

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Lateegra Gold Corp.  
Suite 1128, 789 West Pender Street  
Vancouver, BC, V6C 1H2

2. **Date of Material Change**

May 31, 2011

3. **News Release**

The Press Release dated May 31, 2011, was disseminated via Marketwire.

4. **Summary of Material Change**

The Company and Excellon Resources Inc. (“Excellon”) announced that they had entered into an arrangement agreement (the “Agreement”) pursuant to which Excellon will acquire all of the outstanding shares of the Company by way of to a plan of arrangement (the “Plan”) under the *Business Corporations Act* (British Columbia) (the “Transaction”). Pursuant to the terms and conditions of the Agreement and the Plan, and subject to customary court, regulatory and shareholder approval, shareholders of the Company will receive 0.54 common shares of Excellon for each common share of Lateegra that they own upon closing of the Transaction.

5. (a) **Full Description of Material Change**

See attached news release.

(b) **Disclosure for Restructuring Transaction**

Not Applicable

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Executive Officer**

Christopher Verrico, President – Tel: 604 669 9330

9. **Date of Report**

May 31, 2011



Toronto Stock Exchange – EXN

TSV Venture Exchange – LRG

## EXCELLON RESOURCES TO ACQUIRE LATEEGRA GOLD

Toronto, Ontario – May 31, 2011 – Excellon Resources Inc. (TSX: EXN) (“Excellon” or the “Company”) and Lateegra Gold Corp. (TSX-V: LRG) (“Lateegra”) are pleased to announce that they have entered into an arrangement agreement (the “Agreement”) pursuant to which Excellon will acquire all of the outstanding common shares (the “Lateegra Shares”) of Lateegra (the “Transaction”). Highlights of the Transaction include:

- Shareholders of Lateegra will receive 0.54 common shares (the “Exchange Ratio”) of Excellon (“Excellon Shares”) for each Lateegra Share that they own;
- Based on the closing price of the Lateegra Shares and Excellon Shares on May 30, 2011, the Exchange Ratio represents:
  - an implicit price of \$0.4644 per Lateegra Share;
  - a premium of 27.2% and 34.4% based on the May 30<sup>th</sup> closing price and 45-day volume-weighted average price of the Lateegra Shares, respectively;
- Upon completion of the Transaction, Lateegra shareholders will own approximately 11.9% of Excellon on a fully diluted basis;
- An opportunity for Lateegra shareholders to benefit from Excellon’s production profile and exposure to current silver prices, its exploration potential, expertise, ability to finance exploration and significantly improved trading liquidity; and
- An opportunity for Excellon shareholders to benefit from exposure to prime exploration properties in the Timmins Gold Camp and Abitibi greenstone belt with geographic and precious metal diversification into another mining friendly, politically stable environment.

Lateegra’s main asset is its current 51% interest in the DeSantis gold mine property (the “DeSantis Property”) and its option to earn a 100% interest in the DeSantis Property and the contiguous DeSantis West property (“DeSantis West”), both located in the heart of the prolific Timmins Camp in northeastern Ontario and covering approximately 5 km of strike length within highly prospective volcanic stratigraphy on the north side of the Destor Porcupine Fault Zone (“DPFZ”). The Timmins Camp has seen production in excess of 70 million ounces of gold since the early 1900s. Current active producers include Goldcorp Inc., which produced 265,900 ounces of gold in 2010 from the Dome and Hoyle Pond mines located 11 km and 50 km to the east and northeast of DeSantis, respectively, and Lake Shore Gold Corp., which commenced commercial production in January 2011 at the Timmins Mine, 14 kilometres west of the DeSantis Property, and targets 125,000 ounces of gold production during 2011. Lateegra may acquire the remaining 49% of the DeSantis Property by i) making a cash payment of \$375,000 and issuing 1,500,000 shares by April 24, 2012 and ii) issuing a further 1,000,000 shares by April 24, 2013. To acquire a 100% interest in DeSantis West, Lateegra must make i) a cash payment of \$15,000 and issue 60,000 shares on or before April 13, 2012 and ii) a cash payment of \$20,000 and issue 90,000 shares on or before April 13, 2013, and incur a total of \$150,000 in exploration expenses prior to April 13, 2013.

The DeSantis Property saw 35,800 ounces of intermittent gold production from 1933 to 1942 and 1961 to 1964. The last major exploration effort took place in the mid-1980s when Noranda Inc. and Stan West Mining Corp. carried out surface drilling, rehabilitation of the 365 metre (“m”) deep DeSantis No. 2 Shaft and underground workings, and underground drilling. A historic non-National Instrument 43-101 (“NI 43-101”) compliant mineral resource of 182,500 tonnes grading 8.64 g/t gold was outlined in two zones at that time. The resource estimates generated by Noranda Inc. and Stan West Mining Corp. are historic in nature, do not demonstrate economic viability, and are considered to be historical estimates that should not be relied upon.

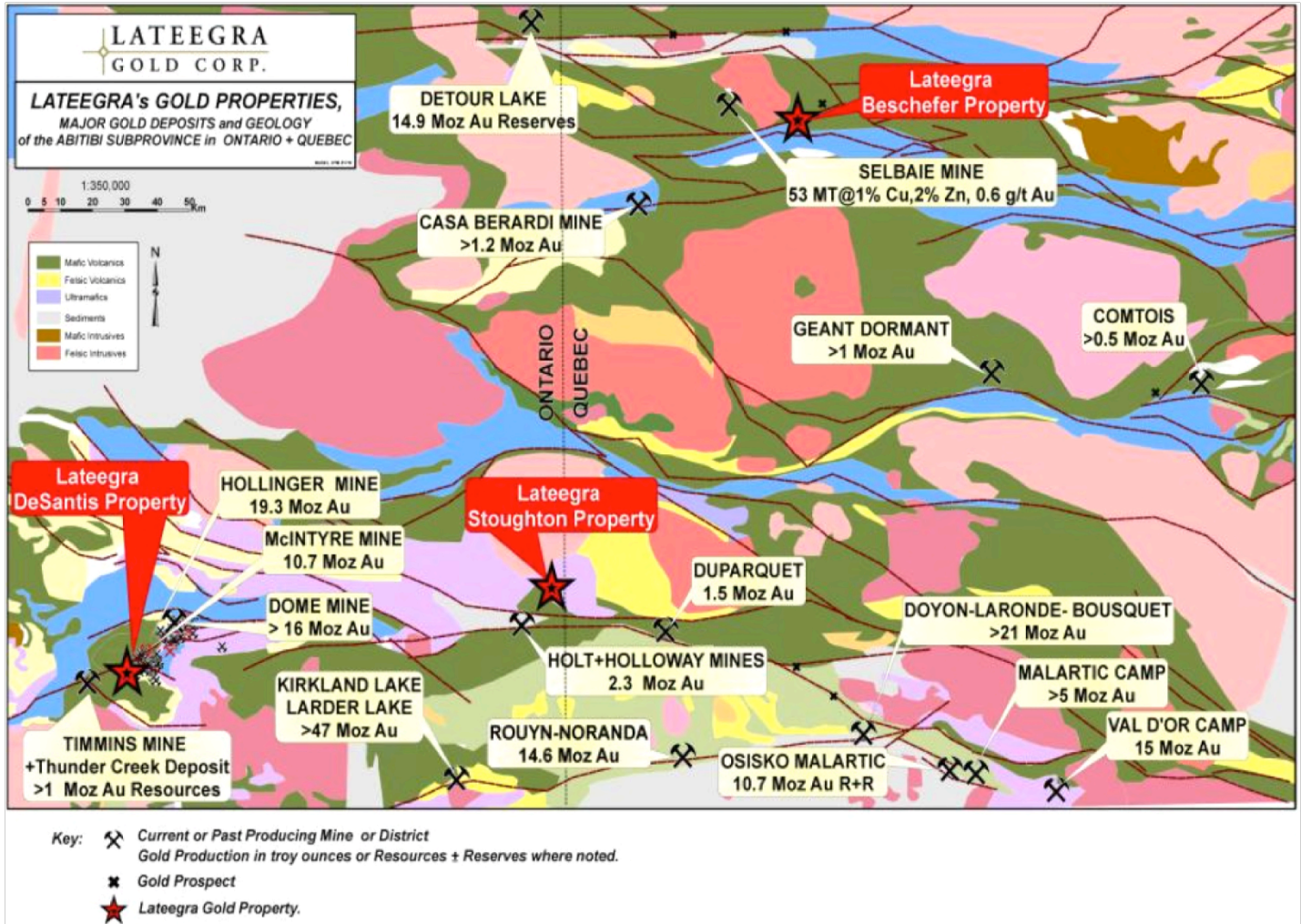
In 2010, Lateegra undertook a 15-hole surface drilling program totalling 5,888 m and encountered several significant gold-bearing intersections in the historically known Albitite and Hydrothermal Zones, the best results of which included 7.88 g/t gold over 5.18 m from 431.29 to 439.06 m in hole DS-10-02 in the Albitite Zone. Exploration drilling of both zones has been to a maximum vertical depth of approximately 560 m and both zones remain open. Similar gold deposits located in the Timmins Camp have been mined to depths in excess of 1,500 m.

Lateegra also holds an option to acquire a 100% interest in the Beschefer gold property (the “Beschefer Property”) in northwestern Quebec. The Beschefer Property is situated approximately 12 km east of the past producing Selbaie Copper-Zinc-Gold Mine and 80 km east of Detour Gold Corporation’s Detour Lake Gold Project, which contains an NI 43-101 compliant Mineral Reserve estimate of 14.9 million ounces grading 1.03 g/t gold. Multiple gold intersections have been discovered at the Beschefer Property since the B-14 Zone was discovered there by Billiton Canada Inc. in 1996. Lateegra carried out a five-hole drill program in early 2011 and encountered several gold intersections including 3.80 g/t of gold over 4.35 m in hole BE11-001 and 12.4 g/t gold over 3.78 metres in hole BE11-03 (all gold values uncut). Additional drilling in several areas on the property is planned for 2011. Lateegra must issue 2,000,000 shares by August 2011 and another 2,000,000 shares by February 2012 to earn a 100% interest in the Beschefer Property.

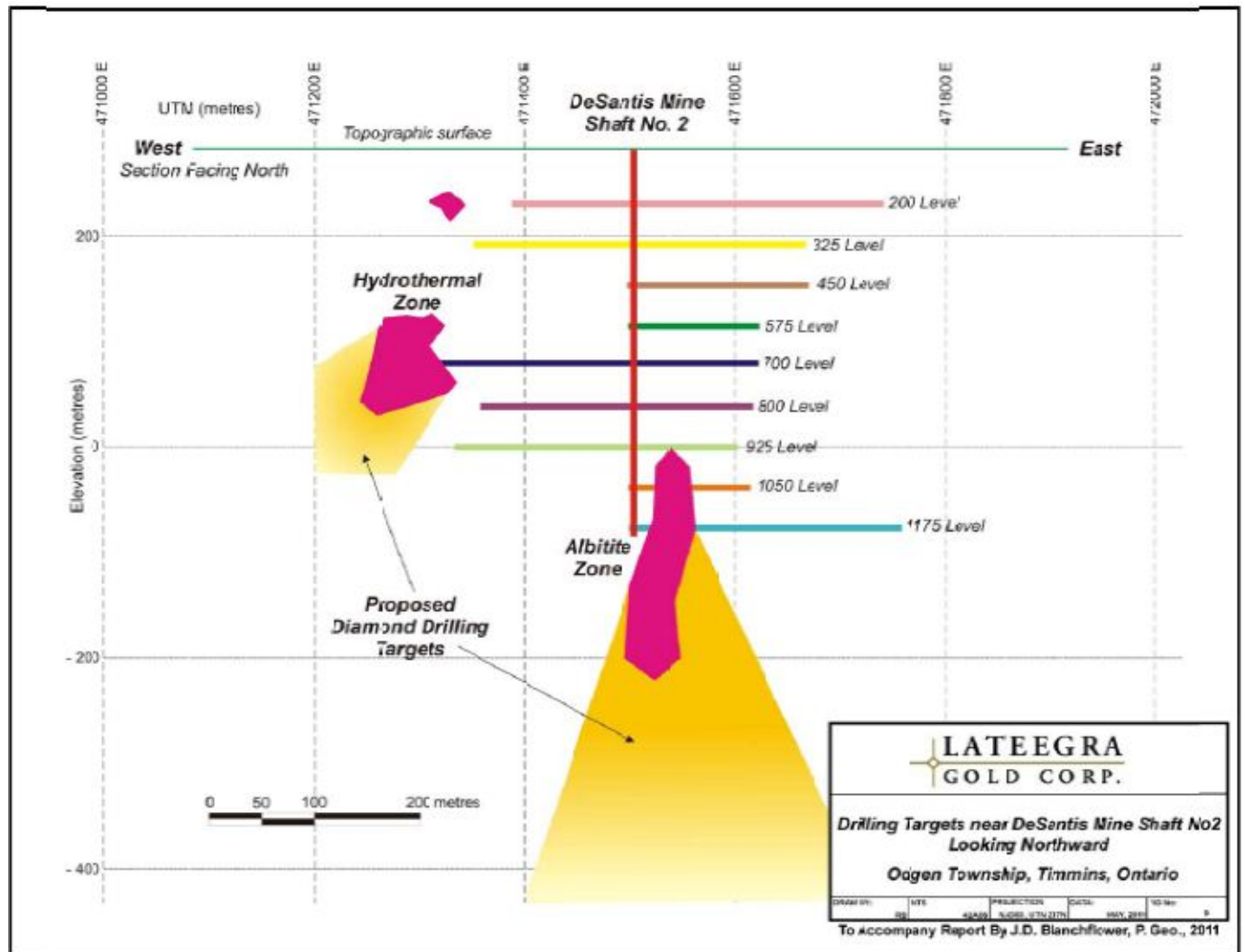
In addition, Lateegra holds an option to acquire a 100% interest in the Stoughton property (the “Stoughton Property”) located in Stoughton Township in the eastern extremity of the Timmins Camp. Stoughton lies on a northwesterly-trending splay off of the DPFZ, approximately 15 km northeast of St Andrew Goldfields Ltd.’s producing Holt-Holloway gold mining and milling complex. Historic gold occurrences are known on the property and a program to test geophysical, geochemical and geological targets is planned for winter 2012. To earn a 100% interest in the Stoughton Property, Lateegra must issue 1,000,000 shares in two tranches between June and November 2011.

The locations of the DeSantis, Beschefer and Stoughton Properties are shown on Map 1. A schematic longitudinal section of the DeSantis Mine, highlighting areas of proposed diamond drilling is shown on Map 2.

Map 1: Location Map – DeSantis, Beschefer and Stoughton Properties



Map 2: Schematic Longitudinal Section – DeSantis Mine



### Benefits to Lateegra Shareholders

Lateegra shareholders will receive the following benefits from the transaction:

- Attractive premium of 27.2% and 34.4% to the closing share price and 45 day volume-weighted average price of the Lateegra Shares, respectively, as at May 30, 2011;
- Exposure to current commodity prices through production from Excellon’s high-grade silver-lead-zinc Platosa Mine located in the mining friendly jurisdiction of Mexico;
- 11.9% ownership of Excellon’s fully diluted shares outstanding on a pro forma basis;
- Considerable blue sky exploration potential at the 58,000 ha Platosa property and the 2011 exploration drilling program totalling 40,000 metres that is currently underway;
- Access to significant exploration, financial and executive management expertise; and
- Significantly improved trading liquidity.

## Benefits to Excellon Shareholders

Through the acquisition of Lateegra, Excellon shareholders will realize the following benefits:

- Acquisition of the DeSantis Property, a significant gold exploration asset located between two large-scale gold producers in the Timmins Camp, renowned for prolific gold deposits;
- Immediately positions Excellon in one of the world's premier gold-producing camps, which has also seen major base metal production, and provides exposure to the Abitibi Greenstone Belt through the Beschefer and Stoughton Properties;
- Potential springboard for other acquisitions; and
- Provides geographic and precious metal diversification into another mining friendly, politically stable environment.

## Boards of Directors' Recommendations

The board of directors of Lateegra formed a special committee comprising independent directors. Upon receipt of the special committee's recommendation to proceed with the Transaction and fairness opinion from Fraser Mackenzie Limited, the board of directors (with the directors that also serve on Excellon's board not participating) has unanimously approved the Transaction. The directors, senior officers and certain shareholders of Lateegra have entered into voting support agreements under which they have agreed to vote their Lateegra Shares in favour of the Transaction. Such directors, senior officers and certain investors hold Lateegra Shares representing approximately 29.5% of Lateegra's issued and outstanding shares as at May 30, 2011.

## Further Transaction Details

The Transaction will be implemented through a plan of arrangement under the Business Corporations Act (British Columbia). Pursuant to the plan of arrangement, shareholders of Lateegra will receive shares in Excellon based on the Exchange Ratio. Upon completion of the Transaction, the outstanding options and warrants to purchase common shares of Lateegra will entitle the holders to common shares of Excellon with the number of common shares and/or exercise price adjusted, as appropriate, to reflect the consideration to be received by shareholders of Lateegra pursuant to the plan of arrangement.

A special meeting of the shareholders of Lateegra will be held to consider the Transaction. The Transaction requires the approval of not less than two-thirds of the votes cast by Lateegra shareholders. The Transaction is also subject to the receipt of customary court and regulatory approvals, including the approval of the Toronto Stock Exchange for the listing of the Excellon Shares to be issued to Lateegra shareholders in the transaction.

Lateegra has agreed not to solicit alternative proposals and has agreed to pay a break fee in the amount of \$500,000 to Excellon, in certain circumstances, if it enters into a superior proposal. Lateegra has also provided Excellon with certain other customary rights, including a right to match competing offers.

Full details of the proposed Transaction, a copy of the fairness opinions prepared by Fraser Mackenzie Limited for the board of directors of Lateegra and other information relevant to the Transaction will be included in an information circular, which Lateegra expects to mail in June 2011. It is expected that the special meetings of shareholders to approve the proposed transaction will be held in July 2011 and, if approved at those meetings, it is expected that the Transaction would close thereafter.

The Excellon Shares to be issued in the proposed transaction have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

## Advisors and Counsel



Excellon's financial advisor is Paradigm Capital Inc. and its legal advisor is Heenan Blaikie LLP.

Lateegra's financial advisor is Fraser Mackenzie Limited and its legal advisor is Bennett Jones LLP.

### **Qualified Person**

Lateegra's exploration programs are conducted under the supervision of its Vice President of Exploration, Ms. Heather Miree, PGeo. Ms. Miree is a Qualified Person as defined by National Instrument 43-101 and has prepared or supervised the preparation of portions the scientific or technical information in this press release and has verified the data contained herein.

Ms. Miree is an economic geologist with over 25 years of experience in the mineral industry. Prior to joining Lateegra in February 2011, Ms. Miree held senior geological and supervisory positions with several junior and mid-sized mining companies, in exploration and mining roles. Ms. Miree is not independent of Lateegra as she is an officer.

### **About Excellon**

Excellon, a mineral resource company operating in Durango and Zacatecas States, Mexico, is committed to building value through production, expansion and discovery. Excellon is producing silver, lead and zinc from the high-grade manto Mineral Resource on its large Platosa Property, strategically located in the middle of the Mexican silver belt. Excellon's focus is on expanding its operating capacity and increasing its Mineral Resources at Platosa where an exploration program focused on diamond drilling and advanced geophysical techniques is ongoing. The Platosa Property, not fully explored, has several geological indicators of a large mineralized system.

### **About Lateegra**

Lateegra is a junior exploration company with gold exploration properties primarily located in northeastern Ontario and northwestern Quebec. The Company holds interests in three promising gold properties, the DeSantis Mine Project in Timmins, Ontario, the Beschefer Project, near Matagami, Quebec and the Stoughton Project, near the Holt-Holloway Gold Mine. The Company's common shares trade on the TSX Venture Exchange under the symbol LRG.

On behalf of

**EXCELLON RESOURCES INC.**

"Peter Crossgrove"  
Chairman & Chief Executive Officer

**LATEEGRA GOLD CORP.**

"Christopher Verrico"  
President & Chief Executive Officer

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this Press Release, which has been prepared by the management and directors of Excellon and Lateegra. This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 27E of the Exchange Act. Such statements include, without limitation, statements regarding the future results of operations, performance and achievements of the Company, including potential property acquisitions, the timing, content, cost and results of proposed work programs, the discovery and delineation of mineral deposits/resources/reserves, geological interpretations, proposed production rates, potential mineral recovery processes and rates, business and financing plans, business trends and future operating revenues. Although the Companies believe that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Companies cautions investors that any forward-looking statements by the Companies are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, significant downward variations in the market price of any minerals produced particularly silver, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able*



*to implement their business strategies. All of the Companies' public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials, including the technical reports filed with respect to Excellon's mineral properties, and particularly the January 15, 2010 NI 43-101-compliant technical report prepared by Scott Wilson Roscoe Postle Associates Inc. with respect to Excellon's Platosa Property. This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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