



## **Group Eleven Resources Corp.**

Condensed Consolidated Interim Financial Statements

For the Nine Months Ended September 30, 2024

Expressed in Canadian Dollars

(Unaudited)

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING**

The accompanying condensed consolidated interim financial statements of Group Eleven Resources Corp. ("the Company") have been prepared by and are the responsibility of management of the Company. Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of unaudited condensed consolidated interim financial statements by an entity's auditor.

**GROUP ELEVEN RESOURCES CORP.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited – Expressed in Canadian Dollars)

	Note	September 30, 2024	December 31, 2023
		(\$)	(\$)
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalent		1,983,264	3,357,077
Prepaid expenses		17,666	25,524
Other receivables		71,004	41,772
<b>Total Current Assets</b>		<b>2,071,934</b>	<b>3,424,373</b>
Non-current assets			
Equipment	4	21,295	20,356
Exploration and evaluation assets	5	8,897,821	8,897,821
<b>Total Assets</b>		<b>10,991,050</b>	<b>12,342,550</b>
<b>LIABILITIES AND EQUITY</b>			
Current Liabilities			
Accounts payable and accrued liabilities	6,13	432,616	529,302
Exploration partner advances	7	179,438	366,803
<b>Total liabilities</b>		<b>612,054</b>	<b>896,105</b>
<b>Equity</b>			
Share capital	9	25,465,243	24,623,688
Reserves	9	1,581,764	1,527,153
Deficit		(19,525,716)	(17,577,435)
<b>Total Shareholders' Equity</b>		<b>7,521,291</b>	<b>8,573,406</b>
Non-controlling interest	10	2,857,705	2,873,039
<b>Total Equity</b>		<b>10,378,996</b>	<b>11,446,445</b>
<b>Total Liabilities and Equity</b>		<b>10,991,050</b>	<b>12,342,550</b>

**Nature and continuance of operations (Note 1)****Subsequent events (Note 15)****On behalf of the Board:**

/s/ Dan MacInnis  
Chairman

/s/ Alessandro Bitelli  
Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**GROUP ELEVEN RESOURCES CORP.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
		(\$)	(\$)	(\$)	(\$)
<b>Operating expenses</b>					
Exploration expenditures	5, 13	728,899	277,562	1,363,416	900,604
Salaries and benefits	13	136,573	113,050	419,531	357,767
Marketing and investor relations		26,627	28,939	100,688	68,283
General and administrative		63,387	50,647	134,333	122,374
Professional fees	13	38,217	62,926	125,886	167,874
Depreciation	4	980	247	3,985	1,685
Foreign exchange (gain) loss		18,848	(2,400)	(187,156)	(15,582)
Interest income		(14,639)	(4,269)	(55,794)	(7,355)
Share based payments	9, 13	17,327	8,430	58,726	38,779
		<b>1,016,219</b>	<b>535,132</b>	<b>1,963,615</b>	<b>1,634,429</b>
Write-off of accounts payable		-	-	-	5,008
<b>Loss and comprehensive loss for the period</b>		<b>(1,016,219)</b>	<b>(535,132)</b>	<b>(1,963,615)</b>	<b>(1,629,421)</b>
<b>Loss attributable to:</b>					
Shareholders		(1,004,596)	(526,115)	(1,948,281)	(1,608,364)
Non-controlling interest	10	(11,623)	(9,017)	(15,334)	(21,057)
		<b>(1,016,219)</b>	<b>(535,132)</b>	<b>(1,963,615)</b>	<b>(1,629,421)</b>
<b>Basic and diluted loss per common shares attributable to shareholders (\$)</b>		<b>0.00</b>	<b>0.00</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average number of shares outstanding - basic and diluted (#)</b>		<b>206,746,401</b>	<b>174,966,168</b>	<b>201,239,031</b>	<b>166,115,910</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**GROUP ELEVEN RESOURCES CORP.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	Share Capital		Reserves	Deficit	Total Shareholders' Equity	Non-controlling Interest	Total Equity
	Shares (#)	Amount (\$)					
<b>Balance - December 31, 2022</b>	<b>158,301,502</b>	<b>20,490,423</b>	<b>1,035,265</b>	<b>(15,092,128)</b>	<b>6,433,560</b>	<b>2,924,294</b>	<b>9,357,854</b>
Shares issued for private placement	16,666,666	1,500,000	-	-	1,500,000	-	1,500,000
Share issuance costs - cash	-	(23,683)	-	-	(23,683)	-	(23,683)
Share issuance costs - agents' warrants	-	(4,059)	4,059	-	-	-	-
DSUs issued for debt	-	-	120,000	-	120,000	-	120,000
Share-base payments	-	-	38,779	-	38,779	-	38,779
Loss for the period	-	-	-	(1,608,364)	(1,608,364)	(21,057)	(1,629,421)
<b>Balance - September 30, 2023</b>	<b>174,968,168</b>	<b>21,962,681</b>	<b>1,198,103</b>	<b>(16,700,492)</b>	<b>6,460,292</b>	<b>2,903,237</b>	<b>9,363,529</b>
Shares issued for private placement	25,000,000	2,750,000	-	-	2,750,000	-	2,750,000
Warrants issued for private placement	-	-	250,000	-	250,000	-	250,000
Share issuance costs - cash	-	(72,353)	-	-	(72,353)	-	(72,353)
Share issuance costs - agents' warrants	-	(16,640)	16,640	-	-	-	-
Share-base payments	-	-	62,410	-	62,410	-	62,410
Loss for the period	-	-	-	(876,943)	(876,943)	(30,198)	(907,141)
<b>Balance - December 31, 2023</b>	<b>199,968,168</b>	<b>24,623,688</b>	<b>1,527,153</b>	<b>(17,577,435)</b>	<b>8,573,406</b>	<b>2,873,039</b>	<b>11,446,445</b>
Share issuance costs - cash	-	(7,872)	-	-	(7,872)	-	(7,872)
Shares issued on exercise of warrants	6,988,016	838,562	-	-	838,562	-	838,562
Shares issued on exercise of stock options	75,000	10,865	(4,115)	-	6,750	-	6,750
Share-base payments	-	-	58,726	-	58,726	-	58,726
Loss for the period	-	-	-	(1,948,281)	(1,948,281)	(15,334)	(1,963,615)
<b>Balance - September 30, 2024</b>	<b>207,031,184</b>	<b>25,465,243</b>	<b>1,581,764</b>	<b>(19,525,716)</b>	<b>7,521,291</b>	<b>2,857,705</b>	<b>10,378,996</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**GROUP ELEVEN RESOURCES CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS  
(Unaudited – Expressed in Canadian Dollars)

	September 30, 2024	September 30, 2023
	(\$)	(\$)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the period	(1,963,615)	(1,629,421)
Items not affecting cash:		
Depreciation	3,985	1,685
Foreign exchange (gain) loss	(187,364)	(3,862)
Share-based payments	58,726	38,779
Deferred share units issued for debt	-	120,000
Changes in non-cash working capital items:		
Prepaid expenses	7,858	3,702
Other receivables	(29,233)	(5,950)
Accounts payable and accrued liabilities	(96,686)	(140,185)
<b>Net cash used in operating activities</b>	<b>(2,206,329)</b>	<b>(1,615,252)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(4,924)	-
<b>Net cash used in investing activities</b>	<b>(4,924)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Funds received from private placement	-	1,500,000
Share issuance costs	(7,872)	(23,683)
Funds received on exercise of stock options	6,750	-
Funds received on exercise of warrants	838,562	-
<b>Net cash provided by financing activities</b>	<b>837,440</b>	<b>1,476,317</b>
<b>Change in cash</b>	<b>(1,373,813)</b>	<b>(138,935)</b>
Cash, beginning of period	3,357,077	1,120,804
<b>Cash, end of period</b>	<b>1,983,264</b>	<b>981,869</b>
<b>Cash and cash equivalents is represented by:</b>		
Cash	1,973,264	971,869
Cash equivalents	10,000	10,000
	<b>1,983,264</b>	<b>981,869</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## **GROUP ELEVEN RESOURCES CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

As at September 30, 2024

### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Group Eleven Resources Corp. (the "Company" or "GERC") was incorporated under the laws of the Province of British Columbia, Canada on November 25, 2016, and its principal business activity is the exploration and evaluation of mineral properties. The Company's corporate office is located at 2200 - 885 W Georgia Street, Vancouver, British Columbia. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol ZNG.

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As the Company is an exploration -stage company, it has no source of recurring revenue and has incurred ongoing losses since inception. The success of the Company is dependent upon its ability to obtain necessary financing to continue its exploration and development activities, the confirmation of economically recoverable reserves, and upon establishing future profitable production, or realization of proceeds on disposal of assets. To date, the Company has been able to raise funds, but the absence of these events and conditions would indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

At September 30, 2024, the Company had working capital of \$1,459,880 (December 31, 2023: \$2,528,268). During the nine months ended September 30, 2024 the Company incurred a loss of \$1,963,615 (September 30, 2023: \$1,629,421) and used cash in operating activities of \$2,206,328 (September 30, 2023: \$1,615,252).

Management recognizes that the Company will need to raise additional funds to maintain its current level of operations and while it has been successful in doing so in the past, there can be no assurance that it 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 and mining and zinc sector in particular. A failure to raise capital when required could cause a deferral or delay in the current exploration projects, loss of currently held mineral properties, have a material adverse effect on the Company's business, financial condition and results of operations.

Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint venture arrangements; however, there can be no assurance that the Company will be successful in these actions. These consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to global pandemic events and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### *(a) Basis of Presentation*

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using the same accounting policies and methods of application as the audited annual consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

## GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

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Accordingly, certain information and footnote disclosure normally included in annual financial statements have been omitted or condensed.

These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2023.

On November 26, 2024, the Board of Directors of the Company approved these condensed consolidated interim financial statements for the nine months ended September 30, 2024 and 2023.

### (b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, its wholly owned subsidiaries, Group Eleven Resources Ltd. ("GERL") and Group Eleven Mining and Exploration Inc. ("GEME"), a 60% interest in Ballinalack Resources Limited ("BRL"), and a 76.56% interest in TILZ Minerals Ltd. ("TILZ"), all incorporated in Dublin, Ireland. All inter-company transactions and accounts have been eliminated upon consolidation. For partially owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

## 3. OTHER RECEIVABLES

Other receivables consist of recoverable amounts paid for value added tax and goods and services tax charged to the Company on purchases of goods or services.

## 4. EQUIPMENT

	Computer Equipment	Exploration Equipment	Total
	(\$)	(\$)	(\$)
<b>Cost</b>			
<b>Balance, December 31, 2022</b>	<b>8,376</b>	<b>25,294</b>	<b>33,670</b>
Additions	3,512	17,334	20,846
<b>Balance, December 30, 2023</b>	<b>11,888</b>	<b>42,628</b>	<b>54,516</b>
Additions	4,924	-	4,924
<b>Balance, September 30, 2024</b>	<b>16,812</b>	<b>42,628</b>	<b>59,440</b>
<b>Accumulated Depreciation</b>			
<b>Balance, December 31, 2022</b>	<b>6,002</b>	<b>24,350</b>	<b>30,352</b>
Depreciation	1,131	2,677	3,808
<b>Balance, December 31, 2023</b>	<b>7,133</b>	<b>27,027</b>	<b>34,160</b>
Depreciation	1,385	2,600	3,985
<b>Balance, September 30, 2024</b>	<b>8,518</b>	<b>29,627</b>	<b>38,145</b>
<b>Net Book Value</b>			
Balance, December 31, 2022	2,374	944	3,318
Balance, December 31, 2023	4,755	15,601	20,356
<b>Balance, September 30, 2024</b>	<b>8,294</b>	<b>13,001</b>	<b>21,295</b>

## GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

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### 5. EXPLORATION AND EVALUATION ASSETS

All of the Company's exploration and evaluation assets are located in Ireland.

	Cumulative to December 31, 2022	Additions during the year	Cumulative to December 31, 2023	Additions during the period	Cumulative to September 30, 2024
<b>Acquisition costs</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Exploration and evaluation assets acquired	8,897,821	-	8,897,821	-	8,897,821
<b>Total acquisition costs</b>	<b>8,897,821</b>	<b>-</b>	<b>8,897,821</b>	<b>-</b>	<b>8,897,821</b>

Exploration expenditures	Cumulative to December 31, 2022	Expenditures during the year	Cumulative to December 31, 2023	Expenditures during the period	Cumulative to September 30, 2024
	(\$)	(\$)	(\$)	(\$)	(\$)
Assays	409,073	62,470	471,543	66,777	538,320
Data compilation	1,147,018	186,399	1,333,417	163,331	1,496,748
Drilling	2,733,713	853,711	3,587,424	963,733	4,551,157
Equipment	568,504	30,338	598,842	39,526	638,368
Fieldwork	349,123	5,086	354,209	3,174	357,383
Geology consulting	262,124	3,002	265,126	19,259	284,385
Geophysical surveys	638,171	70,974	709,145	8,659	717,804
License fees	378,521	69,243	447,764	-	447,764
Technical supervision	357,860	48,424	406,284	46,752	453,036
Travel and accommodation	54,075	59,059	113,134	52,205	165,339
<b>Total exploration expenditures</b>	<b>6,898,182</b>	<b>1,388,706</b>	<b>8,286,888</b>	<b>1,363,416</b>	<b>9,650,304</b>

During the nine-month period ended September 30, 2024, the Company, in respect of the PG West project, surrendered licenses as follows:

- May 1, 2024: 2 licenses (covering 49 km<sup>2</sup>)
- June 18, 2024: 2 licenses (covering 66 km<sup>2</sup>)
- September 4, 2024: 6 licenses (covering 181 km<sup>2</sup>)

As the costs expended on the licenses were not capitalized, no amounts were written off in respect of the surrender of these licenses.

On May 1, 2024 the 2 licenses comprising the Silvermines project were surrendered. As the costs expended on the licenses were not capitalized, no amounts were written off in respect of the surrender of the licenses, and the project was terminated.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024	December 31, 2023
	(\$)	(\$)
Accounts payable	306,057	404,821
Accrued liabilities	126,559	124,481
<b>Accounts payable and accrued liabilities</b>	<b>432,616</b>	<b>529,302</b>

### 7. EXPLORATION PARTNER ADVANCES

#### a) Ballinalack Resources Limited

GERL holds a 60% interest in BRL. The remaining 40% interest in BRL is owned by Shenzhen Zhongjin Lingnan Nonfemet Company Limited ("Nonfemet"). At September 30, 2024 the Company has remaining €119,022 (\$179,438) (December 31, 2023: €152,573 (\$223,153)), from Nonfemet to fund exploration at the Ballinalack project. In order to maintain its 60% interest, the Company is required to fund the remaining €178,533 (\$269,156) to BRL, or, alternatively, reduce GERL's current interest in BRL or return the remaining excess contribution amount to Nonfemet. In April 2024, BRL issued 50,326 and 33,551 shares of BRL to GERL and Nonfemet,

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respectively, to recognize expenditures of €83,877 (\$122,679) to December 31, 2022, as capital contributions.

### b) TILZ Minerals Ltd.

GERL holds a 76.56% interest in TILZ. The remaining 23.44% interest in TILZ is owned by Limerick Zinc Limited ("Limerick"), a subsidiary of Arkle Resources PLC ("Arkle"). In January 2024, TILZ issued 320,791 and 98,215 shares of TILZ to GERL and Limerick, respectively, to recognize expenditures of €419,006 (\$612,842) to December 31, 2022, as capital contributions. At September 30, 2024, the Company has €Nil (\$Nil) remaining from Limerick to continue to fund exploration at the Stonepark project.

## 8. GOVERNMENT LOAN PAYABLE

In May 2020, the Company received from the federal government of Canada a loan of \$40,000, under the Canada Emergency Business Account program (the "Loan"). Pursuant to the terms of the Loan, as amended, if the Loan was fully repaid by January 18, 2024 (the "Forgiveness Date"), \$10,000 of the Loan would be forgiven (the "Forgiven Amount"). During the year ended December 31, 2023, the Company repaid \$30,000 in respect of the Loan, and recognized the Forgiven Amount in the consolidated statements of loss and comprehensive loss.

## 9. SHARE CAPITAL

### a) Share capital

**Authorized:** an unlimited number of common shares with no par value.

**Issued:** 207,031,184 common shares.

During the nine-month period ended September 30, 2024, the Company issued shares in the capital of the Company as follows:

- In connection with the exercise of warrants, the Company issued the following:

Date	Number of shares (#)	Exercise Price (\$/share)	Gross proceeds (\$)
January 15, 2024	41,650	0.12	4,998
March 22, 2024	350,000	0.12	42,000
June 4, 2024	208,300	0.12	24,996
June 18, 2024	16,700	0.12	2,004
August 2, 2024	62,500	0.12	7,500
August 22, 2024	667,199	0.12	80,064
August 26, 2024	5,325,000	0.12	639,000
September 17, 2024	166,667	0.12	20,000
September 27, 2024	150,000	0.12	18,000
	<b>6,988,016</b>		<b>838,562</b>

- In connection with the exercise of stock options, on February 1, 2024, the Company issued 75,000 shares in the capital of the Company at \$0.09 per share for gross proceeds of \$6,750.

During the year ended December 31, 2023, the Company closed private placements as follows:

- On May 26, 2023, the Company closed a non-brokered private placement for gross proceeds of \$1,500,000, pursuant to which the Company issued 16,666,666 units at \$0.09 per unit. Each unit consisted of one common share of the Company and one half of one non-transferable share purchase warrant, with each full warrant allowing for the purchase of one

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additional common share of the Company at \$0.15 per share until May 26, 2026. The Company paid \$9,234 and issued 102,600 non-transferable finder's warrants as finders' fees. The warrants have the same terms as those issued as part of the unit.

The value allocated to the warrants based on the residual value method was \$250,000, and the finders' warrants were valued in the aggregate at \$4,060 using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free rate (%)	3.83
Expected stock price volatility (%)	105.14
Expected dividend yield (%)	0
Expected life of warrants (years)	3
Weighted average fair value per warrant issued (\$)	0.04

- On December 22, 2023, the Company closed a private placement for gross proceeds of \$3,000,000, pursuant to which the Company issued 25,000,000 units at \$0.12 per unit. Each unit consisted of one common share of the Company and one half of one non-transferable common share purchase warrant, with each full warrant allowing for the purchase one additional common share of the Company at a price of \$0.18 per share until December 22, 2025. The Company paid \$23,412 and issued 195,100 non-transferable finder's warrants as finders' fees. The warrants have the same terms as those issued as part of the unit.

The value allocated to the warrants based on the residual value method was \$nil, and the finders' warrants were valued in the aggregate at \$16,639 using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free rate (%)	3.85
Expected stock price volatility (%)	94.69
Expected dividend yield (%)	0
Expected life of warrants (years)	2
Weighted average fair value per warrant issued (\$)	0.09

**b) Stock options**

In connection with the vesting of previously granted stock options, the Company recognized a share-based expense of \$58,726 during the nine months ended September 30, 2024 (September 30, 2023: \$38,779).

A summary of the changes in the Company's stock options is as follows:

	Number of options (#)	Weighted Average Exercise Price (\$)
<b>Balance - December 31, 2022</b>	<b>5,095,000</b>	<b>0.151</b>
Expired	(2,125,000)	0.228
Granted	1,435,000	0.110
<b>Balance - December 31, 2023</b>	<b>4,405,000</b>	<b>0.100</b>
Exercised	(75,000)	0.090
<b>Balance - September 30, 2024</b>	<b>4,330,000</b>	<b>0.100</b>

As at September 30, 2024, the Company had stock options outstanding as follows:

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<b>Expiry Date (date)</b>	<b>Number of options (#)</b>	<b>Number of options exercisable (#)</b>	<b>Exercise Price (\$/share)</b>	<b>Weighted Average Life (Years)</b>
October 2, 2025	1,310,000	1,310,000	0.090	1.01
September 13, 2027	1,585,000	1,585,000	0.100	2.96
October 13, 2028	1,435,000	478,333	0.110	4.04
	<b>4,330,000</b>	<b>3,373,333</b>		<b>2.73</b>

*c) Restricted Share Units (RSU)*

The Company has a RSU plan ("RSU Plan") for directors, officers, employees and consultants of the Company. Under the terms of the plan, each vested RSU awarded entitles the RSU holder to receive, subject to adjustment as provided for in the RSU Plan, either one common share in the Company or, at the Company's option, an equivalent cash payment. The RSUs are considered equity settled. RSUs will vest over a period of up to three years from the date of grant. The Company has reserved 2,000,000 common shares for issuance under the RSU Plan, subject to the total RSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company. The Company did not grant any RSU's during the nine months ended September 30, 2024 and the year ended December 31, 2023.

RSUs are measured at fair value on the date of grant based on the closing price of the Company's shares on the date prior to the grant and are recognized as share-based compensation expense on a straight-line basis over the vesting period. The corresponding amount is recorded to the share-based payment reserve. Upon the exercise of RSUs, the related share-based payment reserve is transferred to share capital.

*d) Deferred Share Units (DSU)*

The Company has a DSU plan ("DSU Plan") for the directors of the Company. Under the terms of the amended DSU Plan, each vested DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU Plan, either one common share in the Company or, at the option of the Company, an equivalent cash payment. Shares eligible for issuance under the DSU Plan will be subject to the total DSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company. The foregoing limitation does not apply to grants made in lieu of directors' fees.

For the purposes of the DSU Plan, the value of the DSU 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. If the common shares are not trading on the TSX-V, then the Market Value shall be determined in the same manner based on the trading price on such stock exchange or over-the-counter market on which the common shares are listed and posted for trading as may be selected for such purpose by the Board.

During the nine months ended September 30, the Company did not grant any DSUs.

On June 7, 2023, the Company granted 1,714,284 DSUs in settlement of \$120,000 owing to directors for services provided during the years ended December 31, 2020 and 2022.

As at September 30, 2024, the Company had DSUs outstanding as follows:

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<b>Grant Date (date)</b>	<b>Number of shares (#)</b>
May 1, 2019	500,000
October 2, 2020	666,666
September 13, 2022	600,000
June 7, 2023	1,714,284
	<b>3,480,950</b>

A summary of the changes in the Company's DSUs follows:

	<b>Weighted DSUs (#)</b>	<b>Average Price (\$)</b>
<b>Balance - December 31, 2022</b>	<b>1,766,666</b>	<b>0.08</b>
Granted	1,714,284	0.07
<b>Balance - December 31, 2023 and September 30, 2024</b>	<b>3,480,950</b>	<b>0.06</b>

e) *Warrants*

A summary of the changes in the Company's warrants is as follows:

	<b>Number of warrants (#)</b>	<b>Weighted Average Exercise Price (\$/share)</b>
<b>Balance, December 31, 2022</b>	<b>32,619,445</b>	<b>0.13</b>
Expired	(8,718,443)	0.10
Issued – Private Placement	20,833,331	0.17
Issued – Broker	297,700	0.17
<b>Balance, December 31, 2023</b>	<b>45,032,033</b>	<b>0.16</b>
Exercised	(6,988,016)	0.12
Expired	(10,984,335)	0.18
<b>Balance, September 30, 2024</b>	<b>27,059,682</b>	<b>0.16</b>

As at September 30, 2024, the following warrants were outstanding:

<b>Expiry Date (date)</b>	<b>Number of warrants (#)</b>	<b>Exercise Price (\$/share)</b>	<b>Weighted Average Life (Years)</b>
October 28, 2024	5,928,651 <sup>(1)</sup>	0.120	0.08
May 26, 2026	8,435,933	0.150	1.65
December 22, 2025	12,695,098	0.180	1.23
	<b>27,059,682</b>		<b>1.11</b>

<sup>(1)</sup> On July 19, 2023, the expiry date of these warrants was extended from July 28, 2023 to October 28, 2024.

(Note 15)

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**10. NON-CONTROLLING INTEREST**

	<b>Ballinalack</b>		<b>Total</b>
	<b>Resources Limited</b>	<b>TILZ Minerals Ltd.</b>	
	(\$)	(\$)	(\$)
<b>Non-controlling interest, December 31, 2022</b>	<b>2,391,221</b>	<b>533,073</b>	<b>2,924,294</b>
Share of loss	(11,338)	(39,917)	(51,255)
<b>Non-controlling interest, December 31, 2023</b>	<b>2,379,883</b>	<b>493,156</b>	<b>2,873,039</b>
Share of loss	(3,018)	(12,316)	(15,334)
<b>Non-controlling interest, September 30, 2024</b>	<b>2,376,865</b>	<b>480,840</b>	<b>2,857,705</b>

The following table presents the non-controlling interest as September 30, 2024 and December 31, 2023. The information below is before inter-company eliminations.

<b>As at September 30, 2024</b>	<b>Ballinalack</b>		<b>Total</b>
	<b>Resources Limited</b>	<b>TILZ Minerals Ltd.</b>	
	(\$)	(\$)	(\$)
Non-controlling interest percentage	40%	23.44%	
<b>Assets</b>			
Current	74,973	1,836	76,809
Non-current	6,086,296	2,811,525	8,897,821
	6,161,269	2,813,361	8,974,630
<b>Liabilities</b>			
Current	140,994	203,145	344,139
	140,994	203,145	344,139
<b>Net Assets</b>	<b>6,020,275</b>	<b>2,610,216</b>	<b>8,630,491</b>
<b>Non-controlling interest</b>	<b>2,376,865</b>	<b>480,840</b>	<b>2,857,705</b>

<b>As at December 31, 2023</b>	<b>Ballinalack</b>		<b>Total</b>
	<b>Resources Limited</b>	<b>TILZ Minerals Ltd.</b>	
	(\$)	(\$)	(\$)
Non-controlling interest percentage	40%	23.44%	
<b>Assets</b>			
Current	80,205	7,907	88,112
Non-current	6,086,296	2,811,525	8,897,821
	6,166,501	2,819,432	8,985,933
<b>Liabilities</b>			
Current	259,471	764,068	1,023,539
	259,471	764,068	1,023,539
<b>Net Assets</b>	<b>5,907,030</b>	<b>2,055,364</b>	<b>7,962,394</b>
<b>Non-controlling interest</b>	<b>2,379,883</b>	<b>493,156</b>	<b>2,873,039</b>

The following table presents the loss and comprehensive loss attributable to non-controlling interest:

	<b>Nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
	(\$)	(\$)
<b>Loss and comprehensive loss for the period</b>	<b>1,963,615</b>	<b>1,629,421</b>
<b>Loss attributable to non-controlling interest</b>		
Ballinalack Resources Limited	3,018	4,119
TILZ Minerals Ltd.	12,316	16,938
	15,334	21,057

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### **11. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The Company monitors its adjusted capital which comprises all components of equity. The Company manages and adjusts its capital structure based on current economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. No changes were made to the Company's capital management practices during the nine months ended September 30, 2024.

### **12. FINANCIAL RISK MANAGEMENT**

The Company is exposed to a variety of risks related to financial instruments. The Board approves and monitors the risk management processes. The principal types of risk exposure and the way in which they are managed are as follows:

#### *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, 2024 the Company had working capital of \$1,459,880 and will require additional financing to support continued operations.

#### *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 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 adjusts 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, 2024, the Company had Euro denominated current assets of €286,780 and Euro denominated current liabilities of €330,218. Accordingly, a 10% change in the foreign exchange rate would result in a \$6,549 credit or charge to operations.

#### *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.

#### *Credit risk*

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and other receivables. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

#### *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

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forward sales by producers and speculators.

### *Fair value*

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's cash, accounts payable and accrued liabilities, exploration partner advances and government loan payable approximates their carrying value because of the short-term nature of the financial instruments.

## 13. RELATED PARTY BALANCES AND TRANSACTIONS

### *Key Management Compensation*

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:

	<b>Nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(\$)</b>	<b>(\$)</b>
Salaries and benefits	297,251	272,535
Professional fees	87,750	87,750
Share-based payments	49,296	33,032
<b>Total</b>	<b>479,297</b>	<b>393,317</b>

For the nine months ended September 30, 2024, \$48,506 (September 30, 2023: \$21,623) of salaries and benefits were recorded in exploration and evaluation expenses. At September 30, 2024 accounts payable and accrued liabilities include \$105,000 (December 31, 2023: \$60,000) payable to directors of the Company (note 15).

## 14. SEGMENT INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief executive officer, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, exploration, and evaluation of certain mineral property interests in Ireland. Accordingly, the Company's operations are in one commercial and two geographic segments. The Company's Equipment (Note 4) and Exploration and Evaluation Assets (Note 5) are held by the Company in Ireland. The remaining assets, including cash and cash equivalents, prepaids and receivables, reside in both of the Company's two geographic locations. The Company is not exposed to significant

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operating risks as a consequence of the concentration of its assets in Ireland.

**15. SUBSEQUENT EVENTS**

- Subsequent to September 30, 2024, the Company issued shares on the exercise of warrants, as to:

<b>Date</b>	<b>Number of shares (#)</b>	<b>Exercise Price (\$/share)</b>	<b>Gross proceeds (\$)</b>
October 2, 2024	39,067	0.12	4,688
October 10, 2024	167,500	0.12	20,100
October 11, 2024	167,500	0.12	20,100
October 16, 2024	183,334	0.12	22,000
October 18, 2024	208,300	0.12	24,996
October 24, 2024	1,750,000	0.12	210,000
October 28, 2024	3,412,950	0.12	409,554
	<b>5,928,651</b>		<b>711,438</b>

- On November 1, 2024 and November 4, 2024, the Company granted incentive stock options allowing for the acquisition of up to, in the aggregate, 1,785,000 and 150,000 shares in the capital of the Company, respectively, at \$0.19 per share until November 1, 2029 and November 4, 2029, respectively.
- On November 1, 2024, the Company granted 300,000 deferred share units in settlement of \$60,000 owing to directors for services provided during the year ended December 31, 2023.