.M.
					NW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-489	3		881226659	A-MC-293029	NE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-490	3		881226660	A-MC-293030	NE1/4	25	21S.	22E.	G.&S.R.B.M.
					NW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-491	3		881226661	A-MC-293031	NE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-492	3		881226662	A-MC-293032	NE1/4	25	21S.	22E.	G.&S.R.B.M.
					NW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-493	3		881226663	A-MC-293033	NE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-494	3		881226664	A-MC-293034	NE1/4	25	21S.	22E.	G.&S.R.B.M.
					NW1/4	25	21S.	22E.	G.&S.R.B.M.
					SE1/4	25	21S.	22E.	G.&S.R.B.M.
					SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-495	3		881226665	A-MC-293035	NE1/4	25	21S.	22E.	G.&S.R.B.M.
					SE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-496	3		881226666	A-MC-293036	SE1/4	25	21S.	22E.	G.&S.R.B.M.
					SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-497	3		881226667	A-MC-293037	SE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-498	3		881226668	A-MC-293038	SE1/4	25	21S.	22E.	G.&S.R.B.M.
					SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-499	3		881226669	A-MC-293039	SE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-500	3		881226670	A-MC-293040	SE1/4	25	21S.	22E.	G.&S.R.B.M.
					SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-501	3		881226671	A-MC-293041	SE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-502	3		881226672	A-MC-293042	SE1/4	25	21S.	22E.	G.&S.R.B.M.
					SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-503	3		881226673	A-MC-293043	SE1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-504	1		881226674	A-MC-293044	SW1/4	24	21S.	22E.	G.&S.R.B.M.
					SE1/4	23	21S.	22E.	G.&S.R.B.M.
TSB-505	1		881226675	A-MC-293045	SW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-506	1		881226676	A-MC-293046	SW1/4	24	21S.	22E.	G.&S.R.B.M.
					SE1/4	23	21S.	22E.	G.&S.R.B.M.
TSB-507	1		881226677	A-MC-293047	SW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-508	1		881226678	A-MC-293048	SW1/4	24	21S.	22E.	G.&S.R.B.M.
					SE1/4	23	21S.	22E.	G.&S.R.B.M.
TSB-509	1		881226679	A-MC-293049	SW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-510	1		881226680	A-MC-293050	SW1/4	24	21S.	22E.	G.&S.R.B.M.
					SE1/4	23	21S.	22E.	G.&S.R.B.M.
TSB-511	1		881226681	A-MC-293051	SW1/4	24	21S.	22E.	G.&S.R.B.M.

SCHEDULE A
 TOMBSTONE PROPERTY ACQUISITION AGREEMENT
 BLOCK 3 CLAIMS

Tombstone Project - Master Claim List
 TSB Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located November & December, 1988

Claim Name	*Noted Exception		B.L.M. Serial		Sec- ship	Town- Range	Meridian	
Number of Record	Book		Number	Legal	tion			
TSB-512	2	881226682	A-MC-293052		SW1/4 24	21S.	22E.	G.&S.R.B.M.
					SE1/4 23	21S.	22E.	G.&S.R.B.M.
					NW1/4 25	21S.	22E.	G.&S.R.B.M.
					NE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-513	2	881226683	A-MC-293053		SW1/4 24	21S.	22E.	G.&S.R.B.M.
					NW1/4 25	21S.	22E.	G.&S.R.B.M.
TSB-514	2	881226684	A-MC-293054		NW1/4 25	21S.	22E.	G.&S.R.B.M.
					NE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-515	3	881226685	A-MC-293055		NW1/4 25	21S.	22E.	G.&S.R.B.M.
TSB-516	2	881226686	A-MC-293056		NW1/4 25	21S.	22E.	G.&S.R.B.M.
					NE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-517	3	881226687	A-MC-293057		NW1/4 25	21S.	22E.	G.&S.R.B.M.
TSB-518	2	881226688	A-MC-293058		NW1/4 25	21S.	22E.	G.&S.R.B.M.
					NE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-519	3	881226689	A-MC-293059		NW1/4 25	21S.	22E.	G.&S.R.B.M.
TSB-520	2	881226690	A-MC-293060		NW1/4 25	21S.	22E.	G.&S.R.B.M.
					SW1/4 25	21S.	22E.	G.&S.R.B.M.
					NE1/4 26	21S.	22E.	G.&S.R.B.M.
					SE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-521	3	881226691	A-MC-293061		NW1/4 25	21S.	22E.	G.&S.R.B.M.
					SW1/4 25	21S.	22E.	G.&S.R.B.M.
TSB-522	3	881226692	A-MC-293062		SW1/4 25	21S.	22E.	G.&S.R.B.M.
					SE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-523	3	881226693	A-MC-293063		SW1/4 25	21S.	22E.	G.&S.R.B.M.
TSB-524	3	881226694	A-MC-293064		SW1/4 25	21S.	22E.	G.&S.R.B.M.
					SE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-525	3	881226695	A-MC-293065		SW1/4 25	21S.	22E.	G.&S.R.B.M.
TSB-526	3	881226696	A-MC-293066		SW1/4 25	21S.	22E.	G.&S.R.B.M.
					SE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-527	3	881226697	A-MC-293067		SW1/4 25	21S.	22E.	G.&S.R.B.M.
TSB-528	3	881226698	A-MC-293068		SW1/4 25	21S.	22E.	G.&S.R.B.M.
					SE1/4 26	21S.	22E.	G.&S.R.B.M.
TSB-529	3	881226699	A-MC-293069		SW1/4 25	21S.	22E.	G.&S.R.B.M.

*Noted Exceptions of Record

- 1 Less state surface ownership (in whole)
- 2 Less state and fee simple surface ownership (in whole)
- 3 Less fee simple surface ownership (in whole)

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 quarter.
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 or other Property as 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 paid in each quarterly period:
 - (i) sales charges levied by any sales agent on the sale of Mineral Products,

- (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 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).

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 six (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 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 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. 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 and not paragraph 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 will be deemed to be sold, and revenues received therefrom, on the date of final settlement in which the amount of refined Mineral Products is allocated to the account of the Payor by a third party refinery, irrespective 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 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 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 election as provided herein, 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 24th day of February, 1993, by and between JABA, Inc., an Arizona corporation of 2100 N. Wilcox 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 Tombstone 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.

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 hereof.

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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

EXHIBIT A
TOMBSTONE PROPERTY ACQUISITION AGREEMENT
BLOCK 3 CLAIMS

Page 1 of 3

Tombstone Project - Master Claim List
TSB Lode Mining Claim Group
Tombstone Mining District, Cochise County, Arizona
Claims Located November & December, 1988

Claim Name	*Noted Exception	Book	B.L.M.		Sec- ship	Town- Range	Meridian	
			Number	Serial				
TSB-464	3	881226634	A-MC-293004	SE1/4	13	21S.	22E.	G.&S.R.B.M.
TSB-465	3	881226635	A-MC-293005	SE1/4	13	21S.	22E.	G.&S.R.B.M.
TSB-466	3	881226636	A-MC-293006	SE1/4	13	21S.	22E.	G.&S.R.B.M.
TSB-467	3	881226637	A-MC-293007	SE1/4	13	21S.	22E.	G.&S.R.B.M.
TSB-468	3	881226638	A-MC-293008	SW1/4	13	21S.	22E.	G.&S.R.B.M.
				SE1/4	13	21S.	22E.	G.&S.R.B.M.
				NW1/4	24	21S.	22E.	G.&S.R.B.M.
				NE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-469	3	881226639	A-MC-293009	SE1/4	13	21S.	22E.	G.&S.R.B.M.
				NE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-470	3	881226640	A-MC-293010	NE1/4	24	21S.	22E.	G.&S.R.B.M.
				NW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-471	3	881226641	A-MC-293011	NE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-472	3	881226642	A-MC-293012	NE1/4	24	21S.	22E.	G.&S.R.B.M.
				NW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-473	3	881226643	A-MC-293013	NE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-474	3	881226644	A-MC-293014	NE1/4	24	21S.	22E.	G.&S.R.B.M.
				NW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-475	3	881226645	A-MC-293015	NE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-476	2	881226646	A-MC-293016	NE1/4	24	21S.	22E.	G.&S.R.B.M.
				NW1/4	24	21S.	22E.	G.&S.R.B.M.
				SE1/4	24	21S.	22E.	G.&S.R.B.M.
				SW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-477	3	881226647	A-MC-293017	NE1/4	24	21S.	22E.	G.&S.R.B.M.
				SE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-478	2	881226648	A-MC-293018	SE1/4	24	21S.	22E.	G.&S.R.B.M.
				SW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-479	3	881226649	A-MC-293019	SE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-480	2	881226650	A-MC-293020	SE1/4	24	21S.	22E.	G.&S.R.B.M.
				SW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-481	3	881226651	A-MC-293021	SE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-482	2	881226652	A-MC-293022	SE1/4	24	21S.	22E.	G.&S.R.B.M.
				SW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-483	3	881226653	A-MC-293023	SE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-484	2	881226654	A-MC-293024	SE1/4	24	21S.	22E.	G.&S.R.B.M.
				SW1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-485	3	881226655	A-MC-293025	SE1/4	24	21S.	22E.	G.&S.R.B.M.
TSB-486	2	881226656	A-MC-293026	SE1/4	24	21S.	22E.	G.&S.R.B.M.
				SW1/4	24	21S.	22E.	G.&S.R.B.M.
				NE1/4	25	21S.	22E.	G.&S.R.B.M.
				NW1/4	25	21S.	22E.	G.&S.R.B.M.

BLOCK 3 CLAIMS

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Tombstone Project - Master Claim List
 TSB Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located November & December, 1988

Claim Name	*Noted Exception	Book	B.L.M. Serial Number	Legal tion	Sec- ship	Town- Range	Meridian
TSB-487	3		881226657	A-MC-293027	SE1/4 24	21S. 22E.	G.&S.R.B.M.
					NE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-488	3		881226658	A-MC-293028	NE1/4 25	21S. 22E.	G.&S.R.B.M.
					NW1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-489	3		881226659	A-MC-293029	NE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-490	3		881226660	A-MC-293030	NE1/4 25	21S. 22E.	G.&S.R.B.M.
					NW1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-491	3		881226661	A-MC-293031	NE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-492	3		881226662	A-MC-293032	NE1/4 25	21S. 22E.	G.&S.R.B.M.
					NW1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-493	3		881226663	A-MC-293033	NE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-494	3		881226664	A-MC-293034	NE1/4 25	21S. 22E.	G.&S.R.B.M.
					NW1/4 25	21S. 22E.	G.&S.R.B.M.
					SE1/4 25	21S. 22E.	G.&S.R.B.M.
					SW1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-495	3		881226665	A-MC-293035	NE1/4 25	21S. 22E.	G.&S.R.B.M.
					SE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-496	3		881226666	A-MC-293036	SE1/4 25	21S. 22E.	G.&S.R.B.M.
					SW1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-497	3		881226667	A-MC-293037	SE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-498	3		881226668	A-MC-293038	SE1/4 25	21S. 22E.	G.&S.R.B.M.
					SW1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-499	3		881226669	A-MC-293039	SE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-500	3		881226670	A-MC-293040	SE1/4 25	21S. 22E.	G.&S.R.B.M.
					SW1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-501	3		881226671	A-MC-293041	SE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-502	3		881226672	A-MC-293042	SE1/4 25	21S. 22E.	G.&S.R.B.M.
					SW1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-503	3		881226673	A-MC-293043	SE1/4 25	21S. 22E.	G.&S.R.B.M.
TSB-504	1		881226674	A-MC-293044	SW1/4 24	21S. 22E.	G.&S.R.B.M.
					SE1/4 23	21S. 22E.	G.&S.R.B.M.
TSB-505	1		881226675	A-MC-293045	SW1/4 24	21S. 22E.	G.&S.R.B.M.
TSB-506	1		881226676	A-MC-293046	SW1/4 24	21S. 22E.	G.&S.R.B.M.
					SE1/4 23	21S. 22E.	G.&S.R.B.M.
TSB-507	1		881226677	A-MC-293047	SW1/4 24	21S. 22E.	G.&S.R.B.M.
TSB-508	1		881226678	A-MC-293048	SW1/4 24	21S. 22E.	G.&S.R.B.M.
					SE1/4 23	21S. 22E.	G.&S.R.B.M.
TSB-509	1		881226679	A-MC-293049	SW1/4 24	21S. 22E.	G.&S.R.B.M.
TSB-510	1		881226680	A-MC-293050	SW1/4 24	21S. 22E.	G.&S.R.B.M.
					SE1/4 23	21S. 22E.	G.&S.R.B.M.
TSB-511	1		881226681	A-MC-293051	SW1/4 24	21S. 22E.	G.&S.R.B.M.

EXHIBIT A
 TOMBSTONE PROPERTY ACQUISITION AGREEMENT
 BLOCK 3 CLAIMS

Tombstone Project - Master Claim List
 TSB Lode Mining Claim Group
 Tombstone Mining District, Cochise County, Arizona
 Claims Located November & December, 1988

Claim Name	*Noted Exception	Book	B.L.M. Serial Number	Legal tion	Sec- ship	Town- Range	Meridian	
TSB-512	2	881226682	A-MC-293052	SW1/4	24	21S.	22E.	G.&S.R.B.M.
				SE1/4	23	21S.	22E.	G.&S.R.B.M.
				NW1/4	25	21S.	22E.	G.&S.R.B.M.
				NE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-513	2	881226683	A-MC-293053	SW1/4	24	21S.	22E.	G.&S.R.B.M.
				NW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-514	2	881226684	A-MC-293054	NW1/4	25	21S.	22E.	G.&S.R.B.M.
				NE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-515	3	881226685	A-MC-293055	NW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-516	2	881226686	A-MC-293056	NW1/4	25	21S.	22E.	G.&S.R.B.M.
				NE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-517	3	881226687	A-MC-293057	NW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-518	2	881226688	A-MC-293058	NW1/4	25	21S.	22E.	G.&S.R.B.M.
				NE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-519	3	881226689	A-MC-293059	NW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-520	2	881226690	A-MC-293060	NW1/4	25	21S.	22E.	G.&S.R.B.M.
				SW1/4	25	21S.	22E.	G.&S.R.B.M.
				NE1/4	26	21S.	22E.	G.&S.R.B.M.
				SE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-521	3	881226691	A-MC-293061	NW1/4	25	21S.	22E.	G.&S.R.B.M.
				SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-522	3	881226692	A-MC-293062	SW1/4	25	21S.	22E.	G.&S.R.B.M.
				SE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-523	3	881226693	A-MC-293063	SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-524	3	881226694	A-MC-293064	SW1/4	25	21S.	22E.	G.&S.R.B.M.
				SE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-525	3	881226695	A-MC-293065	SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-526	3	881226696	A-MC-293066	SW1/4	25	21S.	22E.	G.&S.R.B.M.
				SE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-527	3	881226697	A-MC-293067	SW1/4	25	21S.	22E.	G.&S.R.B.M.
TSB-528	3	881226698	A-MC-293068	SW1/4	25	21S.	22E.	G.&S.R.B.M.
				SE1/4	26	21S.	22E.	G.&S.R.B.M.
TSB-529	3	881226699	A-MC-293069	SW1/4	25	21S.	22E.	G.&S.R.B.M.

*Noted Exceptions of Record

- 1 Less state surface ownership (in whole)
- 2 Less state and fee simple surface ownership (in whole)
- 3 Less fee simple surface ownership (in whole)

EXHIBIT "B"

NET SMELTER RETURNS

1. The royalty (the "Royalty") which is payable to JABA (hereinafter called the "Payee") by Excellon U.S. (hereinafter called the "Payor") will be TWO AND ONE HALF (2-1/2%) PERCENT (subject to reduction pursuant to the Payor's right to purchase a portion of such Royalty) of the Net Smelter Revenue (as hereinafter defined) and will be calculated and paid to the Payee in accordance with the terms of this Exhibit "B".
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 quarter.
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, 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;
 - (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,
 - (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;
- (e) "Property" means the unpatented mining claims more particularly set forth and described in Exhibit "A" to the within quitclaim deed; and
- (f) "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).

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 six (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 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 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. 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 Exhibit "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 Precious Metals subject to Hedging Transactions by the Payor will be determined pursuant to the provisions of this paragraph 7 and not paragraph 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 Precious Metals subject to Hedging Transactions will be deemed to be sold, and revenues received therefrom, on the date of final settlement in which the amount of refined Precious Metals is allocated to the account of the Payor by a third party refinery, irrespective 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 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 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 election as provided herein, 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.

STATE OF ARIZONA

COUNTY OF _____

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) ss.

On this _____ day of March, 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: _____

SCHEDULE "D"

Investment Letter

March , 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 68,375 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 for reference February 24, 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.

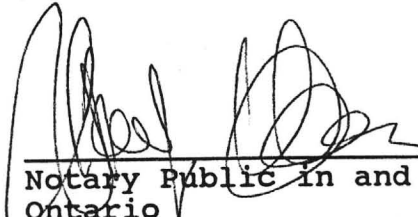
Per: _____
President

CANADA
PROVINCE OF ONTARIO
COUNTY OF

)
) SS.
)

On this 3rd day of March, 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 Toronto, Ontario
My Commission does not expire

CANADA
PROVINCE OF ONTARIO
COUNTY OF

)
) ss.
)

On this 3rd day of March, 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 Toronto, Ontario
My Commission does not expire

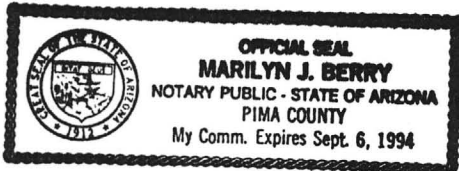
STATE OF ARIZONA

COUNTY OF Pima

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ss.

On this 1st 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)



Marilyn J. Berry
Notary Public in and for
PIMA Co. ARIZONA
Residing in PIMA Co ARIZONA
My commission expires:
Sept 6, 1994