Group Eleven Resources Corp.

Management Discussion and Analysis
For the Nine Months Ended September 30, 2019

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Group Eleven Resources Corp. ("Group Eleven" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2019. The MD&A was prepared as of November 28, 2019 and should be read in conjunction with the Company's condensed consolidated interim financial statements ("Financial Statements") and related notes for the nine months ended September 30, 2019 and 2018, the annual audited Consolidated Financial Statements for the years ended December 31, 2018 and 2017, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), as well as the annual MD&As for the years ended December 31, 2018 and 2017. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Overview

Group Eleven is an emerging zinc exploration and development company, focused on using a two-pronged, parallel approach, consisting of regional 'Big Think' combined with near-term growth though resource expansion and drill target testing to discover Ireland's next major zinc mine. Over the last four years, the Company has assembled the largest zinc ground position in Ireland, currently holding 92 licenses, comprising over 2,998 square km in four main properties which are highly prospective for Irish Type zinc-lead mineralization. Ireland ranks as one of the largest zinc producers in Europe and is host to some of the world's largest zinc deposits.

2019 Highlights

- The Company completed the planned 2,700-metre drill program at the Stonepark zinc-lead project ("Stonepark") and the adjacent PG West project ("PG West") during the nine months ended September 30, 2019. Drilling at PG West resulted in the discovery of a new mineralized zone, with a 36.5 metre drilling intersection (true widths 60-70%) of intermittent, high-grade zinc mineralization. As well, drilling at Stonepark identified a new Periphery Zone at Kilteely, thought to represent the outer margin of potential new Irish Type zinc system. The periphery zone appears extensive, at least 1.6 kilometres laterally and 230 metres vertically.
- During April of Q2 2019, the Company completed the non-brokered private placement of 3,882,265 units at a price $0.12 per unit ("Unit") for total proceeds of $465,872. Each Unit consists of one common share and one half non-transferrable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share in the capital of the Company at $0.24 per share for two years from the date of issue.
- On October 15, 2019, subsequent to the end of the third quarter, the Company completed a non-brokered private placement of 8,400,000 units at a price of $0.12 per unit for gross proceeds of $1,008,000 with Glencore Canada Corporation ("Glencore"). As a result of this transaction, Glencore now holds an 11.6% interest in the Company.

Report on Operations

During the nine months ended September 30, 2019, the Company completed the preliminary drill program at the Stonepark and PG West projects, started in the fourth quarter of 2018, and commenced drilling at the Ballinalack project in the third quarter of 2019. The results from these programs, in conjunction with the results from the Tellus survey received in September that the Company is currently reviewing, will significantly advance the Company's ongoing 'Big Think' exploration strategy by providing important 3D geological information ahead of the Company's exploration program in 2020. In total, the Company completed five diamond drill holes, approximately 2,700 metres combined, between November 2018 to April 2019, and is in the process of analyzing the assays from the 717.5 metre hole completed on the north-west area of the Ballinalack project.

Property Summary

Stonepark Project (Limerick Region)

The Stonepark project ("Stonepark") holds six prospecting licenses ("PLs") covering an area of 183.5 square kilometres and hosting three main zones of known mineralization, Stonepark North, Stonepark and Stonepark West, located west of Glencore's Pallas Green deposit. The Company holds a 76.56% interest in TILZ Minerals Ltd. ("TILZ"), the legal entity that holds the licenses comprising Stonepark. The remaining 23.44% equity interest in TILZ is held by Arkle Resources PLC ("Arkle", formerly known as Connemara Mining Company plc), an Ireland-based company focused on zinc and gold exploration. The interest in TILZ is consolidated, with the acquisition value of the project reflected in exploration and evaluation assets and ongoing exploration costs reflected as expenses on the income statement. The carrying value ascribed to Arkle's 23.44% interest in TILZ is captured as non-controlling Interest in the Financial Statements.

In 2018, the Company completed a maiden Mineral Resource Estimate ("MRE") for Stonepark of 5.1 million tonnes grading 11.3% zinc and lead combined (8.7% zinc and 2.6% lead) in the Inferred Mineral Resource category. The deposit is relatively shallow (occurring at depths ranging from 190 metres to 395 metres) and consists of flat-lying, stratiform (1.0 to >7.5 metres thick) lenses of massive to semi-massive sphalerite, galena and pyrite hosted in thick (10 to >75 metres) hydrothermal alteration bodies (primarily black matrix breccia, or "BMB") within the Waulsortian limestone. A summary table is below, the details and supporting information are filed on www.sedar.com in the NI 43-101 Independent Report on the Zinc-Lead Exploration Project at Stonepark, County Limerick, Ireland with an effective date of April 26, 2018.

Summary Table of Maiden Mineral Resource Estimate at Stonepark Zinc Project, Ireland

Area	Resource Category	Tonnes ('000)	Grades Zn (%)	Pb (%)	Zn+Pb (%)	Metal Content (lbs) Zn ('000)	Pb ('000)	Zn+Pb ('000)
Stonepark North	Inferred	3,900	9.2	2.9	12.1	790,200	247,600	1,037,800
Stonepark West	Inferred	800	7.1	2.2	9.3	128,000	39,900	167,900
Stonepark	Inferred	400	7.0	1.0	8.0	64,000	9,100	73,100
Total		**5,100**	**8.7**	**2.6**	**11.3**	**982,200**	**296,600**	**1,278,800**

During Q1 2019, the Company completed the 2,700-metre drill program that had commenced late in Q4 2018. In total, the Company drilled five holes within the Limerick basin, including four at the Stonepark property (and one at the adjacent PG West property). Each of these have provided strong vectors towards further exploration within the Limerick basin, with intersections of mineralization typically found on the periphery of an Irish-Type zinc system. On May 21, 2019, the Tellus airborne survey was completed and the Company has received the results in the third quarter to incorporate into future drill planning. The Company spent $256,949 during the nine months ended September 30, 2019 on the Stonepark project, primarily on drilling ($103,370), the Tellus survey ($18,468 for the portion covering Stonepark), license renewals ($18,576), and data compilation and analysis ($56,732) of the drill results received.

PG West (Limerick Region)

The PG West project comprises 33 PLs covering 1,040 square kilometres and is contiguous with the Company's Stonepark project, covering additional prospective stratigraphy in the Limerick region. The project hosts the Carrickittle area, which is the third most advanced zinc prospect in the Pallas Green region, after Glencore's Pallas Green deposit and the Company's Stonepark deposit. Previous drilling results at Carrickittle have shown significant widths and grades at shallow depths, including 4.3 metres of 14.1% zinc+lead (silver grade unknown), 2.4 metres of 26.8% zinc+lead (silver grade unknown) and 1.1 metres of 40.8% zinc+lead and 128 g/t silver. This project also includes the Gortdrum prospect, located on the southeast part of the project, which was discovered in 1966 and contained

4.2 million tonnes grading 1.2% copper and 23 g/t silver (historic estimate[1]). Open pit mining occurred from 1967 to 1975 with total production of 38,000 tonnes copper and 2.9 million ounces silver. Another prospect, Oola, is known to be an area of extensive historic silver-lead and copper workings, with records as early as the 13th Century.

The Company completed drill hole G11-2654-01 in the second quarter of 2019 at the Ballywire prospect ("Ballywire Hole"), located on the southeastern portion of the PG West project. This hole is a 260-metre step-out hole from FM-2654-1, a hole drilled in 2008 that intersected narrow high-grade mineralization (0.30 metres of 13.2% zinc + lead) within a wider (1.55 metre) intercept (grading 3.6% zinc+lead). The hole successfully intersected the strongest mineralization to date at the prospect. Three mineralized zones were encountered over a 36.5 metre interval at the base of the Waulsortian limestone, including:

- 0.90m of 5.8% Zn and Pb and 8 g/t Ag; and
- 1.45m of 6.3% Zn and Pb and 17 g/t Ag (including 0.20m of 35.1% Zn and Pb and 93 g/t Ag); and
- 1.85m of 6.4% Zn and Pb and 22 g/t Ag (including 0.75m of 13.1% Zn and Pb and 39 g/t Ag);

The Ballywire hole extends the Pallas Green Corridor an additional 10 kilometres, supporting the concept of a mineralized trend along the corridor.

The Company incurred $271,649 in exploration expenditures at PG West during the nine months ended September 30, 2019, primarily on drilling the Ballywire Hole ($103,376), the Tellus survey ($81,495 for the portion covering PG West), data compilation ($31,800) and license renewals ($40,132).

Ballinalack Project

The Ballinalack project ("Ballinalack") covers 312 square kilometres and is located approximately 50 kilometres west of the currently producing Navan Zinc-Lead Mine (Boliden AB). The Company holds a 60% interest in Ballinalack Resources Limited ("BRL"), the legal entity that owns the licenses comprising Ballinalack. The remaining 40% of BRL is owned by Shenzhen Zhongjin Lingnan Nonfemet Company Limited ("Nonfemet"), one of the largest zinc producers in China. The interest in BRL is consolidated, with the acquisition value of the project reflected in exploration and evaluation assets and ongoing exploration expenditures reflected on the income statement. The carrying value ascribed to the 40% interest in BRL held by Nonfemet is captured as non-controlling interest in the Financial Statements.

In 2018, the Company completed an updated independent Mineral Resource Estimate ("MRE") for Ballinalack shown in the below table. Mineralization is near-surface, occurring at depths ranging from 10 metres to 300 metres, and dips 15° to 20° to the north. A summary table is below, the details and supporting information are filed on www.sedar.com in the NI 43-101 Independent Report on Base Metal Exploration Project at Ballinalack, County Westmeath, Ireland with an effective date of January 11, 2019.

Summary Table of Mineral Resource Estimate at Ballinalack Zinc Project, Ireland

Resource Category	Tonnes	Grades			Metal Content (lbs)		
	('000)	Zn (%)	Pb (%)	Zn+Pb (%)	Zn ('000)	Pb ('000)	Zn+Pb ('000)
Inferred	5,400	7.6	1.1	8.7	898,000	136,000	1,034,000

Drilling commenced in late August of the third quarter, with one 717.5 metre hole completed (G11-1344-03) in early September targeting the area immediately north-west of the Ballinalack deposit at a total cost of $84,375. The assay results from this hole are still pending and the Company intends to drill two additional holes in the fourth quarter targeting the pale beds system along strike from the Ballinalack fault system. Total costs incurred during the nine months ended September 30, 2019 were $210,932and also included completing the 2018 MRE ($31,600) and data compilation ($60,121).

Silvermines

Silvermines is comprised of 21 PLs covering a total of 715 square kilometres. The Silvermines project is considered highly prospective for Irish Type zinc-lead deposits. The Cooleen prospect (e.g. 7.3 metres grading 16.0% zinc and lead in hole NX-11) has seen limited exploration activity over the past 20 years (the PLs were released from long-term moratorium in May 2015). The project is located adjacent to the historic Silvermines Zinc Mine which produced approximately 10.8 million tonnes grading 7.4% zinc and 2.7% lead between 1968 and 1982 (Boland et al, 1992). The Silvermines-Lisheen region is unique from a global perspective given that four past producing zinc mines (Galmoy, Lisheen, Tynagh and Silvermines) and four known zinc prospects (Rapla, Dearykearn, Crinkill and Cooleen) exist within a relatively short (30 kilometre) radius.

During the nine months ended September 30, 2019, the Company incurred $162,204 in exploration expenditures at Silvermines, primarily in the Silvermines North section of the property on the recently completed Tellus survey ($49,127 for the portion covering Silvermines), as well as, data reprocessing and interpretation ($21,482) of existing Tellus data, and data compilation in preparation for the 2020 drill season ($36,517).

Tralee

The Tralee project covers approximately 513 square kilometres and consists of seven PLs in the Kerry Head and Fenit areas and an additional eight PLs in the Castleisland area. The project area is underlain by two regional anticlines of Waulsortian (WL) limestone along the 'Navan-Silvermines' and 'Rathdowney' mineralized trends, respectively. Tralee hosts high-grade drill intercepts (up to 17% zinc and lead, 0.73% Cu and 185 g/t Ag over 1.5m) and a number of lead-silver, zinc and copper showings (including medieval mine workings). Significant historical drilling (approximately 14,000 metres) has been conducted on the property, though much of this was shallow (particularly at Kerry Head where drilling was completed to approximately 20 metre depths).

The Company views Tralee as one of the most overlooked parts of the 'Irish Orefield'. One of the key aims for Group Eleven is to determine if the Castlemaine prospect hosts significant zinc-lead (and silver) mineralization. A galena-rich grab sample from surface float at the Castlemaine prospect was recently assayed and returned 223 g/t Ag, 13.5% zinc and 17.9% lead, representing the highest silver grade observed to date on the Tralee project. This compares to a sphalerite-rich float sample collected by the Company at Castlemaine, which returned an assay of 50.5% zinc and 8.9 g/t silver. Both samples are believed to be derived from dumps from medieval workings in the area.

For the nine months ended September 30, 2019, the Company incurred minimal ($35,691) expenditures at Tralee, primarily for data compilation.

Exploration Property Expenditures

Exploration and evaluation expenditures for each project, excluding acquisition costs, have been expensed in the statements of loss and comprehensive loss in the Financial Statements:

	Nine months ended September 30, 2019	From Acquisition to December 31, 2018
Stonepark Project	$ 256,949	$ 725,569
PG West Project	271,649	818,301
Ballinalack Project	210,932	795,521
Silvermines Project	162,204	563,140
Tralee Project	35,690	338,523
Ferbane and Kilkenny Projects	2,658	19,799
Total Cumulative Expenditures	**$ 940,082**	**$ 3,260,853**

The licenses for the Ferbane and Kilkenny projects were not renewed on their March 30, 2019 renewal date.

Results from Operations

The following is a summary of results from the Company's consolidated financial statements:

Nine months ended September 30	2019	2018	2017 Restated
Loss and Comprehensive loss	$ (2,260,027)	$ (2,507,048)	$ (1,683,153)
Basic and diluted loss per share	(0.04)	(0.04)	(0.05)

As at	September 30, 2019	December 31, 2018	December 31, 2017
Cash	$ 690,242	$ 1,936,921	$ 5,050,079
Total Assets	9,707,595	11,030,358	14,194,667
Share capital	13,536,456	13,027,584	13,027,584
Deficit	(8,633,943)	(6,561,119)	(3,202,592)

For the nine months ended September 30, 2019, the loss and comprehensive loss was $247,021 lower than for the comparable nine months ended September 30, 2018 primarily as a result of the following:

- Marketing and investor relations costs decreased $229,068 from 2018 due to lower marketing and business development activity in 2019;
- General and administrative expenses were $83,656 lower in 2019 compared with 2018 as the Company incurred additional costs in 2018 related to listing on alternative securities exchanges.
- Exploration expenses were $80,954 lower as the Company was actively drilling on the Ballinalack project (early 2018) and at Stonepark (mid-2018), as well as undertaking other geophysical work on Stonepark; whereas in 2019, the Company has limited exploration to the completion of the Limerick drill program commenced late in 2018, including the PG West and Stonepark projects, and commenced drilling at Ballinalack late in the third quarter.

These decreases were offset by an increase in personnel costs (management fees and salaries) of $114,182 from 2018 due to additional personnel hired in mid-2018 that continued for most of 2019.

Cash decreased $1,246,679 from 2018 due to the loss from operations ($2,260,027), less non-cash charges of $80,864, and a $35,493 change in working capital. This was offset by proceeds of $465,872 from two private placements closed in April of 2019 and the contribution from Nonfemet of $431,119 for their contribution to Ballinalack related expenditures.

The following selected financial information is a summary of the eight most recently completed quarters ending on September 30, 2019.

	Sept 30, 2019	June 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	June 30, 2018	Mar 31, 2018	Dec 31, 2017
Comprehensive Loss	$664,593	$794,188	$801,246	$1,171,069	$ 873,208	$ 902,361	$ 731,479	$ 768,884
Basic and Diluted Loss per Share	0.01	0.01	0.01	0.02	0.01	0.02	0.01	0.02

The Company and its business are relatively new, and the Company's expenses and cash requirements may fluctuate and lack some degree of comparability from period to period. The Company's quarterly results may be affected by many factors such as timing of exploration activity, share-based payment costs, marketing activities and other factors that affect Company's exploration and financing activities. Furthermore, the Company's level of expenses may also be affected by the strength of capital markets as the Company's primary source of funding is through the issuance of share capital and exploration activity is dependent on the availability of financing.

Liquidity and Capital Resources

The Company had cash of $690,242 at September 30, 2019 compared to $1,936,921 at December

31, 2018. The Company has forecast its cash requirements for the next year and believes it has sufficient cash resources and liquidity to support the ongoing sustaining costs for the Company. However, in order to meet future property expenditure requirements and continue exploration activities at historic levels, the Company will need to raise additional funds or reduce the number of PL's currently being maintained. Historically, capital requirements have been primarily funded through equity financing, but the Company is currently also evaluating potential additional sources of capital through joint ventures, option agreements, and strategic alliances. While the Company has been successful in raising capital in the past, there can be no assurance that the Company will be able to do so in the future. If the Company is unable to raise sufficient capital to meet the property expenditure requirements and cover ongoing costs, the Company will look to defer or delay planned exploration expenditures. The Company also maintains the option to release PL's where required to conserve costs or focus on priority exploration areas.

For the remainder of 2019, the Company is required to make exploration expenditures to meet spending requirements at Ballinalack and PG West in order to maintain existing license holdings. The total spending requirements, due over the third and fourth quarter, are €500,000 and €10,000, respectively, for each of the properties.

Financial Instruments

The Company's activities potentially expose it to a variety of financial risks, including liquidity risk, interest rate risk, foreign exchange currency risk, and commodity price risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at September 30, 2019, the Company had working capital of $332,563. Management believes that the Company has sufficient financial resources to sustain minimum operating requirements, however it will need to raise additional funds to meet future expenditure requirements.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is currently not exposed to any interest rate risk as cash is held in a non-interest bearing account and the Company does not hold any interest bearing liabilities.

Foreign Exchange Risk

The Company's functional currency is the Canadian dollar. There is a foreign exchange risk to the Company as its exploration and evaluation property interests and resulting future commitments are located in Ireland. The Euro translation rate has experienced volatility over the last several years as a result of monetary policies adopted by the European Central Bank. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company has a policy of not engaging in hedging activities to address this foreign currency risk. At September 30, 2019, the Company had Euro denominated current assets of €492,961 and Euro denominated current liabilities of €231,715. Accordingly, a 10% change in the foreign exchange rate would result in a $37,719 credit or charge to operations.

Commodity Price Risk

While the value of the Company's exploration and evaluation assets is related to the price of zinc and other minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks with respect to its operational activities. Zinc and other mineral prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, the perception of market participants about the price and future price prospects for zinc, changes in manufacturing and construction activity as well as other industrial demands, levels of worldwide production, and forward sales by producers and speculators.

Subsequent Events

On October 15, 2019, the Company closed a non-brokered private placement (the "Financing") with Glencore Canada Corporation, issuing 8,400,000 units ("Units") at a subscription price of $0.12 per Unit, for total proceeds of $1,008,000. Each Unit consists of one common share and one half non-transferrable common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at $0.24 per share for 36 months from the date of issue.

On October 17, 2019, the Company granted options to purchase 770,000 common shares to certain officers and employees at an exercise price of $0.08 per share. The options expire on October 17, 2022. The options vest as to one-third immediately, one-third on October 17, 2020. On November 6, 2019, the Company granted additional options to purchase 60,000 common shares to an employee at an exercise price of $0.08 per share. The options expire on October 17, 2022. The options vest as to one-third immediately, one-third on October 17, 2020.

Contractual Obligations

The Company does not have any contractual obligations as at September 30, 2019.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements and no short or long-term debt obligations.

Related Party Transactions

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Their remuneration includes the following:

		September 30,	
	Position	**2019**	**2018**
Salaries and benefits paid or accrued to:			
Bart Jaworski (Note 1)	CEO, Director	$ 146,121	$ 159,162
David Furlong (Note 2)	COO	110,232	111,735
Shaun Heinrichs (Note 3)	CFO	92,400	99,000
Spiros Cacos (Note 4)	VP Investor Relations	108,750	43,750
Rebecca Furlong (Note 5)	Geologist	–	37,591
Management fees paid or accrued to:			
John Barry (Note 6)	VP Exploration	90,333	84,130
Professional fees paid or accrued to:			
Sheryl Dhillon (Note 7)	Corporate Secretary	14,750	15,750
Share-based payments paid to:			
Bart Jaworski	CEO, Director	16,400	–
David Furlong	COO	10,250	5,467
John Barry	VP Exploration	5,125	1,708
Shaun Heinrichs	CFO	10,250	–
Spiros Cacos	VP Investor Relations	–	28,627
Rebecca Furlong	Geologist	–	1,122

Note 1: Compensation paid to Bart Jaworski has been reported as salaries and benefits.
Note 2: Compensation paid to David Furlong has been reported as salaries and benefits (2019 - $85,378; 2018

– $50,526) or exploration expense (2019 - $24,854; 2018 - $61,209).

Note 3: Compensation paid to Shaun Heinrichs has been reported as salaries and benefits.

Note 4: Compensation paid to Spiros Cacos has been reported as salaries and benefits.

Note 5: During 2018, compensation paid to Rebecca Furlong was reported as salaries and benefits ($30,364) or exploration expense ($31,960). Rebeca Furlong ceased being an insider of the Company on December 21, 2018.

Note 6: Compensation paid to John Barry has been reported as management fees.

Note 7: The professional fees paid to Sheryl Dhillon has been reported as professional fees.

Outlook

For the remainder of 2019, the Company will continue to focus on a two-pronged parallel approach: (a) 'Big Think' exploration, which relies on a regional-scale reinterpretation of Irish zinc geology combined with cutting-edge exploration methods and an open-minded approach and (b) drill testing high-specificity targets at Ballinalack, Stonepark, Silvermines and other properties.

Specifically, the Company looks forward to focusing on the following, over the next 12 months:

- Further analyzing recently completed drilling at Stonepark and PG West,
- Completion of exploration drilling at Ballinalack (testing for Navan-bed hosted mineralization beneath the existing deposit),
- Incorporating data from the Tellus airborne geophysical survey over Stonepark/PG West and Silvermines, and
- Starting exploration drilling at Stonepark in Q1 2020, based on preliminary drilling and Tellus data.

The Company currently intends to carry out the exploration plans required to meet minimum spending requirements and significantly advance our understanding at each of the key projects. Final plans for the balance of 2019 and 2020 will depend on results from work completed in prior periods as well as available funding. The focus of exploration will be on Ballinalack (50%) and Limerick (31%), with the remainder spent relatively evenly between Silvermines (10%) and Tralee (9%). Should additional funds become available, the Company will look to increase planned exploration in target areas within the primary properties.

The recently completed drilling program in the Limerick region will complement and advance the ongoing 'Big Think' exploration strategy. This information, providing important 3D geological information, and existing geological data will be combined with data from the recently completed Tellus airborne survey, consisting of a 24,700 line-km survey collecting Magnetics, EM and Radiometrics data, to produce high-priority drill targets for a drill program starting in early 2020. The focus of this program will be to identify and follow large regional feeder structures towards a potential new zinc discovery.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities; as well as the reported expenses during the reporting period. Such estimates and assumptions affect the determination of the carrying value and the recoverability of exploration and evaluation assets and the inputs used in calculating the fair value of share-based payment expense. Management re-evaluates its estimates and assumptions on an ongoing basis; however, due to the nature of estimates, actual amounts could differ from its estimates. The most critical accounting estimates upon which the Company depends are those requiring estimates of reserves and resources, future recoverability of assets, and assumptions around future commodity prices.

Share-based Payments

The Company provides compensation benefits to its employees, directors, officers and consultants through a share-based compensation plan. All share-based awards are measured and recognized based on the grant date fair value. Fair value is determined using the Black Scholes option pricing model. As the Company does not have a material trading history, the volatility was determined based on the junior gold miners index (GDXJ). The Company utilizes historical data to estimate the expected option term for input into the valuation model. The risk-free rate for the expected term of the applicable option is based on the risk-free lending rate for the Bank of Canada.

Significant and Recently Adopted Accounting Policies

The Company's significant account policies are described in Note 2 of the audited annual consolidated financial statements for year ended December 31, 2018. Effective January 1, 2019, the Company adopted IFRS 16 Leases ("IFRS 16"). IFRS 16 replaces IAS 17 Leases ("IAS 17"). IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has adopted IFRS 16 using the modified retrospective application method, where the 2018 comparatives are not restated and a cumulative catch up adjustment is recorded on January 1, 2019 for any differences identified, including adjustments to opening retained earnings balance.

The Company analyzed its contracts to identify whether they contain a lease arrangement for the application of IFRS 16. No such contracts were identified, and as a result, the adoption of IFRS 16 resulted in no impact to the opening retained earnings on January 1, 2019.

The following is the Company's new accounting policy for financial instruments under IFRS 16:

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

Disclosure Controls and Procedures

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in National Instrument

52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Outstanding Share Data

As at November 29, 2019, there were 72,559,504 common shares outstanding and warrants and stock options outstanding to purchase an aggregate of 10,890,703 and 4,160,000 common shares, respectively. MAG Silver and Glencore are 13.1% and 11.6% shareholders and hold 4,632,950 and 4,200,000 of the outstanding warrants, respectively, equivalent to an additional 6% each of the Company's outstanding common shares.

Risks and Uncertainties

Exploration and Development of Mineral Resource Properties

The mineral exploration business is inherently risky, and most exploration projects will not become mines. Commercial development of any Group Eleven property will occur only if sufficient quantities of minerals at sufficient average grades are discovered and can be economically produced. If a mineral discovery is made, substantial financial resources will be required to establish ore reserves, develop processes to extract metal from the ore and develop mining and processing facilities at a given site.

Calculation of Reserves, Resources and Metal Recoveries

There is a degree of uncertainty attributable to the calculation and estimates of reserves and resources and the corresponding metal grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Company's properties. To date, the Company has not established reserves on any of its mineral properties.

Title to Assets

Although the Company has received title opinions for certain properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Company has conducted as thorough an investigation as possible on the title of properties that it has acquired to confirm that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Company's properties is disputed it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

Uncertainty of Funding

The ability of Group Eleven to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Group Eleven's principal source of financing currently is through the issuance of common shares and/or possibly entering into option and joint venture agreements. Sufficient funding for future exploration and development of its properties may not be available when and as required. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

Zinc Price Fluctuations

The ability of the Company to raise funds to continue exploration of the mineral properties in which it has an interest will be significantly affected by changes in the market price for zinc. Prices for base metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as demand growth from China and the rest of the world, world mine supply dynamics, currency fluctuations, interest rate changes, capital availability, speculative activities, and political developments. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not being able to continue its planned exploration programs. Declining market prices for these metals could materially adversely affect the Company's operations and financial condition.

Government Regulation

Although Ireland has a favorable legal and fiscal regime for exploration and mining, including a relatively simple system for the acquisition of mineral titles and relatively low tax burden, possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Competitive Conditions

The profitability of any prospect is dictated by the market for minerals, which is influenced by many factors including changing production costs, supply and demand, inflation, and the political environment. The Company's success is also dependent on the knowledge and expertise of its management and employees and their ability to identify and advance attractive exploration projects and targets. The competition for highly qualified personnel is strong and there is no guarantee that the Company will be able to retain or attract such personnel.

Forward Looking Information

This MD&A provides management's analysis of Group Eleven's historical financial and operating results and provides estimates of Group Eleven's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking information. By their nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, undue reliance should not be placed on forward-looking information. Group Eleven's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur or, if any of them do so, what benefits Group Eleven will derive there from. Group Eleven disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable law.