



## **Group Eleven Resources Corp.**

Management Discussion and Analysis

For the Three and Nine Months Ended September 30, 2022

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## **General**

This Management's Discussion and Analysis ("MD&A" or "Report") of the financial condition of Group Eleven Resources Corp. ("Group Eleven" or "the Company") and results of operations of the Company for the nine months ended September 30, 2022 (the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at November 21, 2022 (the "Report Date"). The Report should be read in conjunction with the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2022 and the notes thereto, and the audited consolidated financial statements for the year ended December 31, 2021 and the notes thereto (collectively, the "Financial Statements"), which have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and within which the Company's accounting policies are described in Note 2. All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

## **Overview**

Group Eleven is an emerging zinc exploration and development company, focused on resource expansion and drill target testing to discover Ireland's next major zinc deposit. The Company holds 35 Prospecting Licenses ("PLs") in Ireland, comprising over 1,046 square kilometres on three main properties which are highly prospective for Irish Type zinc-lead deposits. Ireland ranks as one of the largest zinc producers in Europe and is host to some of the world's largest zinc deposits. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol ZNG and on the OTC under the symbol GRLVF.

## **2022 Highlights**

- On February 2, 2022, the Company announced the start of drilling at the Stonepark project, consisting of a 2,300 metre, 6-hole drill program. On June 16, 2022, the Company announced the results of the first three holes of this program, including the intersection of a major fault structure with at least 150 metres of vertical displacement and local zinc mineralization in both the hangingwall and footwall, at the Carrickittle West prospect.
- On February 23, 2022, the Company closed a non-brokered private placement of 20,831,666 units at a subscription price of \$0.12 per unit, for total proceeds of \$2,499,800.
- On April 5, 2022, the Company announced drilling at the Carrickittle prospect extended Zone 1 by 30 metres and intersected zinc mineralization 750 metres northwest of Zone 1.
- On May 5, 2022, the Company announced that drilling at the Tullacondra copper-silver prospect, designed to test the historic estimate, intersected the best hole drilled to date at the prospect: 130.1m of 0.50% Cu and 20.8 g/t Ag (from 5.0m downhole depth; true width 60-90% of intercepted width), including 65.1m of 0.64% Cu and 29.5 g/t Ag. On August 9, 2022, the Company announced that it was awarded an additional PL on the west side of the Tullacondra prospect.
- On May 15, 2022, Shaun Heinrichs resigned as Chief Financial Officer of the Company, and on May 16, 2022, Jeannine Webb was appointed as Chief Financial Officer of the Company.
- On July 19, 2022, at the Company's Annual General Meeting, all resolutions placed before the shareholders were passed.
- On September 6, 2022, the Company announced a discovery hole (G11-468-03) at the Ballywire prospect which intersected a 66.0-metre zone of mineralization hosting 5.00 metres of 8.3% Zn+Pb (6.2% Zn and 2.1% Pb) and 107 g/t Ag; and 6.85 metres of 15.4% Zn+Pb (11.1%

Zn and 4.3% Pb) and 160 g/t Ag; and 1.71 metres of 12.2% Zn+Pb (10.3% Zn and 1.9% Pb) and 38 g/t Ag; and 0.96 metres of 5.1% Zn+Pb (4.4% Zn and 0.8% Pb) and 15 g/t Ag. This hole was drilled 410 metres away from any previous drilling

- On September 13, 2022, incentive stock options were granted, allowing for the purchase of up to, in the aggregate, 1,585,000 common shares of the Company at \$0.10 per share for a period of 5 years, and a total of 600,000 deferred share units were granted to three independent Directors as an annual award for services provided.
- On September 27, 2022, the Company announced plans to conduct follow-up drilling at the Ballywire and Carrickittle West prospects, starting in 4-6 weeks and later in 2022, respectively.

## **Report on Operations**

During the nine months ended September 30, 2022, the Company completed drilling on the northwestern extension of Zones 1-4 of the Carrickittle prospect (PG West project), tested the historic estimate at the Tullacondra prospect (near the PG West project), completed the first three holes at the Stonepark project and completed four holes at the Ballywire prospect (PG West project).

### **PG West (Limerick Region, Ireland)**

The PG West project, including the Gortdrum and Denison prospects, as well as the nearby Tullacondra prospect, comprises 22 PLs covering 650 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, an advanced zinc prospect within the Pallas Green Corridor, a 25-kilometre-long trend hosting Glencore's Pallas Green deposit in the north and the Company's Carrickittle, Ballywire and Denison prospects to the south. The recently acquired Tullacondra prospect (3 PLs; 84 square kilometres) is located approximately 20 kilometres south of the PG West project.

On April 5<sup>th</sup>, 2022, the Company announced the completion of a first-pass reconnaissance drill program at the 1km northwest extension at the Carrickittle prospect, extending from the Zone 1-4 target area. Hole G11-2840-26 extended mineralization from Zone 1 by 30 metres to the northwest, intersecting 9.33m of 0.48% Zn+Pb and 8.1 g/t Ag (true width 81% of intercepted width), including: (a) a narrow high-grade zone (0.10m of 20.0% Zn+Pb and 6.6 g/t Ag) and (b) a separate Cu-Ag bearing zone (2.77m of 0.10% Cu, 20.4 g/t Ag and 0.40% Zn+Pb, including 0.91m of 0.17% Cu, 37.6 g/t Ag and 0.41% Zn+Pb). Three other holes drilled over 750m to the northwest from Zone 1 returned encouraging results (local zinc mineralization in bedrock, suspected highly-weathered residuals of Zn-Pb mineralization and black-matrix breccia) despite not being able to directly test the target horizon due to significant karst cavities and faulting (with one hole lost mid-way due to excessive cavities).

On May 5, 2022, the Company announced that drilling at the Tullacondra copper-silver prospect, designed to test the historic estimate, intersected the best hole drilled to date at the prospect. Hole G11-3535-01 intersected 130.1 metres of 0.50% Cu and 20.8 g/t Ag (from 5.0 metres downhole depth; true width 60-90% of intercepted width), including 65.1 metres of 0.64% Cu and 29.5 g/t Ag (versus 106.4 metres of 0.56% Cu and 24.2 g/t Ag, historically). A silver-rich portion of the interval measured 3.95 metres of 143.7 g/t Ag and 1.24% Cu (from 97.6 metres; true width 80% of intercepted width), including 0.20 metres of 639.0 g/t Ag and 4.54% Cu, representing the highest silver grade attained to date at the prospect (versus 426.1 g/t Ag, historically). A newly identified zone of 13.2 metres grading 0.37% Cu and 16.3 g/t Ag (true width 80% of intercepted width) was intersected from 121.9 metres downhole, including a silver and copper-rich horizon of 0.40 metres of 303.0 g/t Ag and 5.37% Cu (highest copper grade to date at the prospect, versus 1.78% Cu, historically). Mineralization in G11-3535-01: (a) is significantly wider than in the two closest historic holes collared 50m to the north and south (64.1 metres of 0.71% Cu and 25.6 g/t Ag; and 10.1 metres of 0.38% Cu and 10.1 g/t Ag, respectively); and (b) confirms the continuity of robust Cu-Ag mineralization intersected in historic

holes drilled over 50 metres to the east and west, respectively.

Overall, the historic estimate at Tullacondra remains open in most directions and potential exists to find look-alike bodies elsewhere on the property (e.g. two historic holes drilled 470 metres apart and over 300 metres to the south intersected 42.7 metres of 0.14% Cu and 9.2 metres of 0.17% Cu, respectively). Zinc potential exists at Tullacondra within the Waulsortian Limestone which is preserved on the property and underlain by stratigraphically-lower, copper-bearing horizons. The expanded ground position (additional PL acquired in the Period) covers the western extension of Waulsortian Limestone, adding further compelling zinc exploration upside to what is already an exciting copper-silver prospect.

At Ballywire, the Company completed four holes totaling 1,400 metres. Individual holes stepped-out between 323-546m from G11-468-01, which intersected 3.30m of 12.5% Zn+Pb (10.1% Zn and 2.4% Pb) and 48 g/t Ag. One of these four holes, G11-468-03, intersected a broad zone of zinc-lead-silver mineralization over a width of 66.0 metres, including four higher-grade zones (true width estimated to be 80-100% of intercepted width) as follows: 5.00 metres of 8.3% Zn+Pb (6.2% Zn and 2.1% Pb) and 107 g/t Ag (starting at 228.2 metres downhole), including 2.03 metres of 18.8% Zn+Pb (13.9% Zn and 4.9% Pb) and 227 g/t Ag; 6.85 metres of 15.4% Zn+Pb (11.1% Zn and 4.3% Pb) and 160 g/t Ag (starting at 251.6 metres), including 2.05 metres of 40.8% Zn+Pb (30.5% Zn and 10.3% Pb) and 385 g/t Ag; 1.71m of 12.2% Zn+Pb (10.3% Zn and 1.9% Pb) and 38 g/t Ag (starting at 268.9m); and 0.96 metres of 5.1% Zn+Pb (4.4% Zn and 0.8% Pb) and 15 g/t Ag (starting at 274.7 metres). The intercepts contain several massive sulphide zones up to 2.95 metres thick. This discovery hole represents a 410-metre step-out NE of G11-468-01. The discovery area around G11-468-03 remains open and untested along strike for approximately 3km to the ENE and 1.5km to the W, as well as up-dip to the NNW for at least 500m.

On September 27, 2022, the Company announced plans to conduct follow-up drilling at the Ballywire, starting in 4-6 weeks (pending permitting approvals). The drill plan consists of five holes (totaling 1,500 metres) drilled at step-out distances ranging from 100 metres to 250 metres from discovery hole G11-468-03.

The Company incurred \$660,997 in exploration expenditures at PG West (which amount includes \$56,740 at Tullacondra) during the nine months ended September 30, 2022, primarily on drilling at Carrickittle and Tullacondra, as well as on data compilation and project supervision.

### **Stonepark Project (Limerick Region, Ireland)**

The Stonepark project comprises 6 PLs covering an area of 183.6 square kilometres. The Company holds a 76.56% interest in TILZ Minerals Ltd. ("TILZ"), the legal entity that holds the licences encompassing the Stonepark project. The remaining 23.44% equity interest in TILZ is held by Arkle Resources PLC ("Arkle"), 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 Statements of Loss and Comprehensive Loss in the Company's Financial Statements. The carrying value ascribed to Arkle's 23.44% interest in TILZ is captured as non-controlling interest in the Financial Statements.

Stonepark hosts three main zones of known mineralization: Stonepark North, Stonepark and Stonepark West, located several kilometres west of Glencore's Pallas Green deposit. These zones of mineralization host a Mineral Resource Estimate ("MRE") 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 details and supporting information for the MRE are filed on [www.sedar.com](http://www.sedar.com) and 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.

On February 2, 2022, the Company announced the start of drilling at the Stonepark project,

consisting of a 2,300 metre, 6-hole drill program. On June 16, 2022, the Company announced the results of the first three holes this program. One of these holes, G11-2531-01, a 400m step-out drilled at the Carrickittle West prospect, intersected the fault structure showing a large vertical displacement of at least 150m and hosting a 13.9m interval containing local arsenopyrite and sphalerite (including 3.44m of 0.14% Zn+Pb, starting at 539m) in the immediate hanging wall; a second mineralized zone was also intersected in the footwall (at 591m) within a dyke (0.19m of 0.56% Zn+Pb). This newly identified structure points to a new high-priority zinc target several hundred metres to the north. On September 27, 2022, the Company announced its intention to conduct follow-up drilling at Carrickittle West, starting later in 2022 and consisting of one hole totaling up to 1,100m, stepping out 300-500m to the north from hole G11-2531-01.

On September 15, 2022, the Company announced the re-start of the remainder of the Stonepark drill program.

The Company spent \$344,320 during the nine months ended September 30, 2022 on the Stonepark project, primarily on drilling, data compilation and project supervision as the Company completed planning for and commencement of the 2022 drill program.

### **Ballinalack Project (Ireland)**

The Ballinalack project ("Ballinalack") consists of 5 PLs covering 169.0 square kilometres and is located approximately 50 kilometres west of the currently producing Tara Zinc-Lead Mine (Boliden AB), near Navan. The Company holds a 60% interest in Ballinalack Resources Limited ("BRL"), the legal entity that owns the licences 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 Statements of Loss and Comprehensive Loss in the Company's Financial Statements. The carrying value ascribed to Nonfemet's 40% interest in BRL is captured as non-controlling interest in the Financial Statements.

Ballinalack hosts a MRE of 5.4 million tonnes grading 8.7% zinc and lead combined (7.6% zinc and 1.1% lead) in the Inferred Mineral Resource category. The details and supporting information of the MRE are filed on [www.sedar.com](http://www.sedar.com) and 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.

The Company incurred minimal costs in the nine months ended September 30, 2022.

### **Silvermines (Ireland)**

Silvermines is comprised of 2 PLs covering a total of 43.0 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 region is unique from a global perspective given that four past producing zinc mines (Galmoy, Lisheen, Tynagh and Silvermines) and three known zinc prospects (Rapla, Derrykearn and Cooleen) exist within a relatively short (30 kilometre) radius.

The Company incurred expenditures of \$58,260 at the Silvermines project during the nine months ended September 30, 2022.

### Exploration and Evaluation Assets Expenditures

Exploration and evaluation expenditures incurred by the Company, excluding acquisition costs, have been expensed in the Statements of Loss and Comprehensive Loss in the Company's Financial Statements, the details of which follow:

	Nine months ended September 30, 2022	From Acquisition to September 30, 2022
	(\$)	(\$)
PG West Project	660,997	2,860,880
Stonepark Project	344,320	1,446,723
Ballinalack Project	52	1,080,215
Silvermines Project	58,260	698,018
Tralee Project	-	357,148
General exploration	19,869	19,869
<b>Total Cumulative Expenditures</b>	<b>1,083,498</b>	<b>6,462,853</b>

### General and administrative expenditures

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(\$)	(\$)	(\$)	(\$)
Exploration expenditures	<b>414,148</b>	177,297	<b>1,083,498</b>	668,996
Professional fees and salaries and benefits	<b>136,507</b>	174,445	<b>420,423</b>	494,315
Marketing and investor relations	<b>10,906</b>	31,959	<b>63,557</b>	108,125
General and administrative	<b>33,026</b>	27,668	<b>109,435</b>	34,080
	<b>594,587</b>	411,369	<b>1,676,913</b>	1,305,516
Interest income	<b>(777)</b>	271	<b>(1,210)</b>	(1,850)
Depreciation	<b>1,265</b>	1,265	<b>3,794</b>	3,793
Foreign exchange loss	<b>42,587</b>	232,659	<b>144,581</b>	291,144
Share based payments	<b>54,091</b>	12,867	<b>61,111</b>	38,602
<b>Loss for the period</b>	<b>691,753</b>	<b>658,431</b>	<b>1,885,189</b>	<b>1,637,205</b>

### For the nine months ended September 30, 2022 ("Period 2022") as compared with the nine months ended September 30, 2021 ("Period 2021")

Loss for Period 2022 rose slightly as compared with the loss for Period 2021 due to increased drilling activities. Exploration expenditures in Period 2022 of \$1,083,498 were expended primarily on drilling at the Carrickittle, Tullacondra and Ballywire prospects at or near the PG West project, and at the Stonepark project. As the Company's functional currency is the Canadian dollar, fluctuations in the Euro gave rise to a foreign exchange loss for Period 2022 of \$144,581 as compared with a loss of \$291,144 in Period 2021. The Company recognized share-based payments of \$61,111 in Period 2022 as compared with \$38,602 in Period 2021 on the granting of stock options on September 13, 2022 and the vesting of previously granted stock options during the period. At September 30, 2022, cash was at \$1,703,761 with the financing closed in February 2022 for gross proceeds of \$2,499,800 (cash December 31, 2021: \$943,686).

**For the three months ended September 30, 2022 ("Q3/22") as compared with the three months ended September 30, 2021 ("Q3/21")**

The loss for Q3/22 of \$691,753 as compared with \$658,431 for Q3/21 resulted primarily from the continued drilling at the Carrickittle and Tullacondra prospects (at and near the Company's PG West) and at the Stonepark project, and the fluctuation in the Euro in relation to the Canadian dollar.

**Summary of Quarterly Results**

The table below presents selected financial data for the Company's eight most recently completed quarters.

	2022			2021			2020	
	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Comprehensive Loss	691,753	724,076	469,360	408,455	658,531	531,345	447,429	764,218
Basic and Diluted Loss per Share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01

The Company's expenses fluctuate from period to period primarily as a result of changes in the level of exploration activity during the period and, therefore, lack some degree of comparability. Exploration activity will vary depending on the availability of funding, primarily sourced from equity financing, and property expenditure requirements needed to maintain the PLs in good standing.

During the first nine months of 2022, the Company completed drilling at the Carrickittle prospect (PG West project), the Tullacondra prospect (located near the PG West project), the Stonepark project and the Ballywire prospect (PG West project; see "Report on Operations" in this MD&A).

**Liquidity and Capital Resources**

The Company had cash of \$1,703,761 as at September 30, 2022 compared to \$943,686 at December 31, 2021. During the nine months ended September 30, 2022, the Company completed a private placement for total proceeds of \$2,499,800, and continued exploration at the PG West and Stonepark project areas within the Limerick region.

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. To continue meeting future property expenditure requirements and maintain exploration activities at historic levels, the Company will need to raise additional funds. While the Company has been successful in doing so in the past, there can be no assurance that the Company will be able to do so in the future. Factors that affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets, and investor perceptions and expectations of the global markets, mining, and the zinc sector in particular.

The Company is required to make exploration expenditures on a bi-annual basis in order to maintain existing land holdings. All spending requirements in 2021, primarily at PG West (€20,000), were met with work completed during the year. Previously expected spending requirements at Ballinalack, €250,000 originally due in 2021 and subsequently extended to 2022, are now deferred until 2025 under the current license renewal, which requires the Company to spend a total of €462,500 prior to the next renewal in February 2025. On renewal of exploration licenses in 2022, the Company will be required to have spent an additional €210,000 on various licenses at or near PG West (including €20,000 at Tullacondra and €60,000 at Silvermines) and €240,000 on the Stonepark project, most of which is required to be spent by the fourth quarter of 2022. The Company plans to complete these expenditures. During 2023, the Company will be required to spend €19,900 at Gortdrum and €30,000 at Aherlow. During the Period, the Company renewed certain exploration licenses that were due at the Tullacondra, Gortdrum, and Stonepark projects.



## **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, 2022 the Company had working capital of \$1,154,137 (December 31, 2021: \$452,841). Within current liabilities, \$335,630 (December 31, 2021: \$219,568) pertains to the joint venture partner contributions from Nonfemet, for the purposes of exploration at Ballinalack. On July 12, 2019, Nonfemet contributed €298,600 (\$435,448) to fund future exploration at Ballinalack. As at September 30, 2022, €146,027 had been converted to equity along with a matching contribution of €219,041 from the Company. The Company is required to fund the remaining €228,859 to BRL to maintain the current 60% interest or, alternatively, reduce the Company's current interest in BRL or return the remaining excess contribution amount to Nonfemet. Once the Company has made the required advances, BRL intends to issue shares to the Company and Nonfemet to recognize the advances as capital contributions.

Management believes that the Company has sufficient financial resources to meet its obligations as they come due and to maintain existing operations, however it will need to raise additional funds to continue advancing exploration on key projects in the future.

### *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, 2022, the Company had Euro denominated current assets of €1,019,461 and Euro denominated current liabilities of €417,747. Accordingly, a 10% change in the foreign exchange rate would result in a \$80,527 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.

## **Contractual Obligations**

The Company does not have any contractual obligations as at September 30, 2022.

## **Subsequent Events**

- October 11, 2022: warrants allowing for the acquisition of up to, in the aggregate, 4,200,000 shares of the Company at \$0.24 per share expired.
- October 17, 2022: stock options allowing for the acquisition of up to, in the aggregate, 390,000 shares of the Company at \$0.08 per share expired.

## **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

## **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:

	Position	Nine Months Ended September 30,	
		2022	2021
		(\$)	(\$)
Salaries and benefits paid or accrued to:			
Bart Jaworski <sup>(1)</sup>	CEO, Director	136,465	154,919
David Furlong <sup>(2)</sup>	COO	88,519	100,670
Shaun Heinrichs <sup>(3)</sup>	CFO until May 15, 2022	49,500	99,000
Professional fees paid or accrued to:			
Sheryl Dhillon <sup>(4)</sup>	Corporate Secretary	16,966	15,750
Jeannine Webb <sup>(5)</sup>	CFO effective May 16, 2022	36,000	-
Share-based payments paid to:			
Bart Jaworski	CEO, Director	10,948	4,902
David Furlong	COO	7,756	3,726
Shaun Heinrichs	CFO	1,374	3,726
Sheryl Dhillon	Corporate Secretary	2,055	1,072
Dan MacInnis	Director	6,161	-
Brendan Cahill	Director	6,161	-
Alessandro Bitelli	Director	6,161	-
Ken Klassen	Director	6,617	-
		<b>374,683</b>	<b>383,765</b>

<sup>(1)</sup> Reported as salaries and benefits

<sup>(2)</sup> Reported as salaries and benefits (2022 - \$51,458; 2021: \$39,099), or exploration expense (2022: \$37,062; 2021: \$61,571)

<sup>(3)</sup> Reported as salaries and benefits

<sup>(4)</sup> Reported as professional fees

<sup>(5)</sup> Reported as professional fees

## **Outlook**

As a result of Group Eleven's regional synthesis conducted over the last few years, the Stonepark (76.56% interest) and PG West (100%) projects, in the Limerick basin, have been identified as core assets for the Company. The Company plans to keep this Limerick ground position, plus smaller core prospects at the Ballinalack and Silvermines projects, in good standing.

Over the last several months, two major events have significantly enhanced the prospects of the Company. Most importantly, on September 6, 2022, the Company announced a zinc-lead-silver discovery at Ballywire. Secondly, on June 16, 2022, the Company announced that drilling at the Carrickittle West prospect identified a prospective, major fault structure within the Limerick Volcanic Complex ('LVC'). This hypothesized 'feeder' structure corroborates management's view that the southern half of the LVC has the potential to host zinc mineralization similar in style and scale to

Glencore's Pallas Green zinc deposit located 5-6 kilometres to the north.

As announced on September 27, 2022, the Company aims to conduct follow-up drilling at Ballywire, starting early-mid November and consisting of five holes (totaling 1,500 metres) drilled at step-out distances ranging from 100 metres to 250 metres from discovery hole G11-468-03. This drilling will be critical in determining the potential extent and intensity of mineralization at Ballywire. At Carrickittle West, as announced on September 27, 2022, the Company aims to drill one hole totaling up to 1,100 metres, stepping out 300-500 metres to the north from hole G11-2531-01 (which pierced the hypothesized 'feeder' structure). Both follow-up programs above are expected to be funded from the Company's existing treasury.

### **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. In the case of stock options, the fair value is determined using the Black Scholes option pricing model. The Company uses the share trading history to determine the volatility. 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. In the case of DSUs, the value on the grant date is the market price, being the five-day volume weighted average price of the common shares immediately preceding the grant date.

### ***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, 2021.

### **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 the date of this MD&A (November 12, 2022), the Company has the following securities outstanding:

Common shares	158,301,502
Warrants	32,619,445
Stock options	5,095,000
DSUs	1,766,666

## **Risks and Uncertainties**

In conducting its business, the Company faces a number of risks and uncertainties, many of which are beyond its ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by forward-looking statements, and investors are cautioned not to place undue reliance on such statements, which speak only as of the date hereof. Investors are urged to review the discussion of risk factors associated with the Company's business as set out in the Company's annual Management Discussion and Analysis for the year ended December 31, 2021 as well as in the Company's audited consolidated financial statements (under the headings "Nature and Continuance of Operations" and "Significant Accounting Policies" and elsewhere within that document) for the year ended December 31, 2021, as filed on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **Qualified Person**

The Company's disclosure of a technical or scientific nature has been reviewed and approved by Professor Garth Earls, Eur Geol, P.Geo, FSEG, geological consultant at IGS (International Geoscience Services) Limited, and an independent and "Qualified Person" as defined under Canadian National Instrument 43-101.

## **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 its 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.