



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**TAKE NOTICE** that the annual general and special meeting (the **"Meeting"**) of shareholders of Group Eleven Resources Corp. (the **"Company"**) will be held at the offices of Cassels Brock & Blackwell LLP, Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 on Wednesday, May 23, 2018 at 10:00 a.m. Vancouver time.

The purpose of the Meeting is:

1. To receive the audited financial statements of the Company for the financial year ended December 31, 2017 and the report of the auditor thereon;
2. To reappoint the auditor of the Company for the ensuing year;
3. To elect directors of the Company for the ensuing year;
4. To approve the continuation of the Company's stock option plan, as described in the information circular for the Meeting (the **"Information Circular"**), which accompanies this Notice;
5. To approve a special resolution to amend the Company's articles to adopt provisions requiring advance notice for the nomination of directors, as described in the Information Circular; and
6. To consider any permitted amendment to or variation of any matter identified in this Notice, and to transact such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting.

**Regardless of whether a shareholder plans to attend the Meeting in person, we request that each shareholder please complete, date, and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and Information Circular.**

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure their shares will be voted at the Meeting. A shareholder who holds shares in a brokerage account is not a registered shareholder.**

DATED at Vancouver, British Columbia this 1<sup>st</sup> day of May, 2018

BY ORDER OF THE BOARD

***"Bart Jaworski"***

Bart Jaworski  
Chief Executive Officer



## INFORMATION CIRCULAR

*(as at April 16, 2018 unless indicated otherwise)*

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Group Eleven Resources Corp. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on May 23, 2018 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to the “Company”, “we” and “our” refer to Group Eleven Resources Corp. The “Board of Directors” or the “Board” refers to the Board of Directors of the Company. “Common Shares” means common shares without par value in the capital of the Company. “Company shareholders”, “shareholders” and “shareholders of the Company” refer to the shareholders of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy (who is not required to be a shareholder), to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

## Registered Shareholders

Registered shareholders (a shareholder whose name appears on the records of the Company as the registered holder of Common Shares) may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders who choose to submit a proxy may do so by:

- (a) completing, dating and signing the Proxy and returning it by mail or delivery to the address set forth on the accompanying return envelope to the Company's transfer agent, TSX Trust ("**TSX Trust**"): Attention: Proxy Department, TSX Trust, Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1; or
- (b) Delivery of proxies should be to the following address: 301, 100 Adelaide Street West, Toronto Ontario M5H 4H1. If online voting is being used please to go to [www.voteproxyonline.com](http://www.voteproxyonline.com) and enter the 12 digit control number listed on your proxy/VIF.

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.

## Beneficial Shareholders

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited which acts as nominee for many Canadian brokerage firms), and, in the United States of America (the "**United States**"), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders – those who object to their identity being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing their identity (called "**NOBOs**" for Non-Objecting Beneficial Owners).

### Non-Objecting Beneficial Owners

The Company is relying on the provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form ("**VIF**") from Broadridge Financial Solutions Inc. ("**Broadridge**"). The VIF is to be completed and returned to Broadridge as set out in the instructions provided on the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These security holder materials are being sent to both registered and non-registered owners of the Common Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for: (a) delivering these materials to you; and (b)

carrying out your voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

#### Objecting Beneficial Owners

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge in Canada and in the United States. Broadridge mails a VIF in lieu of the Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company, and who can be you) other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting. To exercise this right, insert the name of the desired representative, who may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

This solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and the securities laws of applicable provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of applicable provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of applicable provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the "**Business Corporations Act**"), as amended, and its directors and executive officers are residents of countries that, and a substantial portion of its assets and the assets of such persons, are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to TSX Trust at the address set forth in the Proxy, or to the Company at the address of the registered office of the Company at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned or postponed, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

To the best of our knowledge, except as otherwise disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

#### **Record Date**

The Board has fixed April 16, 2018 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either: (a) attend the Meeting personally; or (b) complete, sign and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote or to have their Common Shares voted at the Meeting.

#### **Voting Securities**

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. The Common Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "ZNG". As of April 16, 2018, there were 59,777,477 Common Shares issued and outstanding. The quorum for the transaction of business at the Meeting is at least two persons who are, or who represent by proxy, shareholders who in the aggregate hold at least five percent of the issued and outstanding Common Shares.

Subject to any special rights or restrictions attached to any shares (and to restrictions imposed on joint shareholders): (a) on a vote by a show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each Common Share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy. If there are joint shareholders registered in respect of any share: (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted. No group of shareholders of the Company has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, the only person that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at April 16, 2018 was:

Shareholder Name	Number of Shares Held	Percentage of Issued Shares
<b>MAG Silver Corp.</b>	9,471,208	15.8%

### **VOTES NECESSARY TO PASS RESOLUTIONS**

Except as otherwise disclosed herein, a simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the

number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## **ELECTION OF DIRECTORS**

### **Board Size**

The Company's Board of Directors is currently set at four.

### **Nominees for Election**

The current directors will cease to hold office immediately before the election of directors at the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the Business Corporations Act or the terms of the Company's Articles, each director elected at the Meeting will hold office until immediately before the election of directors at the next annual general meeting of shareholders of the Company, or, if no director is then elected, until a successor is elected, or until he otherwise ceases to hold office under the Business Corporations Act or the terms of the Company's Articles.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person or company, except the directors and senior officers of the Company acting solely in such capacity.

Each of the four director nominees has agreed to stand for election. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated for election at the Meeting.

The following disclosure sets out, as at April 16, 2018, for each of management's nominees for election as directors: (a) the nominee's name and the nominee's province or county, and country of residence; (b) the nominee's principal occupation, business or employment for the five preceding years, unless the nominee is now a director and was elected to the present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular; (c) the period of time during which each has been a director of the Company; (d) the members of each committee of the Board; and (e) the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the nominee:

Name, and Province or County and Country of Residence	Director Since	Occupation, Business or Employment(1)	Common Shares Beneficially Owned or Controlled(2)
Alessandro Bitelli <sup>(2)(3)(4)</sup> Vancouver, British Columbia Director	December 2017	Executive Vice President, Chief Financial Officer of Lundin Gold Inc. since 2016; former Chief Financial Officer of Orca Gold Inc. from 2013 to 2016; and former Chief Financial Officer of RB Energy Inc. from 2011 to 2014.	125,000
Brendan Cahill <sup>(2)(3) (4)</sup> Toronto, Ontario Director	December 2017	President (since 2012) and Chief Executive Officer (since 2013) of Excellon Resources Inc.; prior thereto, Vice President Corporate Development of Pelangio Exploration Inc. (since 2009).	271,952
Daniel MacInnis <sup>(2)(3) (4)</sup> Vancouver, British Columbia. Director and Chair	December 2017	Businessman; formerly President and Chief Executive Officer of MAG Silver Corp. from 2005 to 2013. Also currently a Board member of MAG Silver and Chairman of Balmoral Resources	50,000
Bart Jaworski <sup>(4)</sup> County Kilkenny, Ireland Director and Chief Executive Officer	December 2016	Chief Executive Officer, the Company (since December 2016); Chief Executive Officer, Group Eleven Resources Limited (subsidiary of the Company) (May 2015 to present); Mining Equity Analyst, J & E Davy (January 2012 to April 2015); Mining Equity Analyst, Raymond James Ltd. (May 2003 to December 2011).	3,338,301

Notes:

1. The information as to principal occupation, business or employment may not be within the knowledge of the management of the Company and has been furnished by the respective nominees.
2. The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of management of the Company and has been furnished to the Company by the respective nominees or has been extracted from insider reports available at [www.sedi.ca](http://www.sedi.ca).
3. Members of the Company's Audit Committee.
4. Members of the Company's Corporate Governance and Compensation Committee

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.** Unless authority to do so with respect to one or more directors is withheld, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the election of each of the nominees set forth in the above disclosure.

The Company's management does not contemplate that any of the above nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons designated in the accompanying Proxy to vote the Common Shares represented by such Proxy, properly executed, **FOR** the election of any other person or persons in place of any nominee or nominees unable to serve, unless authority to do so with respect to the nominee or nominees unable to serve is withheld.

## Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Other than as set forth below, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Alessandro Bitelli was the Chief Financial Officer of RB Energy Inc. (“**RBI**”) when it sought court protection under the *Companies’ Creditors Arrangement Act* (the “**CCA**”) and was granted such protection by an order of the Québec Superior Court on October 14, 2014. The Toronto Stock Exchange delisted RBI common shares effective at the close of business on November 24, 2014 for failure to meet its continued listing requirements. Since that time, RBI common shares have been suspended from trading. On May 8, 2015, the Québec Superior Court appointed Duff & Phelps Canada Restructuring Inc., now KSV Advisory Inc., as receiver of RBI and its Canadian subsidiaries to administer and realize upon the assets of RBI.

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## APPOINTMENT OF AUDITOR

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE APPOINTMENT OF DAVIDSON AND COMPANY LLP AS AUDITOR.** Unless authority to do so is withheld, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the appointment of Davidson and Company LLP as auditor of the Company to serve until the close of the next annual general meeting of shareholders and the authorization of the directors to fix the remuneration of the auditor. Davidson and Company LLP have been auditors of the Company since January, 2017.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Continuation of Stock Option Plan

#### Summary of the Stock Option Plan

As disclosed the Company’s prospectus dated December 4, 2017 the Company has adopted a stock option plan (the “**Stock Option Plan**”). In accordance with TSX Venture Exchange policy, at each annual general



meeting following adoption of the Stock Option Plan, the Company must obtain Shareholder approval to continue the Stock Option Plan. Therefore, at the Meeting, the shareholders will be asked to consider and, if deemed appropriate to pass an ordinary resolution approving the continuation of the Stock Option Plan. A copy of the Stock Option Plan may be obtained upon request from the Company's Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839. Copies of the Stock Option Plan will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who requests a copy of the Stock Option Plan and who is not a security holder of the Company.

The Stock Option Plan provides that, subject to the requirements of the TSXV, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares at the time of granting of options. Furthermore, the aggregate number of shares that may be issued pursuant to the exercise of the Stock Options awarded under the Stock Option Plan and all other security based compensation arrangements of the Company shall not exceed 10% of the issued and outstanding Common Shares at any given time. As of the date of this Information Circular, there are 5,977,748 Common Shares reserved for options to be granted, being 10% of the 59,777,477 issued and outstanding Common Shares. All options granted under the Stock Option Plan expire on a date not later than 10 years after the date of grant of such options.

Subject to the provisos below regarding Consultants and Investor Relations Persons, the aggregate number of options granted under the Stock Option Plan in any 12 month period to any one Eligible Person, together with all other security based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding Common Shares of the Company on a non-diluted basis.

An “**Eligible Person**” under the Stock Option Plan means:

- (a) a senior officer or director of the Company or any of its subsidiaries;
- (b) either:
  - (i) an individual who is considered an employee under the *Income Tax Act*,
  - (ii) an individual who works full-time for the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source, or
  - (iii) an individual who works for the Company on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source, (any such individual, an “**Employee**”);
- (c) an individual employed by a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual (a “**Company**”) which individual is providing management services to the Company through such Company, or an individual (together with a Company, a “**Person**”) providing management services directly to the Company, which management services are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities (as hereafter defined) (a “**Management Company Employee**”);
- (d) an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, who:
  - (i) provides ongoing consulting services to the Company or an Affiliate of the Company under a written contract other than services provided in relation to a Distribution (as defined in the policies of the TSX-V);
  - (ii) possesses technical, business or management expertise of value to the Company or an Affiliate of the Company;

- (iii) spends a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company;
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company; and
  - (v) does not engage in Investor Relations Activities (as hereafter defined)
- any such individual, a “**Consultant**”;
- (e) an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, that falls within the definition of Consultant contained in subsections (d)(i) through (iv) which provides investor relations activities (as such term is defined in the Stock Option Plan) (an “**Investor Relations Consultant**”); or
  - (f) a Person that falls within the definition of Eligible Person contained in any of (a), (b) or (d) which provides investor relations activities (as such term is defined in the Stock Option Plan (and together with any Investor Relations Consultant, “**Investor Relations Person**”).

The terms “insider”, “controlled” and “subsidiary” shall have the meanings ascribed thereto in the *Securities Act* (British Columbia) from time to time. Subject to the foregoing, the Board shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

The maximum number of stock options which may be granted to any one Consultant within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant.

The maximum number of stock options which may be granted to Investor Relations Persons under the Stock Option Plan within any 12 month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant.

The Stock Option Plan is administered by the Board or by a special committee of directors which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such Eligible Persons, if any, as the Board may from time to time designate.

The exercise price of any options granted under the Stock Option Plan shall be determined by the Board, based on the prevailing market of the Common Shares less any discounts from the market price allowed by the TSX-V, subject to a minimum price of \$0.10.

The term of any options granted under the Stock Option Plan shall be determined by the Board at the time of grant, subject to earlier termination in the event of dismissal for cause, termination other than for cause, or in the event of death. The term of any options granted under the Stock Option Plan may not exceed ten years.

If desired by the Board, options granted under the Stock Option Plan may be subject to vesting. Options granted under the Stock Option Plan are not to be transferable or assignable other than as a consequence of the death of the holder. Subject to certain exceptions, in the event that a holder of options ceases to be an Eligible Person options granted to such person will expire 90 days after such person ceases to be an Eligible Person, or such longer period as determined by the Board of the Company. In the event of death of a holder of options, options granted under the Stock Option Plan expire one year from the date of the death of the option holder.

#### Approval of Stock Option Plan Resolution

At the Meeting, the shareholders will be asked to consider and, if deemed appropriate, to pass the following ordinary resolution, with or without variation (the “**Stock Option Plan Resolution**”):

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of the Company, that the Company’s Stock Option Plan be and is hereby ratified and approved.”

An ordinary resolution is a resolution passed at the Meeting by a simple majority of the votes cast by shareholders voting Common Shares at the Meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE STOCK OPTION PLAN RESOLUTION. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the Share Option Plan Resolution.**

Approval Of Amendment to the Articles to Require Advance Notice for Nomination of Directors

The Board of Directors propose that the articles of the Company be amended to provide shareholders, directors and management of the Company with a clear process for nominating directors of the Company (the “**Advance Notice Amendment**”).

The purpose of the Advance Notice Amendment is to (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Company. The Advance Notice Amendment fixes deadlines by which shareholders of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Company for any director nominee to be eligible for election at such annual or special meeting of shareholders.

The full text of the Advance Notice Amendment is attached to this Information Circular as Schedule B. If approved by special resolution at the Meeting the Advance Notice Amendment will amend the Company's articles and will be effective upon deposit by the Board of Directors of the Advance Notice Amendment at the Company's records office.

The following is a brief summary of certain provisions of the Advance Notice Amendment and is qualified in its entirety by the full text of the Advance Notice Amendment.

1. Other than pursuant to (i) a proposal made in accordance with the Business Corporations Act, or (ii) a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act, shareholders of the Company must give advance written notice to the Company of any nominees for election to the board of directors.
2. The Advance Notice Amendment fixes a deadline by which shareholders of the Company must submit, in writing, nominations for directors to the Corporate Secretary of the Company prior to any annual or special meeting of shareholders, and sets forth the specific information that such shareholders must include with their nominations in order to be effective. Only persons who are nominated in accordance with the Advance Notice Amendment are eligible for election as directors of the Company.
3. For an annual meeting of shareholders, notice to the Company must be not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, notice may be given not later than the close of business on the 10th day following such public announcement.
4. For a special meeting of shareholders (that is not also an annual meeting), notice to the Company must be given not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of such special meeting was made.
5. The time periods for giving notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of notice as described above.

For the purposes of the Advance Notice Amendment, “public announcement” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board of Directors may, in its sole discretion, waive any provision or requirement of the Advance Notice Amendment.

The provisions of the Advance Notice Amendment will be subject to annual review by the Board of Directors, and shareholders may be requested to approve, by further special resolution, further amendments to the articles of the Company as may required by securities regulatory agencies or the TSX-V, or to conform to industry standards, as determined from time to time by the Board of Directors.

Accordingly, at the Meeting, shareholders will be asked to approve the following special resolution approving the Advance Notice Amendments:

**“RESOLVED AS A SPECIAL RESOLUTION THAT** the articles of Group Eleven Resources Corp. (the “**Company**”) be amended by adding new Article 27 in the form set out in Schedule B to Company’s Information Circular dated April 16, 2018, such amendment to be effective upon the deposit at the records office of the Company by the Board of Directors of this special resolution and the text of such new Article 27.”

***The persons named as proxies in the enclosed form of proxy intend to cast the votes represented by proxy in favour of the foregoing special resolution unless the holder of Shares who has given such proxy has directed that the votes be otherwise cast.***

## **AUDIT COMMITTEE**

### **The Audit Committee’s Charter**

The Company’s Audit Committee Charter sets out the Audit Committee’s mandate and responsibilities, and is attached as Schedule A hereto.

### **Composition of the Audit Committee**

The current members of the Audit Committee are Messrs. Bitelli, Cahill and MacInnis. Each member is independent within the meaning of National Instrument 52-110 Audit Committees (“**NI 52-110**”). All members of the Audit Committee are financially literate within the meaning of NI 52-110.

### **Relevant Education and Experience**

The following is a summary of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

- Mr. Bitelli is the Executive Vice President and Chief Financial Officer of Lundin Gold Inc. (a reporting issuer).
- Mr. Cahill is the President and Chief Executive Officer of Excellon Resources Inc. (a reporting issuer) and is a member of the Law Society of Upper Canada.
- Mr. MacInnis is the former President and Chief Executive Officer and a current director of MAG Silver Corp. (a reporting issuer) as well as the Chairman of Balmoral Resources Ltd.

Such education and experience provides each member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and

complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*);
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*);
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

### **Pre-Approval Policies and Procedures**

The Audit Committee pre-approves fees for non-audit services.

### **External Auditor Service Fees**

The aggregate fees billed by the Company's auditors, are shown in the table below.

<b>Nature of Services</b>	<b>Auditors fees for the Year Ended December 31, 2017</b>
Audit Fees <sup>(1)</sup>	15,000
Audit Related Fees <sup>(2)</sup>	15,000
Tax Fees <sup>(3)</sup>	3,500
<b>Total</b>	<b>33,500</b>

Notes:

1. "Audit Fees" include fees necessary to perform the annual audit and quarterly review of the Company's interim financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents reviews of securities filings and statutory audits.
2. "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
4. "All Other Fees" include all other non-audit services.

### **Exemption**

The Company is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## **STATEMENT OF CORPORATE GOVERNANCE**

### **General**

Group Eleven recognizes the importance of good corporate governance to the long term and successful management of the Company. The Company values accountability, and honest and ethical behaviour. The Company's Board and Management have adopted policies and established committee structures to provide

the best corporate governance standards suitable to Group Eleven's current stage of development. The policies, codes and charters adopted, including a Code of Business Conduct and Ethics and a Corporate Disclosure Policy, are available on the Company's website at [www.groupelevenresources.com](http://www.groupelevenresources.com).

#### *Constitution and Independence of the Board*

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Members of the current Board who are independent are Messrs. Bitelli, Cahill and MacInnis. Mr. Jaworski is not independent because he is an executive officer of the Company. The Board facilitates its independent supervision over management by holding periodic Board meetings to discuss the operation of the Company and by ensuring representation on the Board by directors who are independent of management.

#### *Mandate of the Board*

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the board oversees the management of the Company's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources.

#### *Meetings of the Board*

The Board meets as required to review, among other things, the performance of the Company. Results are compared and measured against a previously established plan. The Board also holds a meeting to review and assess the Company's financial budget and business plan for the ensuing year and its overall strategic objectives. This process establishes, among other things, benchmarks against which the Board may measure the performance of management. Other meetings of the Board are called to deal with special matters as circumstances require.

#### *Compensation, Nomination and Assessment*

The Board has established a Corporate Governance and Compensation Committee (hereafter referred to as the Governance Committee) to establish the compensation for directors and senior management, including the granting of stock options, as well as for the purposes of reviewing new nominees to the Board. This committee will review the adequacy and form of compensation to ensure it realistically reflects the responsibilities and risks involved in being an effective officer or director and recommend changes to the Board if required.

#### *Orientation and Continuing Education*

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company's business, current issues, corporate strategy and the role of the Board, its committees and its directors by the current directors and senior officers.

The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

#### *Ethical Business Conduct*

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board has adopted a written Code of Business Conduct and Ethics which may be viewed on the Company's website at [www.groupelevenresources.com](http://www.groupelevenresources.com). The Code of

Business Conduct and Ethics clearly sets out the Company's standard requirements for honest and ethical conduct of its management and employees pertaining to conflicts of interest, timely disclosure, compliance with the law and accountability. The Code of Business Conduct and Ethics also clearly states the Company's requirements for fair dealing, and its corporate position on conflicts of interest and corporate opportunities and gifts, confidentiality and corporate assets, intellectual property, reporting and the effects of violations.

The Board has also found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or Agents of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

#### *Nomination of Directors*

The Board has not yet developed a protocol for the nomination of directors given that the Company became a reporting issuer in December, 2017 upon completion of its initial public offering. In the future, based on the development of the Company's business, the Board will periodically review the size and composition of the Board to determine if any changes are required as well as assess any potential nominees. The Board anticipates that should it determine to increase the number of directors, it will endeavour to seek new nominees who have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, demonstrated support for the Company's mission and strategic objectives, and a willingness to serve.

#### *Other Board Committees*

The Board has no committees other than those specified above.

#### *Assessments*

On an ongoing basis, the Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

*Directorships*

The following directors of the Company hold directorships in other reporting issuers as set out below:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
Alessandro Bitelli	Filo Mining Corp.
Brendan Cahill	Excellon Resources Inc.
Daniel MacInnis	MAG Silver Corp. Balmoral Resources Ltd.



## EXECUTIVE COMPENSATION

In this section “**Named Executive Officer**” or “**NEO**” means the Chief Executive Officer (the “**CEO**”), the Chief Financial Officer (“**CFO**”) and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000. As at the end of the Company’s most recently completed financial year there were no NEOs other than the CEO and the CFO.

### Compensation Discussion and Analysis

The following discussion and analysis describes and explains the significant elements of the Company’s compensation programs, with particular emphasis on the process for determining compensation payable to the Named Executive Officers. For the current year the compensation arrangements were approved by the Board prior to the completion of the Company’s initial public offering and it is anticipated these arrangements will be reviewed annually based on the procedures and guidelines below.

The compensation of the Company’s Named Executive Officers is determined by the Board of Directors upon recommendations by the Governance Committee. The Company’s executive compensation program is generally designed to pay for performance and be competitive with other companies of comparable size in the same field of activity. The Chief Executive Officer makes recommendations to the Governance Committee as to the compensation of the Company’s executive officers, other than himself. The Governance Committee makes recommendations to the Board of Directors as to the compensation of the Chief Executive Officer and the other Named Executive Officers. The general objective of the Company’s compensation philosophy is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (ii) align management’s interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other mining exploration companies in order to enable the Company to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Company operates by virtue of the fact that it is a mining exploration company without a history of earnings.

### Elements of Executive Compensation

The compensation of the Named Executive Officers consists of three main components: base salary, performance bonus and long-term incentives, currently in the form of stock options. The following discussion describes the components of compensation and discusses how each component relates to the Company’s overall executive compensation objective. The Company believes that:

- base salaries or management fees provide an immediate cash incentive for the Named Executive Officers and should be at levels competitive with peer companies that compete with the Company for business opportunities and executive talent;
- performance bonus payments encourage and recognize strong levels of performance and are granted at the discretion of the Governance Committee. Performance bonus payments motivate executives to achieve growth in the Company; and
- equity participation through the Company’s Stock Option Plan ensures that the Named Executive Officers are motivated to achieve long-term growth of the Company and continuing increases in shareholder value, and provide capital accumulation linked directly to the Company’s performance.

#### *Base Salary*

The primary element of the Company’s compensation program is base salary. The Company’s view is that a competitive base salary is a necessary element for retaining qualified executive officers. The amount payable to an executive officer as base salary is determined primarily by the number of years’ experience, personal performance, and by comparisons to the base salaries and total compensation paid to executives of comparable publicly-traded companies within the mineral exploration sector in North America.

#### *Performance Bonus Payments*

Performance bonuses are payable in cash and the amount payable is based on the Governance Committee’s assessment of the Company’s performance for the year. Factors considered in determining

bonus amounts generally include individual performance, financial criteria (such as successful financings, project management performance) and operational criteria (such as significant mineral property acquisitions, successful mineral property exploration and development, resource growth and the attainment of other corporate milestones).

In determining to award performance bonuses, including the amounts thereof, the Board of Directors uses its discretion and takes into consideration the Company's annual achievements, without assigning any quantifiable weight or factor in respect of any particular achievement or corporate milestone.

#### *Equity Participation*

The Company provides for equity participation in the Company through its Stock Option Plan and Deferred Share Unit plan. The equity participation is designed to give each holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance.

*Stock Options*: will be granted on terms that the Board of Directors determines, with recommendations from the Governance Committee and subject to the limitations of the Company's prevailing stock option plan and the requirements of applicable regulatory authorities. The Governance Committee is mandated to review and make recommendations to the Board regarding the remuneration of executive officers, the granting of stock options to directors, executive officers, employees and consultants of the Company, and compensation policies, including the stock option plan.

Individual grants of stock option are determined by an assessment of the individual's current and expected future performance, level of responsibilities, the importance of the proposed optionee's position, contribution to the Company, and previous options grants and exercises prices.

*Deferred Share Units ("DSU")*: The Board adopted the DSU Plan effective as of January 1, 2018. The purpose of the DSU Plan is to promote the alignment of interests between the directors and Shareholders while enabling directors to participate in the long-term success of the Company through the grant of DSUs. Upon vesting, each DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU Plan, a lump sum cash payment. For the purposes of the DSU Plan, the value of the DSU on the Settlement Date is the market price, being the volume-weighted average price of the Common Shares on the TSX for the five trading days immediately preceding such Settlement Date, but if the Common Shares did not trade on such trading days, the market price shall be average of the bid and ask prices in respect of the Common Shares at the close of trading on such trading day.

#### Director Compensation

The Board, on recommendation of the Governance Committee, determines director compensation. The objective in determining such director compensation is to ensure that the Company can attract and retain experienced and qualified individuals to serve as directors. The Company compensates its non-executive directors through the payment of directors' fees (on an annual retainer, committee chair, and per meeting attendance basis) and through the grant of incentive Options and DSUs. As the Company had only completed its initial public offering on December 14, 2017, no fees were paid or are payable for the year ended December 31, 2017 to non-executive directors.

All retainers are paid pro rata on a quarterly basis. Directors are also reimbursed for out-of-pocket expenses incurred in attending meetings and otherwise carrying out their duties as directors of the Company. In addition, directors are eligible to participate in the Company's Stock Option Plan and DSU Plan. As of the date of this Circular, the Company had awarded options to purchase 300,000 common shares to non-executive directors.

#### **Corporate Governance and Compensation Committee**

The Governance Committee is comprised of Dan MacInnis, Alessandro Bitelli, Bart Jaworski and Brendan Cahill, which, together with the Board of Directors, has the responsibility to administer compensation policies related to executive management of the Company and make recommendations to the Board of Directors, including with respect to option-based awards and performance bonus awards. The Governance Committee and Board recognize the need to provide a total compensation package that will attract and

retain qualified and experienced executives as well as align the compensation level of each executive's level of responsibility. The Governance Committee annually reviews each of the components and relevant competitive factors listed below and makes recommendations to the Board based on corporate and individual performance, taking into account leadership abilities, retention, risk and succession plans. Interested executives do not participate in reviews, discussions or decisions of the Board of Directors regarding this remuneration.

Dan MacInnis, Alessandro Bitelli, and Brendan Cahill are considered to be independent directors for purposes of the Governance Committee.

The Board of Directors is of the view that the Compensation Committee collectively has the knowledge, experience and background to fulfill its mandate, and that each of the members of the Compensation Committee has direct experience relevant to his responsibilities regarding executive compensation. The three independent directors have been associated with numerous public companies and have extensive experience with executive compensation at such public companies. These collective skills and extensive experience enable the Compensation Committee to make decisions on the suitability of the Company's compensation policies and practices.

### Risks Associated with Compensation Practices

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

### Share Ownership Requirements

The Company does not have minimum share ownership requirements.

### Pension Plan Benefits

The Company does not operate any pension plans or provide any retirement benefits for its directors or employees.

### Director and Named Executive Officer Summary Compensation Table

The following table sets out information concerning the compensation earned or awarded to the directors and NEOs during the Company's financial year ended December 31, 2017, other than stock options and other compensation securities. The Company became a reporting issuer on December 14, 2017.

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Option-based awards (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bart Jaworski Chief Executive Officer, Director <sup>(1)</sup>	2017	97,039	Nil	Nil	Nil	Nil	97,039
Shaun Heinrichs Chief Financial Officer <sup>(2)</sup>	2017	74,000	Nil	Nil	16,114	Nil	90,114
Alessandro Bitelli Director <sup>(3)</sup>	2017	Nil	Nil	Nil	Nil	Nil	Nil
Brendan Cahill Director <sup>(3)</sup>	2017	Nil	Nil	Nil	Nil	Nil	Nil
Daniel MacInnis Director <sup>(3)</sup>	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) All of the compensation paid to Mr. Jaworski was in respect of his services as an NEO. The amount reflects the Canadian equivalent of €66,238 paid during 2017.
- (2) Mr. Heinrichs served as an NEO for a period of 11 months, commencing February 2017. Compensation disclosed has not been annualized.

- (3) Each of Messrs. Bitelli, Cahill and MacInnis served as directors for a period of three months, commencing October 2017. No compensation amounts were paid during that period.

### Stock Options and Other Compensation Securities

The following table sets out information concerning all compensation securities granted or issued to each director and NEO by the Company in the financial year ended December 31, 2017, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Bart Jaworski Chief Executive Officer, Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaun Heinrichs Chief Financial Officer	Options <sup>(1)</sup>	150,000 4.5%	June 8, 2017	\$0.30	n/a <sup>(2)</sup>	n/a <sup>(3)</sup>	December 18, 2017 <sup>(3)</sup>
Alessandro Bitelli Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Brendan Cahill Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Daniel MacInnis Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) Options to acquire Common Shares of the Company issued under a predecessor plan to the Stock Option Plan.  
 (2) The Common Shares were not listed on a securities exchange as of the date of grant and hence market price cannot be determined.  
 (3) Mr. Heinrichs exercised 83,000 options and acquired 83,000 Common Shares of the Company concurrently with the completion of the Company's initial public offering, in accordance with the terms of the options. The remaining 67,000 options expired with the Company's initial public offering, in accordance with the terms of the options, and accordingly as of December 31, 2017, Mr. Heinrichs held no options.

### Exercise Compensation Securities by Directors and Named Executive Officers

The following table sets out information concerning each exercise by a director or an NEO of compensation securities during the financial year ended December 31, 2017.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Bart Jaworski Chief Executive Officer, Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaun Heinrichs Chief Financial Officer	Options <sup>(1)</sup>	83,000	\$0.30	December 18, 2017	\$0.40	0.10	\$24,900
Alessandro Bitelli Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Brendan Cahill Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Daniel MacInnis Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

(1) Options to acquire Common Shares of the Company issued under a predecessor plan to the Stock Option Plan.

### Employment Agreements

The Company has an employment agreement in place with its Chief Executive Officer and a consulting agreement in place for the Chief Financial Officer (together the "Management Agreements" and individually a "Management Agreement"). The Management Agreements provide for base salary, discretionary bonuses and stock option awards, as approved by the Board, paid vacation and enrolment in the Company's benefits plan as applicable, which benefits are generally available to all employees of the Company, and provide payment on termination without just cause as described below.

### Termination and Change of Control Benefits

The Management Agreements provide certain payments to each NEO in the event his or her services are terminated by the Company without cause. No amounts except accrued services up to the date of the termination are payable in the event that the NEO is terminated for cause or resigns voluntarily.

Each Management Agreement provides that:

- a) The NEO may terminate their engagement with the Company upon three months' written notice to the Company; and
- b) The Company may terminate its engagement with the NEO upon delivery of three months' written notice to the NEO
- c) If the NEO is terminated other than "for cause", the Company is required to pay to the NEO a severance amount equal to 24 months salary (Jaworski) and 12 months fees (Heinrichs) based on the current approved retainer amounts plus any bonuses that are payable as well as full vesting of any outstanding options.
- d) Termination payments that would have been payable to each NEO had his or her services been terminated without cause on April 16, 2018 are as follows;
  - Jaworski – €276,000
  - Heinrichs – \$132,000

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No executive officers or directors, or former executive officers or directors, nor any associate of such individuals, is as at the date hereof, or has been since the beginning of the financial year ended December 31, 2017, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed herein, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means a director or executive officer of a reporting issuer; a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; any person or company who beneficially owns, or controls or directs, directly or indirectly, voting shares of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer; and a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

### **ADDITIONAL INFORMATION**

Financial information is provided in the audited consolidated financial statements of the Company for the year ended December 31, 2017 and in the related management discussion and analysis, which will be placed before shareholders at the Meeting. Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2017 will be available upon request from the Company's Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839. Copies of these documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

### **OTHER MATTERS**

As of the date of this Information Circular, the Board is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia this 1<sup>st</sup> day of May, 2018

BY ORDER OF THE BOARD

***"Bart Jaworski"***

Bart Jaworski  
Chief Executive Officer

## Schedule A

Group Eleven Resources Corp.

### Audit Committee Charter

#### PURPOSE

The overall purpose of the Audit Committee (the “**Committee**”) of Group Eleven Resources Corp. (the “**Company**”) is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company’s Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company’s independent auditors.

#### COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the “**Board**”).
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

## **ROLES AND RESPONSIBILITIES**

9. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.
10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) be non audit services provided by the external auditors;
    - (ii) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
    - (iii) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
11. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and



- (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
12. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to Shareholders;
    - (ii) the annual information form, if required;
    - (iii) annual and interim MD&A;
    - (iv) prospectuses;
    - (v) news releases discussing financial results of the Company; and
    - (vi) other public reports of a financial nature requiring approval by the Board,
    - (vii) and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
13. The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.

## Schedule B

### Advance Notice Amendment

#### 27. NOMINATIONS OF DIRECTORS

##### 27.1 Persons Qualified for Nomination

Only persons who are qualified to act as directors under the Business Corporations Act and who are nominated in accordance with this Article 27 shall be eligible for election as directors of the Company. At any annual meeting of shareholders, or at any special meeting of shareholders at which directors are to be elected, nominations of persons for election as directors may be made only:

- (1) by or at the direction of the directors, including pursuant to a notice of meeting;
- (2) by or at the direction or request of one or more shareholders pursuant to a valid “proposal” as defined in the Business Corporations Act and made in accordance with Part 5, Division 7 of the Business Corporations Act;
- (3) pursuant to a requisition of the shareholders that complies with and is made in accordance with section 167 of the Business Corporations Act, as such provisions may be amended from time to time; or
- (4) by any person (a “**Nominating Shareholder**”) who:
  - (a) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below and at the close of business on the record date fixed by the Company for such meeting, (a) is a “registered owner” (as defined in the Business Corporations Act) of one or more shares of the Company carrying the right to vote at such meeting, or (b) beneficially owns shares carrying the right to vote at such meeting and provides evidence of such ownership that is satisfactory to the Company, acting reasonably. In cases where a Nominating Shareholder is not an individual, the notice set forth in Article 27.4 must be signed by an authorized representative, being a duly authorized director, officer, manager, trustee or partner of such entity who provides such evidence of such authorization that is satisfactory to the Company, acting reasonably; and
  - (b) in either case, complies with the notice procedures set forth in this Article 27.

##### 27.2 Notice Required

In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with Article 27.3) and in proper written form (in accordance with Article 27.4) to the Corporate Secretary of the Company or such other officer as the directors may determine from time to time (the “**Designated Officer**”), at the registered office of the Company.

##### 27.3 Timely Notice

To be timely, a Nominating Shareholder’s notice to the Designated Officer must be made:

- (a) in the case of an annual meeting of shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date

that is less than fifty (50) days after the date (the “**Notice Date**”) on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder’s notice shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

#### **27.4 Form of Notice**

To be in proper written form, a Nominating Shareholder’s notice must be addressed to the Designated Officer and must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation or employment of the person and the principal occupation or employment within the five years preceding the notice; (iii) the class or series and number of shares in the capital of the Company which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (iv) a statement as to whether such person would be “independent” of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110, *Audit Committees*, of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination;
- (b) the full particulars regarding any oral or written proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company; and
- (c) any other information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Legislation.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a director of the Company or that would reasonably be expected to be material to a reasonable shareholder’s understanding of the experience, independence and/or qualifications, or lack thereof, of such proposed nominee. As soon as practicable following receipt of a Nominating Shareholder’s notice (and such other information referred to above, as applicable) that complies with this Policy, the Company shall publish through a public announcement the names of the nominees named in such notice and such other details of such notice as the Company may deem appropriate.

#### **27.5 Discussion Not Precluded**

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 27; provided, however, that nothing herein shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Business Corporations Act or at the discretion of the chair of such meeting. The chair of such meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Article 27 and if the chair determines that any proposed nomination was not made in compliance with this Article 27, to declare that such defective nomination shall be disregarded.

## **27.6 Certain Definitions**

For the purposes of this Article 27:

- (a) **“public announcement”** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com); and
- (b) **“Applicable Securities Legislation”** means, collectively, the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada, and all applicable securities laws of the United States.

## **27.8 Notice**

Notice given to the Designated Officer pursuant to this Article 27 may only be given by physical delivery to the Company's registered office or by email to such email address as may be stipulated from time to time by the Designated Officer for purposes of this Article 27, and shall be deemed to have been given and made only at the time it is delivered to the registered office of the Company or received by email; provided that if such delivery is effected or email transmitted on a day which is not a business day or later than 5:00 p.m. (Pacific Time) on a business day, then such delivery or email shall be deemed to have been made on the next business day.

## **27.9 Discretion of the Directors**

The directors may, in their sole discretion, waive any provision or requirement of this Article 27.