GROUP ELEVEN
RESOURCES CORP.

Group Eleven Resources Corp.

Interim Management Discussion and Analysis
For the Nine Months Ended September 30, 2018

Group Eleven Resources Corp. (the "Company" or "Group Eleven") is headquartered in Vancouver, BC and its common shares trade in Canada on the TSX Venture Exchange ("TSX-V") under the symbol ZNG, in Frankfurt under the symbol 3GE, and in the United States on the OTCQB under the stock symbol "GRLVF". This Interim Management's Discussion and Analysis ("MD&A") is an overview of all material information about the Company's operations, liquidity and capital resources for the three and nine months ended September 30, 2018. The MD&A was prepared as of November 27, 2018 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2018 and 2017 and the related notes contained therein which have been prepared under International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board. The following should also be read in conjunction with the Company's audited annual consolidated financial statements ("Financial Statements") and related notes for the years ended December 31, 2017 and 2016. All figures are in Canadian dollars unless otherwise stated. Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company's website www.groupelevenresources.com.

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 three years, the Company has assembled the largest zinc ground position in Ireland, currently holding 98 licenses, comprising over 3,200 square kilometres in five 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.

2018 Highlights

- In August the Geological Survey Ireland commenced an airborne geophysical (Tellus) survey covering over 2,500 square kilometres of Group Eleven's exploration ground in the highly prospective Limerick and Silvermines Basins. The results from this survey will be incorporated into the Company's 'Big Think' regional exploration program and will materially advance the identification of high-quality near-term drill targets.
- During the second quarter the Company completed drilling at the Stonepark project, targeting a key area of known high-grade mineralization on the presumed eastern edge of the previously announced maiden Inferred Mineral Resource Estimate ("MRE"). The hole (G11-2638-01) targeted a postulated fault which was previously believed to truncate the eastern extension of the Stonepark MRE boundary; this fault was not encountered in drilling indicating that mineralization remains open to the east toward Glencore's neighbouring Pallas Green deposit. The hole also intersected 5.4 metres of 25.0% zinc and 7.2% lead (32.2% combined) and 12.2 grams per ton (g/t) silver (true width is estimated at 4.9m), verifying one of the known high-grade zones within the Stonepark MRE.
- The Company also completed drilling two holes at the Ballinalack project during the second quarter. As released on August 7th, 2018, the first hole, G11-1344-01, is the first definitive test of the Ballinalack fault directly below an area where a historical estimate had been prepared. This hole successfully encountered the structure, significantly advancing the understanding of local geometry and helping vector towards four priority Navan Bed targets. The second hole, G11-1344-02, drilled near the south end of the historical estimate, intersected several zones of significant zinc, lead, and silver mineralization, including 10.3 metres of 8.9% zinc and 1.7% lead (10.6% combined) and 52 g/t silver (true width is estimated at >90%).

Report on Operations

During the nine months ended September 30, 2018, the Company commenced exploration at two of the four key properties, Stonepark and Ballinalack, and continued evaluating areas of interest at PG West, an extension of Stonepark in the Limerick region. The Company also completed work on a structural reinterpretation at Stonepark, seismic reinterpretation at both Stonepark and Ballinalack, and ionic leach sampling at the Ballinalack project. The results of this work are being evaluated and incorporated into the Company's ongoing exploration plans for the remainder of 2018 and 2019.

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 Connemara Mining Company plc ("Connemara"), an Ireland-based company focused on zinc and gold exploration. Each partner has funded its pro-rata share of exploration and development programs in 2018. The interest in TILZ 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 Connemara's 23.44% interest in TILZ is captured as Non-controlling Interest in the condensed consolidated interim financial statements for the three and nine months ended September 30, 2018.

The Stonepark database acquired in 2017 consisted of 57,742 metres of drilling, including 2,975 metres of historical (1960s to 1980s) drilling from Tara Prospecting, Conroy, Arcon and Greenhills, and 54,767 metres of recent (2007-2012) drilling by Teck Resources Limited ("Teck"), the previous operator. The Company has possession of all Teck core. The database also includes 18 line-kilometres of 2D seismic surveys, and a number of geophysical (gravity, IP and other) and geochemical surveys. The Company's primary focus at Stonepark will be to expand known mineralization and advance other target areas towards further discovery, utilizing a combination of seismic profiling integrated with tectono-stratigraphic basin evaluation and target drilling.

On April 17, 2018 the Company announced a maiden independent 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 (prepared in accordance with CIM guidelines). The MRE was prepared by CSA Global (UK) Ltd. under contract to SLR Consulting Ireland and was based on drilling conducted by Teck from 2007 to 2011. 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.

The Stonepark MRE is contained within three main zones – Stonepark North, Stonepark West and Stonepark (see Exhibit 2 and 3). The bulk of the tonnage lies in the high-grade Stonepark North body which contains 4.0 million tonnes grading 11.95% zinc and lead (9.10% zinc and 2.86% lead) and lies 190 metres to 240 metres below surface. The MRE was based on 88 diamond drill holes totaling 37,270 metres.

Zones comprising maiden Mineral Resource 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**

Notes:

- Classification of the MRE was completed based on the guidelines presented by Canadian Institute for Mining (CIM), adopted for Technical reports which adhere to the regulations defined in Canadian National Instrument 43-101 (NI 43-101).
- Inferred Mineral Resources are at 4.8% zinc equivalent cut-off grade.
- Zinc Equivalent (ZnEq) = (NSRPb + NSRZn + Mc + Pc) / (RZn * PZn * (PrZn - ScZn) – RZn * PZn * PrZn * (RoyZn / 100))
- ZnEq cut-off grade (calculated from Net Smelter Return) using the following parameters:
    - Zinc price of US$3,284/t, recovery 88%; Lead price of US$2,425/t, recovery 80%.
    - Concentrate grade 60% zinc, 50% lead.
    - Processing cost of US$21.25/t; Mining cost of US$46.50/t; Treatment charges of US$1.00/t of concentrates.
    - Payable zinc 85%, lead 94%, with selling cost zinc US$1,257/t metal and lead US$1,026/t metal.
    - Royalty of 4.5%.
- The Inferred Mineral Resource classification is based on geology, trends in mineralisation, drilling spacing, sampling QA/QC, estimation search pass number and number of samples, and zinc equivalent grade.
- Tonnages and metal are rounded to the nearest 100,000 to reflect this as an estimate.
- Average In Situ Dry Bulk Density for mineralised material is 3.24 t/m3, based on available data.
- Mineralisation wireframes were constructed using a minimum true thickness of 2.0 m, at 2% Zn+Pb natural cut-off.

CSA Global is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the MRE.

During the nine months ended September 30, 2018 the Company also completed drill hole G11-2638-01 in a key area of known high-grade mineralization on the presumed eastern edge of the MRE. This hole was diamond drilled to a depth of 456 metres with an azimuth of 065° and dip of -65°. Core was oriented using a Reflex Act II tool. This hole intersected mineralization close to a historic hole hosting similar thickness and grade. This was the first inclined and oriented hole ever drilled in the resource area - facilitating proper structural analysis. The hole targeted a postulated fault which was previously believed to truncate the eastern extension of the Stonepark MRE boundary however the fault was not encountered in drilling. This indicates that mineralization in this area is now open east toward Glencore's neighbouring Pallas Green deposit. G11-2638-01 intersected 5.40 metres of 25.0% zinc and 7.2% lead (32.2% combined) and 12.2 g/t silver (true width is estimated at 4.9 metres), verifying one of the high-grade zones within the Stonepark MRE.

During the nine months ended September 30, 2018, the Company spent $243,210 on the Stonepark project, primarily on drilling and gravity survey work undertaken, as well as, reinterpretation of structural data.

PG West (Limerick Region)

The PG West project comprises 34 PLs covering 1,055 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 4.9 metres of 12.8% zinc/lead and 3.1 metres of 18.1% zinc/lead and 31 g/t silver. The Gortdrum prospect, located on the southeast part of the project, 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. Over 20,000 metres of drilling has been conducted historically but constrained primarily to the historic ore body. Exploration ceased in the late 1970s. The project lay dormant for the ensuing three decades, in part because, contrary to standard practice, no PLs were reinstated over the mine site after the mining lease expired in 1986. The clerical error was identified by the Company, which subsequently applied for and received the PLs. 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. Group Eleven aims to determine if the Oola veins are part of a larger structural corridor within the Limerick basin, with potentially significant zinc exploration potential.

For the nine months ended September 30, 2018, the Company incurred $216,715 in exploration expenditures at PG West, primarily on the commencement of a gravity survey, the structural reinterpretation of the Limerick basin, data compilation using Geographical Information Systems, and the Limerick basin study covering the PG West and Stonepark properties.

Ballinalack Project

The Ballinalack project ("Ballinalack") covers approximately 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. It is expected that each partner will fund its pro-rata share of exploration and development programs in 2018. 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 Nonfemet's 40% interest in BRL is captured as non-controlling interest in the condensed consolidated interim financial statements for the three and nine months ended September 30, 2018.

The most advanced zone of mineralization at Ballinalack is contained in a historic estimate (7.7 million tonnes grading 7.3% zinc and lead[1], hereafter referred to as the "known mineralized zone") occurring higher in the stratigraphic section in the younger Waulsortian limestone. Given Ballinalack is the only major zinc occurrence in Ireland with notable mineralization in both the Waulsortian and Pale Beds horizons, there exists potential for significant Navan Bed hosted mineralization at depth (beneath the known mineralized zone) and on the rest of the property. Group Eleven will continue to focus exploration on Pale Beds hosted mineralization using cutting edge exploration methods, detailed data compilation and continued drilling.

Early in 2018, the Company announced initial findings from the re-interpretation of existing seismic data at Ballinalack (the "Study"). The findings provide a new interpretation of the regional structure of Ballinalack, specifically in the vicinity of the aforementioned historical estimate. The findings

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[1] Significant data compilation, re-drilling, re-sampling and data verification may be required by a qualified person before this historical estimate can be classified as a current resource. A qualified person has not yet undertaken sufficient work to classify this historical estimate as a current resource and the Company is not treating the historical estimate as a current resource.

suggest that, in addition to the Ballinalack fault (adjacent to the historical estimate and northwest dipping), a previously unrecognized, larger structure (the "New Fault") dips to the southeast, placing known Ballinalack mineralization in the footwall of a major structure, rather than the hanging wall. Given the best mineralization in Ireland is most commonly found in the hanging wall of major faults, the re-interpretation has potentially significant implications for further exploration at Ballinalack, especially southeast of the known mineralized zone (now the postulated hanging wall). Notably, the author of the Study, Dr. Alastair Beach, was a key contributor on the seismic interpretations that led to the recent discovery of the Tara Deeps at the Tara (Navan) Mine, 50 kilometres from Ballinalack.

The Company completed drilling at two locations at Ballinalack in the second quarter. The first hole, G11-1344-01, was diamond drilled to a depth of 625.1 metres, with an azimuth and dip of 145° and -65°, respectively. This hole was designed to directly and definitively test the orientation of the Ballinalack fault directly below the known mineralized zone and to test the presence of cross-faults. The Company's findings indicate that cross-faults may have a much more significant role in controlling mineralization than previously recognized. The hole was also the first inclined and oriented hole at the known mineralized zone, allowing for proper collection of structural data. This hole was also located proximal and parallel to the only seismic line through the historical estimate in order to provide geological and structural information to augment ongoing seismic interpretation.

The second hole, G11-1344-02, was diamond drilled to a depth of 389.1 metres, with an azimuth and dip of 170° and -50°, respectively. This hole was also inclined and oriented, allowing for proper collection of key structural information. This hole increased the Company's understanding of the structural complexity in this area and tested for mineralization in the Navan Beds below the Ballinalack Fault. The hole also intersected several zones of significant zinc, lead, and silver mineralization in a portion of the known mineralized zone, including 10.3 metres of 8.9% zinc and 1.7% lead (10.6% combined) and 52 g/t silver (true width is estimated at >90%).

Importantly, G11-1344-02 also intersected three new distinct zones of mineralization in the Navan Beds (3.1 metres of 5.6% lead and 12 g/t silver, 0.5 metres of 22.3% lead and 48 g/t silver and 1.1m of 4.6% zinc and 0.8% lead (5.4% combined) and 12 g/t silver (true widths estimated at c.30%, respectively). These intercepts are new pierce points within Navan Bed 'Target 2' which is already drilled by five significantly mineralized historic holes widely-spaced over a length of approximately one kilometre.

During the nine months ended September 30, 2018, the Company spent $493,536 on Ballinalack, primarily on drilling, ionic leach, related assay work for each of these programs, and the re-interpretation of existing seismic and Tellus survey data.

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.

For the nine months ended September 30, 2018, the Company incurred $51,937 in exploration expenditures at Silvermines on a structural study on the project and on completion of the basin study.

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, 2018, the Company incurred expenditures of $15,605 at Tralee, primarily for the maintenance of existing Prospecting Licenses.

Exploration Property Expenditures

Exploration and evaluation expenditures incurred by the Company, excluding acquisition costs, have been cumulatively expensed in the condensed consolidated interim statements of loss and comprehensive loss, the details of which are as follows:

	Nine Months ended September 30, 2018	From Acquisition to September 30, 2018
Stonepark Project	$ 243,210	$ 264,580
PG West Project	216,715	360,680
Ballinalack Project	493,536	567,240
Silvermines Project	51,937	327,243
Tralee Project	15,605	302,908
Ferbane and Kilkenny Projects	33	17,141
Total Cumulative Expenditures	**$ 1,021,036**	**$ 1,839,792**

Results from Operations

All figures have been adjusted to reflect the impact of the change in accounting policy for exploration and evaluation costs. See "**Change in Accounting Policies**" below and refer to Note 2 of the condensed consolidated interim financial statements as well as Note 17 of the Financial Statements.

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

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

As at	September 30, 2018	December 31, 2017
Cash	$ 2,495,070	$ 5,050,079
Total Assets	11,575,524	14,194,667
Share capital	11,313,586	13,027,584
Deficit	(5,450,847)	(3,202,592)
Non-controlling Interest	2,976,884	3,047,819

For the nine months ended September 30, 2018, the loss and comprehensive loss was $823,895 higher than the same period in 2017 as a result of the following:

- Exploration expense increased $574,001 (128%) from 2017 as a result of the following: (i) increased fieldwork costs ($132,896 higher than 2017) arising from mineral resource estimation work on Stonepark and structural reinterpretation analysis on both Silvermines and the Limerick region; (ii) higher assay costs ($156,327 higher than 2017) due to ionic leach testing and drilling activity; (iii) higher costs for personnel as well as external consultants (combined, $84,893 higher than 2017); (iv) increased drilling costs ($35,822 higher than 2017); and (iv) increased costs for geophysical survey and interpretation work ($157,666 higher than 2017) resulting from a gravity survey undertaken at Stonepark and the reinterpretation of seismic and Tellus survey data.
- Personnel costs (management fees and salaries) increased $310,856 from 2017 due to increased salaries and personnel hired in 2018 to support expanded exploration activity, property maintenance, and public company compliance requirements.
- General and administrative costs were $51,844 higher in 2018 compared with 2017 as a result of higher travel costs and increased compliance and regulatory costs associated with meeting public company compliance requirements.
- Marketing and investor relations costs increased $382,733 from 2017 as the Company increased conference attendance, targeted investor meetings, and launched several marketing initiatives to increase investor information and awareness after completing the Offering in late 2017. This also reflects the listing activity related to the OTCQB and Frankfurt exchange, in conjunction with marketing activity around those listings.

These increases were offset by a $345,805 decrease in professional fees due to significantly lower transaction activity in 2018 and $34,198 of interest income earned on cash and cash equivalent balances.

Cash decreased $2,555,009 from 2017 as a result of the loss from operations ($2,507,048) and a drawdown in working capital as the remaining transaction costs (primarily legal) pertaining to the 2017 Offering were paid early in 2018. These were offset by the contribution of $187,858 from Connemara in June of 2018 for their portion of expenditures in the Stonepark project.

The following selected financial information is a summary of the eight most recently completed quarters up to September 30, 2018 (as restated – see **Change in Accounting Policies**).

	Sept 30, 2018	**June 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Sept 30, 2017**	**June 30, 2017**	**Mar 31, 2017**	**Dec 31, 2016**
Comprehensive Loss	$ 873,208	$ 902,361	$ 731,479	$ 768,884	$ 744,815	$ 584,420	$ 353,918	$ 573,583
Basic and Diluted Loss per Share	0.01	0.02	0.01	0.02	0.02	0.02	0.01	0.03

In 2016, Group Eleven focused on expanding the land position in Ireland and began attracting key personnel, increasing compensation and consulting costs. The Company also granted stock options in the fourth quarter of 2016 to MAG Silver Corp., a strategic investor in the Company, resulting in a higher non-cash compensation expense. The Company increased exploration in 2016, primarily data compilation and analysis activities, and initiating fieldwork on properties acquired in 2015 and 2016 (geophysical surveys and drilling).

During 2017, Group Eleven completed the initial public offering for $5,000,000 and successfully listed the shares of the Company on the TSXV. The Company also completed two acquisitions from Teck, the first for a 60% interest in Ballinalack on June 30, 2017 for total consideration, including advisory fees, of $3,650,000, and the second for a 76.56% interest in Stonepark on September 8, 2017 for total consideration of $2,150,000. In conjunction with these acquisitions the Company completed two private placements (in addition to the $115,148 raised in the first quarter of 2017), the first for $3,834,461 and the second for $1,200,000, providing financing for the acquisition of BRL and TILZ, respectively, and for budgeted exploration expenditures. The Company also completed initial drilling and magnetics survey work at the Silvermines Project and commenced work on the structural re-interpretation of the area. Drilling was also completed at the Castlemaine and Fairy Gate areas on the Tralee project, and the Oola area on the PG West project.

For the nine months ended September 30, 2018, the Company completed two drill holes at the Ballinalack project and one drill hole at the Stonepark project. The Company also completed a ground gravity survey at Stonepark and has finished the reinterpretation of both structural and seismic data. The Company also substantially completed ionic leach soil sampling on both the Ballinalack project and on the two Limerick properties, Stonepark and PG West.

Liquidity and Capital Resources

The Company had cash of $2,495,070 at September 30, 2018 compared to $5,050,079 at December 31, 2017. The Company completed the initial public offering late in 2017, issuing 12,500,000 units at $0.40 per unit, for total proceeds of $5,000,000. During the first nine months of 2018 the proceeds have primarily been used to fund exploration efforts, personnel costs and marketing initiatives.

The Company has forecast its cash requirements for the next year and believes it has sufficient cash resources and liquidity to sustain its planned administrative costs and exploration activities. This assessment is based on the Company's budget, its available cash and the discretionary nature of certain of the Company's expenditures, which can be deferred as required without significant impact on the Company or its mineral properties. Certain expenditures were required in 2018 in order to maintain existing license holdings at Ballinalack, Stonepark, and PG West based on two-year minimum spending requirements. For 2018, these are approximately $470,000, $430,000, and $400,000, respectively, not reflecting the relevant amounts that would be recovered from the joint venture partners for Ballinalack and Stonepark (approximately $188,000 and $100,000, respectively). As of September 30, 2018, the Company has incurred exploration costs of $493,536, $243,209, and $216,715, towards the minimum spending requirements for Ballinalack, Stonepark, and PG West, respectively. All required expenditures for the first nine months of 2018 have been met and the prospecting licenses are in good standing. The remaining expenditures planned in 2018 will meet the remaining expenditure requirements during that period.

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, 2018 the Company had working capital of $2,387,049. Management believes that the Company has sufficient financial resources to meet its obligations as they come due.

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, 2018, the Company had Euro denominated current assets of €667,270 and Euro denominated current liabilities of €93,330. Accordingly, a 10% change in the foreign exchange rate would result in a $86,208 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 and 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, 2018.

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:

	Position	September 30, 2018	2017
Salaries and benefits paid or accrued to:			
Bart Jaworski (Note 1)	CEO, Director	159,162	68,158
David Furlong (Note 2)	COO	111,735	–
Shaun Heinrichs (Note 3)	CFO	99,000	51,000
Spiros Cacos (Note 4)	VP Investor Relations	43,750	–
Rebecca Furlong (Note 5)	Geologist	37,591	37,725
Management fees paid or accrued to:			
David Furlong (Note 2)	COO	$ –	$ 69,968
John Barry (Note 6)	VP Exploration	84,130	67,272
Professional fees paid or accrued to:			
Andrew Farncomb (Note 7)	Director	–	26,181
Share-based payments paid to:			
Andrew Farncomb	Director	–	3,592
Bart Jaworski	CEO, Director	5,467	–
David Furlong	COO	3,417	–
John Barry	VP Exploration	1,708	–
Shaun Heinrichs	CFO	3,417	16,114
Spiros Cacos	VP Investor Relations	28,627	–
Rebecca Furlong	Geologist	1,122	–
Acquisition advisory fees accrued to Andrew Farncomb (Note 8)	Director	–	150,000
Financing advisory fees accrued to Andrew Farncomb (Note 8)	Director	–	150,000

Note 1: Compensation paid to Bart Jaworski for the nine months ended September 30, 2018 and 2017 have been reported as salaries and benefits.

Note 2: Compensation paid to David Furlong for the nine months ended September 30, 2018 and 2017 have been reported as salaries and benefits (2018 - $50,526; 2017 – nil), management fees (2018 - nil; 2017 - $39,497), or exploration expense (2018 - $61,209; 2017 - $29,497).

Note 3: Compensation paid to Shaun Heinrichs for the nine months ended September 30, 2018 and 2017 have been reported as salaries and benefits and management fees, respectively.

Note 4: Compensation paid to Spiros Cacos for the nine months ended September 30, 2018 has been reported as salaries and benefits.

Note 5: Compensation paid to Rebecca Furlong for the nine months ended September 30, 2018 and 2017 have been reported as salaries and benefits (2018 – $30,364; 2017 - $10,728) or exploration expense (2018 - $31,960; 2017 – $26,997).

Note 6: Compensation paid to John Barry for the nine months ended September 30, 2018 and 2017 have been reported as management fees.

Note 7: The professional fees paid to Andrew Farncomb or a company controlled by him are reported as professional fees. Andrew Farncomb ceased being an insider of the Company on October 6, 2017.

Note 8: The fees related to acquisition advisory fees have been capitalized as transaction costs for the acquisition of BRL. The fees related to financing advisory services have been reported as share issuance costs. Both arise from the issuance of 1,000,000 shares (valued at $300,000) pursuant to an advisory agreement previously noted under Contractual Obligations.

Outlook

The Company is focusing 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 philosophical approach (i.e. relying on as few pre-conceived ideas as possible, while generating new concepts from the ground up) and (b) drill testing high-specificity targets at Ballinalack, Stonepark, Silvermines and other properties.

Over the next 12 months, the Company will focus on drill testing targets identified during 2016, 2017 and 2018 and generating a number of new high-specificity drill targets which are likely to emerge as data compilation and initial regional exploration nears completion. With the findings obtained during the first six months of 2018, the Company will be focusing exploration efforts in the last six months of 2018 in the Limerick region, including the Company's Stonepark and PG West projects.

In parallel, the Company will continue to re-evaluate the currently held beliefs about the geology and mineralization controls in Ireland. To achieve this, the Company will rely on seismic surveys and detailed data compilation which will feed into an overall tectono-stratigraphic analysis. This analysis will aim to decipher the basin evolution of the region and distill the most prospective faults and structural corridors for further exploration.

At the beginning of 2018, the Company prepared an exploration budget of $2.0 million (less $0.5 million of recoveries from joint venture partners) and an additional $1.4 million of corporate costs. The revised budget for 2018, based on actuals for the first half, includes $1.9 million for exploration and $1.9 million for corporate costs. A similar amount is expected to be spent in 2019, however final plans for 2019 will depend partially on results from work completed in 2018 and available funding. For the first nine months of 2018 exploration spending focused on Ballinalack (48%) and the Limerick region, Stonepark (24%) and PG West (21%).

For the remainder of 2018, exploration spending will continue to focus on the Limerick region as the Company completes a drilling program designed to advance the ongoing 'Big Think' exploration strategy by providing important 3D geological information. This information, as well as, existing geological data, will be combined with the currently ongoing Tellus airborne survey, consisting of a 24,700-line km survey collecting Magnetics, EM and Radiometrics data, to produce high-priority drill targets for next year's 'Big Drill' program. The focus of the 'Big Drill' 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.

Change in Accounting Policies

Effective December 31, 2017, the Company voluntarily changed its accounting policy exploration and evaluation costs under IFRS 6 from recognition of costs directly related to the exploration and evaluation of mineral properties as exploration and evaluation assets to expensing as incurred. The Company believes that this change to accounting policy will provide more relevant and useful information to the users of the financial statements. This change in accounting policy has been applied retrospectively. An explanation of how the transition from the amounts previously reported has affected the Company's financial position, financial performance and cash flows is set out in Note 2 of the condensed consolidated interim financial statements for the three and Nine months Ended September 30, 2018 and Note 17 of the audited annual consolidated financial statements for the year ended December 31, 2017.

Recently Adopted Accounting Policies

Effective January 1, 2018, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9"). IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

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 27, 2018, there were 59,777,477 common shares outstanding and there were warrants outstanding to purchase an aggregate of 17,882,950 common shares. This includes 4,632,950 warrants held by MAG Silver, which holds approximately 15.8% of the Company's outstanding common shares. The Company also issued 3,405,000 stock options in the first nine months of 2018 to directors, consultants and employees of the Company.

Risks and Uncertainties

In conducting its business, Group Eleven 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, 2017 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, 2017, as filed on the SEDAR website at www.sedar.com.

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 from there. 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.