



## Group Eleven Enters Into a Non-Brokered Private Placement with Glencore Canada

**Vancouver, Canada, May 15, 2020** – Group Eleven Resources Corp. (TSX.V: ZNG; OTC: GRLVF; FRA: 3GE) (“Group Eleven” or the “Company”) is pleased to announce it has entered into a subscription agreement (the “Subscription Agreement”) with Glencore Canada Corporation (“Glencore”) on a private placement basis (“Offering”). The Offering consists of 15,000,000 units at a price of \$0.05 per unit for aggregate gross proceeds of \$750,000, to be completed in two tranches. All currency amounts in this news release are denominated in Canadian dollars. Glencore is the owner of the Pallas Green project in Ireland, which hosts the Pallas Green deposit (an estimated mineral resource of **45.4 million tonnes of 7% zinc and 1% lead**<sup>1</sup> in the Inferred category). Group Eleven’s adjacent Stonepark project hosts the Stonepark zinc deposit (an estimated mineral resource of **5.1 million tonnes grading 8.7% zinc and 2.6% lead**<sup>2</sup> in the Inferred category).

### Investment Highlights

- Subject to TSX-V and shareholder approval, Glencore will invest a total of \$750,000 to purchase 15,000,000 units in the capital of the Company at a price of \$0.05 per unit
- Each unit will consist of one common share and one half of one non-transferrable common share purchase warrant; each warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.10 per share for 36 months from the date of issue
- The private placement is subject to TSX-V approval and will occur in two tranches - the first tranche of 2,200,000 units (\$110,000) is expected to close on or about May 21, 2020, while the remaining 12,800,000 units (\$640,000), conditional on shareholder approval of Glencore becoming a “control person” of the Company by virtue of holding more than 19.99% of the outstanding common shares (which approval shall exclude any common shares held by Glencore), is expected to close approximately in late June 2020 upon the Company holding an annual and special meeting to seek such approval
- Subject to completion of the second tranche of the Offering and Glencore owning at least 20.0% of the outstanding common shares on a non-diluted basis, Glencore will have the right to nominate a second member to Group Eleven’s board of directors

### Details on the Agreement

Subject to TSX-V and shareholder approval, and pursuant to the Subscription Agreement, Glencore will purchase 15,000,000 units in the capital of the Company at a price of \$0.05 per unit for total consideration of \$750,000. Pursuant to TSX-V Policies, Glencore may not own more than 19.99% of the outstanding

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<sup>1</sup> Pallas Green hosts 45.4 million tonnes of 7% Zn + 1% Pb in the Inferred Category (Glencore; Dec 31, 2019)

<sup>2</sup> Stonepark hosts 5.1 million tonnes of 8.7% Zn + 2.6% Pb in the Inferred Category (Group Eleven; NI 43-101 Independent Report on the Zinc-Lead Exploration Project at Stonepark, County Limerick, Ireland, April 26th 2018, Authors: John Kelly, SLR Consulting; Paul Gordon, SLR Consulting; Belinda Van Lente, CSA Global (UK) Ltd.); Note: Mineralization hosted on adjacent and/or nearby projects is not indicative of mineralization that may be hosted on the Company’s property.

Common Shares on a non-diluted basis without approval from the shareholders of the Company (excluding Glencore), therefore the Offering will be completed in two tranches.

Immediately prior to entering into the Subscription Agreement, Glencore had ownership and control of 8,400,000 common shares and 4,200,000 warrants to purchase common shares, representing ownership and control of 11.6% of the outstanding common shares on a non-diluted basis, or 16.4% on a partially diluted basis. Completion of the first tranche, totalling 2,200,000 units (for gross proceeds of \$110,000), will result in Glencore's ownership and control in the Company increasing to 10,600,000 common shares and 5,300,000 common share purchase warrants, representing beneficial ownership of 14.2% of the outstanding common shares (on a non-diluted basis), and 19.9% on a partially diluted basis (assuming exercise of all 4,200,000 warrants currently held by Glencore and the 1,100,000 additional warrants acquired in the first tranche of the Offering). The first tranche of the Offering is expected to close on or about May 21, 2020.

Completion of the second tranche of the Offering, totalling 12,800,000 units (for gross proceeds of \$640,000), will increase Glencore's ownership and control to an aggregate of 23,400,000 common shares and 11,700,000 common share purchase warrants, representing beneficial ownership of 26.7% (on a non-diluted basis), and 35.4% on a partially diluted basis (assuming exercise of all warrants currently held by Glencore and the aggregate 7,500,000 warrants acquired in the Offering). The second tranche of the Offering is expected to close in approximately late June 2020, subject to approval by shareholders of the Company at an upcoming Annual General and Special Meeting (details of which to be announced in due course). The ownership percentages of common shares described above are based on the Company having 72,559,504 common shares outstanding as of the date of this news release.

Completion of each tranche of the Offering is respectively subject to the completion of certain conditions, including the receipt of all regulatory approvals (including the acceptance of the Exchange), and the receipt of the approval of the Company's shareholders for the issuance of the second tranche units and a resolution approving Glencore becoming a "control person" of the Company.

Each unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 36 months from the date of issue, one additional common share of Group Eleven (a "warrant share") at an exercise price of \$0.10 per warrant share. The common shares, warrants and warrant shares will be subject to a hold period under applicable Canadian securities legislation that expires four months and one day after the respective closing date of each tranche of the Offering.

Group Eleven has covenanted that a maximum of \$500,000 of the gross proceeds are to be used for general corporate purposes, with the balance of the gross proceeds to be spent on exploration on the Company's zinc projects in Ireland.

Upon completion of the second tranche of the Offering, the existing Investor Rights Agreement (dated October 11, 2019), previously announced in the Company's news release dated October 15, 2019, will be amended to provide Glencore the right to nominate a second director to the Board, provided Glencore maintains an equity ownership in the Company above 20.0%.

Glencore is a "related party" of the Company within the meaning of that term defined in Multilateral Instrument 61-101 - *Protection of Minority Shareholders in Special Transactions* ("MI 61-101") as it currently owns more than 10% of the outstanding common shares on both a non-diluted and partially-

diluted basis, and the Offering is a “related party transaction” within the meaning of MI 61-101. The Company expects it will file a material change report less than 21 days before the expected closing date of the first tranche of the Offering. The Company believes this shorter period is reasonable and necessary in the circumstances to take advantage of available financing opportunities and address an immediate need for financing.

Certain information in this news release is provided by Glencore in satisfaction of the early warning requirements of National Instrument 62-104 - *Take-Over Bids and Issuer Bids*. Glencore has advised the Company it is acquiring the units for investment purposes and that it will continue to monitor the business, prospects, financial condition and potential capital requirements of the Company. Depending on its evaluation of these and other factors, Glencore has advised it may from time to time in the future increase or decrease its direct or indirect ownership, control or direction over securities of the Company through market transactions, private agreements, subscriptions from treasury or otherwise.

Glencore’s address is 100 King Street West, Suite 6900, P.O. Box 403, Toronto, Ontario, Canada, M5X 1E3. An early warning report in respect of entering into the Subscription Agreement will be filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com), and may also be obtained from Glencore by contacting Alexis Segal at +1 514 239-2527.

The Offering is conducted on a non-brokered basis and no finders fees will be payable.

### **Qualified Person**

Technical information in this news release has been approved by David Furlong, P.Geo., Chief Operating Officer, and a ‘Qualified Person’ as defined under Canadian National Instrument 43-101.

### **About Group Eleven Resources**

Group Eleven Resources Corp. (TSX.V: ZNG; OTC: GRLVF and FRA: 3GE) is a mineral exploration company focused on advanced stage zinc exploration in Ireland. The Company’s key project in Ireland is a 76.56% interest in the Stonepark project (joint ventured with Arkle Resources plc) and a 100% interest in the adjacent PG West Project, located near Limerick, next to the Pallas Green zinc project, hosting one of the world’s largest undeveloped zinc deposits.

Additional information about the Company is available at [www.groupelevenresources.com](http://www.groupelevenresources.com).

ON BEHALF OF THE BOARD OF DIRECTORS

Bart Jaworski, P.Geo.

Chief Executive Officer

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### **Cautionary Note Regarding Forward-Looking Information**

This press release contains forward-looking statements within the meaning of applicable securities legislation. Such statements include, without limitation, statements regarding the satisfaction of conditions for and the timing for closing of either tranche of the Offering, the timing for calling and holding the Company’s annual and special meeting of shareholders to approve, among other things, Glencore becoming a “control person” of the Company, obtaining Exchange and shareholder approval for the

Offering, future results of operations, performance and achievements of the Company, including the timing, content, cost and results of proposed work programs, the discovery and delineation of mineral deposits/resources/ reserves and geological interpretations. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, regulatory concerns, the effects of the ongoing COVID-19 public health emergency, and variations in the nature, quality and quantity of any mineral deposits that may be located. All of the Company's public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.