

Group Eleven Resources Corp. (ZNG-V)

Building The Next Irish Polymetallic Mine

We are initiating coverage of Group Eleven Resources Corp. (ZNG-V) with a **SPECULATIVE BUY** rating, and a 12-month target price of **\$1.60/sh.** ZNG is advancing its recent high-grade polymetallic silver-zinc discovery in southwest Ireland, the Ballywire target. The company plans to unlock value from three of its projects, including the PG West project (which hosts the Ballywire), the ~78%-owned Stonepark project (contiguous to PG West) and the 60%-owned Ballinalack project. Ballywire is strategically located ~20km from the Stonepark deposit, which lies adjacent to Glencore's (GLEN-LSE, Not Rated) Pallas Green zinc-lead deposit, one of the largest undeveloped zinc resources in Europe.

Our View: The Ballywire discovery, announced in September 2022, hosts high-grade zinc (Zn), lead (Pb), silver (Ag), copper (Cu), germanium (Ge), and local antimony (Sb) mineralization. Drilling has returned some of the highest silver grades ever reported in Ireland. Ballywire is ZNG's primary focus within the regional scale, ~289km² PG West project. The company has the potential to expand its Irish-type zinc deposits at Stonepark (5.1MMt grading 11.3% Zn+Pb) and Ballinalack (5.4MMt grading 8.7% Zn+Pb). We believe either project on its own would be capable of supporting the company's current market capitalization.

Highlights:

- **Ballywire's District-Scale Potential:** Drilling returned multiple high-grade intercepts, including **52.3m of 10.3% Zn+Pb, 330g/t Ag and 0.40% Cu, 39.7m of 9.5% Zn+Pb, 131g/t Ag and 0.27% Cu, 6.4m of 838g/t Ag and 3.72% Cu, and 29.6m of 10.6% Zn+Pb, 78g/t Ag and 0.15% Cu.**
- **Ballywire's Size potential:** Drilling has outlined 2.2km of strike, with a potential to reach 3.2km including historical drilling. Mineralization has been traced from ~150m to 1,050m down-dip. Of the 86 reported holes, nearly all intersected mineralization consistent with the Irish-type zinc deposit model.
- **More Targets:** Ballywire represents just one of four gravity anomalies along a 6km prospective trend, all of which are set to be drill tested through mid-2028.
- **Copper Potential At Depth:** Zn-Pb-Ag mineralization occurs at relatively shallow depths of 200-350m, while a deeper Cu-Ag target lies at ~300-600m.
- **Location & Synergy:** PG West is located near Glencore's Pallas Green deposit (45.4MMt grading 8.4% Zn+Pb) and ZNG's own Stonepark deposit (5.1MMt grading 11.3% Zn+Pb), highlighting potential regional development synergies. Stonepark also hosts additional Pallas Green-style exploration targets.
- **Safe Jurisdiction:** Ireland represents a safe and stable, jurisdiction with significant mining history and an established mining regime.
- **Drilling:** ZNG plans to drill 67,000-75,000m by mid-2028, including >51,500m of step-out drilling at PG West (Ballywire) and >15,500m at Stonepark.
- **Upcoming Resource:** The company expects to deliver a maiden mineral resource estimate (MRE) at Ballywire within the next year to year and half.

Valuation: ZNG is currently trading at 0.24x our NAV. Our valuation is based on a conceptual resource of 15.0MMt grading similarly to the existing resource estimates: 5.5% Zn, 2.5% Pb and 80.0g/t Ag. Utilizing a mill throughput rate of 1.40MMtpa and our long-term commodity prices US\$1.00/lb Pb, US\$1.30/lb Zn, US\$3,600/oz Au and US\$45/oz Ag, we derive a post-tax NPV_{8%} of C\$1.0B. Using a 0.50x NAV multiple and corporate adjustments we derive our **SPECULATIVE BUY** rating, and a 12-month target price of **\$1.60 per fully diluted share.**

Initiating Coverage

Spec. Buy C\$1.60

Recent/Closing Price	C\$0.78
12-month Target Price	C\$1.60
Potential Return	105%
52 Week Price Range	C\$0.28 - C\$1.30

Estimates

YE: Dec 31	FY25	FY26E	FY27E
Revenue (\$MM)	\$0.0	\$0.0	\$0.0
Cash Flow (\$MM)	(\$7.0)	(\$22.0)	(\$27.0)

Valuation

P/CF	n.m.
NAV	\$1,122
P/NAV	0.24x

Stock Data (C\$MM)

Shares O/S (MM)	298
Mgmt/Insiders	3%
Market Cap	\$233
LT Debt (Corporate)	\$0
Working Capital	\$15
Enterprise Value	\$218

Reserves & Resources

2P Reserves	-
M+I Resources	-
M+I Resources	2,313 MMb (Zn+Pb)

About the Company

ZNG-V is advancing one of the most significant mineral discoveries in Ireland. The company has three projects in Ireland: the PG West (which includes Ballywire) and Stonepark projects and the Ballinalack project.

All prices in C\$ unless otherwise stated

Stock Performance



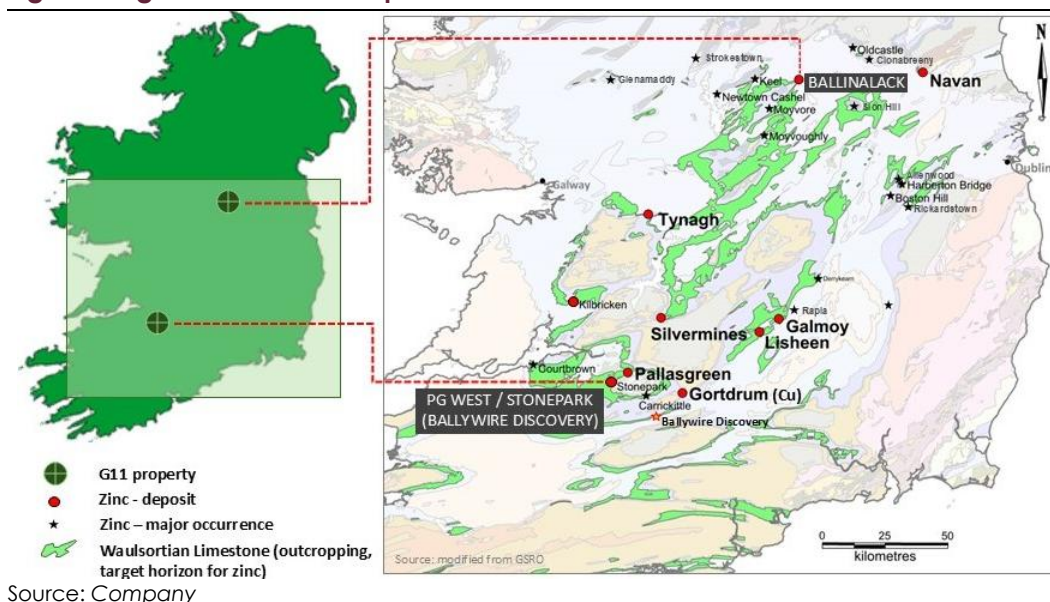
Investment Thesis:

Group Eleven Resources Corp. (ZNG-V) is advancing one of the most significant mineral discoveries in Ireland. The company has three projects in Ireland: the PG West (which includes Ballywire), Stonepark and Ballinalack projects. The Ballywire discovery, announced in September 2022, hosts high-grade zinc, lead, silver, copper, germanium, and local antimony mineralization, and is currently ZNG's primary focus. Drilling has returned some of the highest silver grades ever reported in Ireland. The Ballywire discovery is located within the ~289km² **PG West project** in southwest Ireland. It is strategically located ~20km from ZNG's Stonepark deposit, which lies adjacent to Glencore's Pallas Green zinc-lead deposit, one of the largest undeveloped zinc resources in Europe.

The ~78%-owned **Stonepark zinc-lead project** is a joint venture (JV) with Arkle Resources PLC (ARK-LSE, Not Rated), covering 148km² in SW Ireland. The project has a current MRE and is contiguous with ZNG's wholly-owned PG West project, providing potential exploration and development synergies.

The 60%-owned **Ballinalack project** is JV with Shenzhen Zhongjin Lingnan Nonfemet Co. Ltd. (000060-SZSE, Not Rated), one of the world's largest zinc producers. The project located north-central Ireland, ~50km west of Boliden's (BOL-STO, Not Rated) producing Tara (Navan) Zn-Pb mine.

Fig 1 Regional Location Map – ZNG's Irish Assets



Source: Company

In January 2026, ZNG reported its highest-grade drilling results to date at Ballywire: **29.9m grading 15.3% Zn+Pb, 552g/t Ag and 0.67% Cu**, including **8.4m grading 18.2% Zn+Pb, 1,776g/t Ag and 2.21% Cu**.

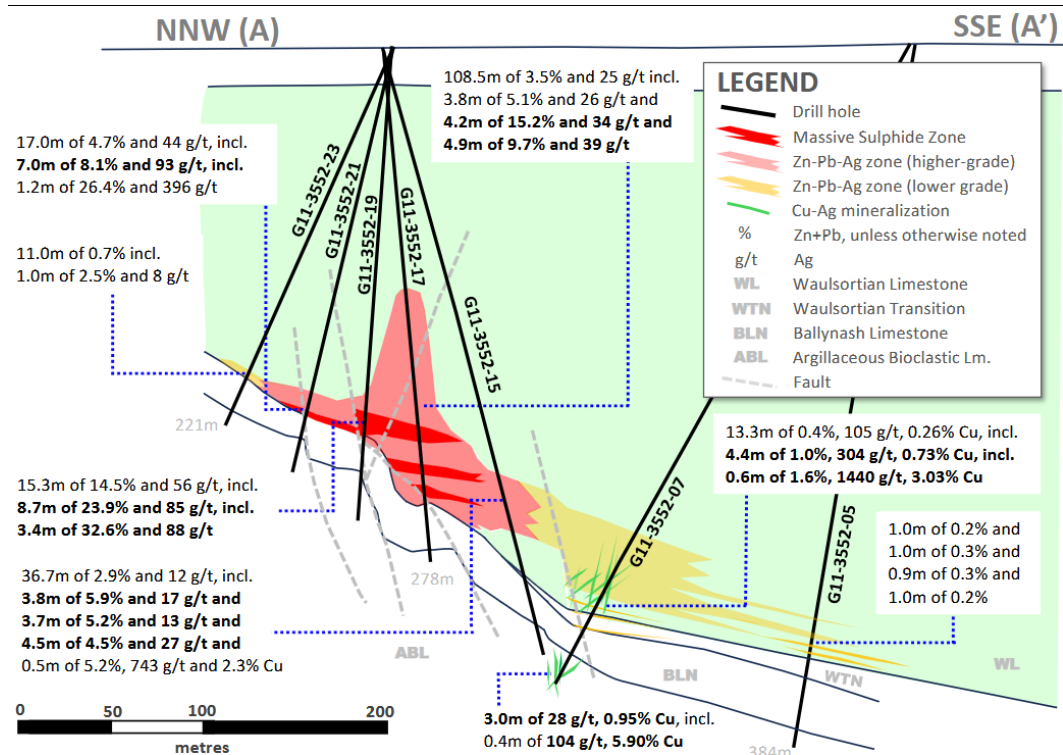
Ballywire represents just one of four gravity anomalies along a 6km prospective trend, with additional targets to be drilled through mid-2028. ZNG continues to expand the Ballywire discovery with drilling extending the mineralized footprint to 3.2km along the broader 6km trend. Exploration is increasingly demonstrating the potential for a major zinc-lead-silver deposit discovery. The drill results also identified multiple additional Cu-Ag zones, supporting the interpretation that copper-silver-bearing fault structures may extend along the full strike length of Ballywire.

ZNG has reported one of the highest-grade silver and copper intercepts reported in Ireland over the past 60 years, **19.9m of 1.46% Cu and 356g/t Ag, including 6.4m of 3.72% Cu and 838g/t Ag**. To date ZNG has reported results from 86 drill holes at Ballywire. It has four drill rigs currently active. The company plans to complete ~67,000-75,000m of drilling during 2026-2027, with ~77% of the program focused on expanding the Ballywire discovery.

Key drilling results included:

- **15.6m grading 11.6% Zn+Pb, 122g/t Ag and 0.19% Cu, including 3.5m of 21.3% Zn+Pb, 395g/t Ag and 0.73% Cu.**
- **7.5m grading 20.1% Zn+Pb and 51g/t Ag.**
- One of ZNG's best holes to date, returned **39.7m grading 9.5% Zn+Pb, 131g/t Ag and 0.27% Cu, including 5.6m grading 16.6% Zn+Pb, 370g/t Ag and 0.86% Cu.**

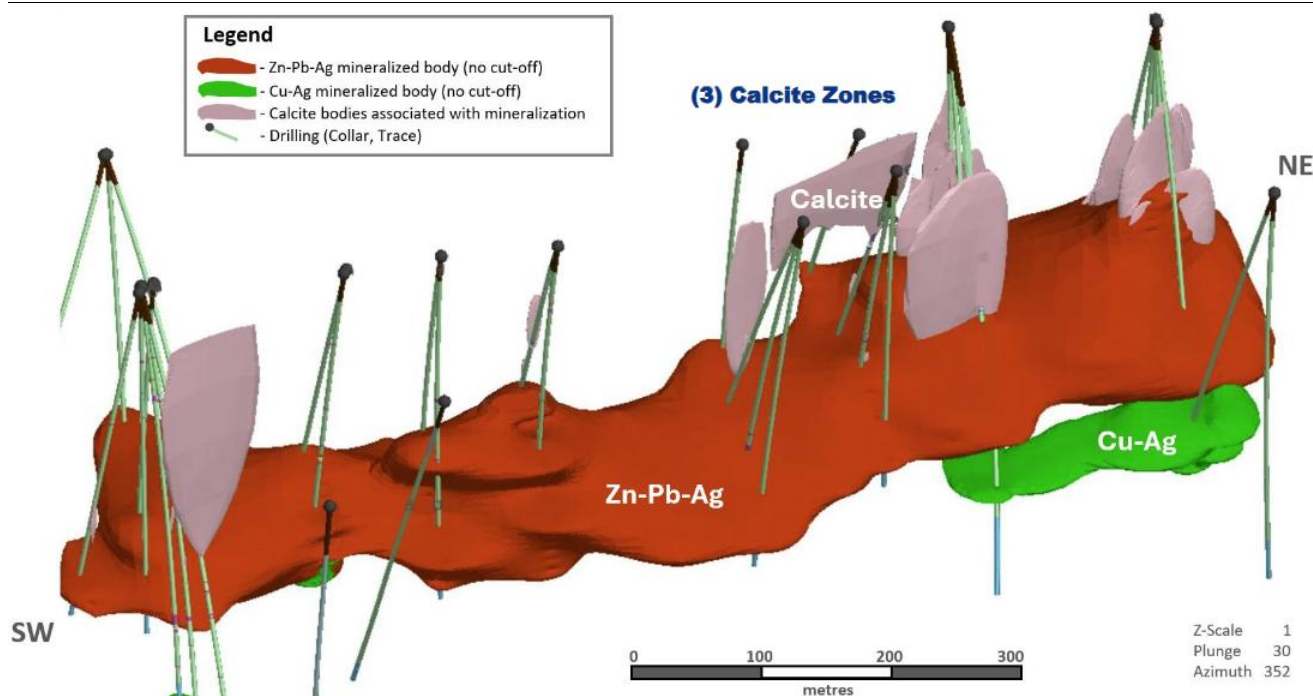
Fig 2 Ballywire Discovery – Cross-Section (Showing Massive Sulphides)



Source: Company

A key exploration opportunity remains the identification of the major feeder structures that controlled mineralization. Evidence from other Irish deposits indicate that the deposits are typically located on the immediate hanging wall of major faults which control the location of the deposits.

We view the Ballywire discovery along with the existing resources at the company's two other projects, the Stonepark deposit (5.1MMt grading 11.3%Zn+Pb), and Ballinalack deposit (5.4MMt grading 8.7% Zn+Pb) as a solid basis to build a company that will eventually attract acquisitive eyes looking to secure scarce resources located in safe jurisdictions.

Fig 3 Ballywire Discovery – Oblique 3D View (Showing Calcite Bodies)


Source: Company

(3) The calcite bodies appear to be spatially associated with Zn-Pb-Ag mineralization and can be used as vectoring for exploration. These bodies are intersected in shallow historic drilling along strike from the discovery and are expected to be drill tested.

Valuation & Methodology Summary

Our valuation of ZNG is based on the exploitation potential of a conceptual minable resource of 15.0MMt to grading 11.4% eqZn (5.5% Zn, 2.5% Pb and 80.0g/t Ag), utilizing a mill throughput rate of ~1.40MMtpa over a life of mine (LOM) of 11 years. We use 0.50x NAV multiple, a discount rate of 8% and corporate adjustments to derive our price target.

Our assumptions are mainly informed by ZNG's exploration success thus far at Ballywire and the dimensions of the deposit thus far. Although there is a potential to deliver a significantly resource size at Ballywire with the upper end of our estimate at 40.0MMt and a median at 20.0MMt from the dimensions the company sees at the moment. We believe additional exploration is likely to result in the discovery of more tonnes than we are estimating. However, conservatively, we are using 15.0MMt, a discounted tonnage to the median, at similar grades to the resources the company currently has defined at its other prospects.

Additionally, we are assuming similar metallurgical recoveries detailed for other deposits and is common in the area. We utilize our long-term commodity prices of US\$1.00/lb lead, US\$1.30/lb zinc, US\$3,600/oz gold and US\$45/oz silver to our project NPV. These assumptions are based at significantly lower commodity prices relative to current spot prices, especially for zinc which at the moment is trading at multi year highs, due to a tight concentrate market.

Our base case scenario results in a project NPV_{8%} of ~US\$740MM (or C\$1,007MM).

We give the existing resources at Stonepark (5.1MMt grading 11.3% Zn+Pb) and Ballinalack (5.4MMt grading 8.7% combined Zn+Pb plus 9.0g/t Ag), nominal value.

Fig 4 Valuation Summary

	<u>Discount</u> <u>Rate</u>	<u>Ownership</u>	<u>Value</u> <u>(C\$M)</u>	<u>Per Share</u> <u>(C\$/sh)</u> <u>2028</u>
Ballywire	8%	100%	\$1,007	\$2.88
Other		100%	\$100	\$0.29
OPERATING ASSETS			\$1,107	\$3.16
Working Capital			\$15	\$0.04
LT Debt (corporate only)			\$0	\$0.00
CORPORATE ASSETS			\$15	\$0.04
NET ASSET VALUE			\$1,122	\$3.20

Source: Beacon Securities

Conservatively, relative to our general practice, we do not yet apply a credit for regional exploration potential to ZNG. We assume an additional \$15MM of working capital to derive a corporate NAV of \$3.20/share at a NAV multiple of 1.0x, pending further developments. **Given the early nature of the project, we apply a 0.5x NAV multiple to derive a 12-month target price of \$1.60 per share.**

Sensitivity Analysis

Given ZNG's successful exploration results from 2022 to 2026 and the number of targets that are yet to be tested, the potential to outline a higher-tonnage resource is relatively high. We reiterate that we use a discount rate of 8% and will continue to do so until ZNG delivers a maiden resource estimate. The NPV that can be derived is much higher than our base case assumption if the discount rate is adjusted to the industry standard 5%.

Fig 5 Ballywire Project NAV Sensitivity Tables (C\$)

		Discount Rate (%)						
Zinc Price (\$/lb)		5%	6%	7%	8%	9%	10%	11%
	0.80	765	670	585	510	443	382	329
	1.05	1,084	963	855	758	672	594	525
	1.30	1,403	1,256	1,124	1,007	901	806	721
	1.55	1,722	1,549	1,394	1,255	1,130	1,018	917
	1.80	2,041	1,841	1,663	1,503	1,359	1,230	1,113
	2.05	2,359	2,134	1,933	1,752	1,589	1,442	1,309

		Discount Rate (%)						
Zinc Grade (%)		5%	6%	7%	8%	9%	10%	11%
	4.0%	1,013	897	795	703	621	547	481
	4.5%	1,143	1,017	905	804	714	633	561
	5.0%	1,273	1,136	1,014	905	807	720	641
	5.5%	1,403	1,256	1,124	1,007	901	806	721
	6.0%	1,533	1,375	1,234	1,108	994	893	801
	6.5%	1,663	1,495	1,344	1,209	1,088	979	881

Source: Beacon estimate

At our chosen discount rate of 8% and our long-term commodity prices, we derive a robust post-tax project NPV_{8%} and IRR of C\$1,007MM and 35%, respectively. However, if the long-term zinc price moves towards the current zinc price alone,

to, say, US\$1.80/lb, the NPV could easily grow by another \$550MM. And if silver price moves to spot price, at US\$65/oz, the NPV adds another healthy \$380MM.

We underscore the forgoing to highlight the projects leverage to commodity prices and its re-rating potential as the company continues to derisk the project through more exploration work and permitting.

Company Background

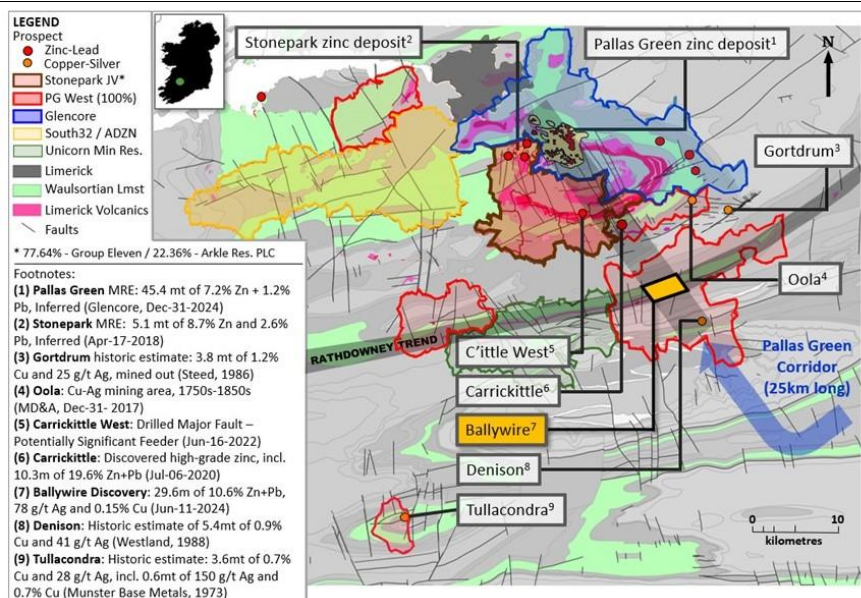
Following a regional review completed between 2018 and 2020, Group Eleven identified the Stonepark (~78%-owned) and PG West (100%-owned) projects as core assets in the Limerick Basin. ZNG intends to maintain these key land positions, along with its Ballinalack project. The projects constitute significant foothold in a historic mining jurisdiction from where the company can continue to grow.

PG West & Stonepark Projects

The **PG West project** is 100%-owned by ZNG and comprises 10 prospecting licences covering more than 289km² in southwest Ireland. The property is contiguous with the company's ~78%-owned Stonepark zinc-lead deposit and is situated southeast of Glencore's Pallas Green project. Pallas Green hosts 45.4MMt grading 8.4% Zn+Pb, while Stonepark hosts 5.1MMt grading 11.3% Zn+Pb.

The Carrickittle, Ballywire and Denison prospects are in the south of PG West while ZNG's 18.5km² Tullacondra prospect lies ~20km further south.

Fig 6 PG West Project (Limerick Region) Location Map



Source: Company

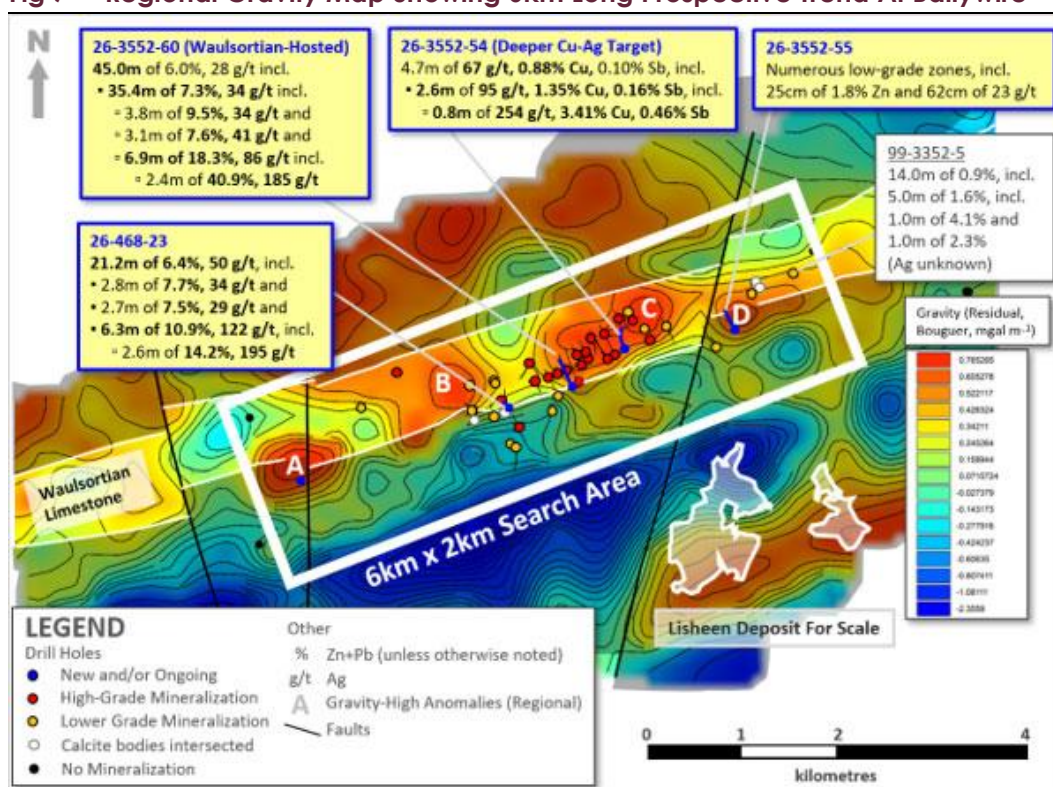
The Ballywire discovery, announced in September 2022, is located within the southeastern portion of PG West at the intersection of the Pallas Green and Rathdowney mineralized trends, ~20km SE of the Pallas Green deposit.

ZNG has reported results from 86 drill holes at Ballywire. Drilling at Ballywire is showing

a significant zinc-lead-silver discovery with an emerging copper potential at depth. The mineralization is traced over 3.2km of strike. The deeper Cu-Ag mineralization has now been confirmed below the main discovery on two drill fences ~350m apart. Exploration continues along the more than 6km of gravity-defined trend, targeting both strike extensions and the deeper copper-silver system.

With the mineralization defined over 3.2km of strike, Ballywire is well positioned to significantly expand the emerging copper-silver mineralized system below this system as well. Recent drilling is highlighting strong evidence that the deeper Cu-Ag system extends along the Ballywire discovery. The mineralization is hosted in steeply south-dipping fault zones that correlate with Cu-Ag-bearing structures identified 350m to the NE, supporting the potential for a continuous, district-scale copper-silver corridor beneath the zinc-lead-silver discovery.

Fig 7 Regional Gravity Map Showing 6km Long Prospective Trend At Ballywire



Source: Company

Following its C\$12MM financing in March 2026, ZNG expanded its drill program at Ballywire from 20,000m to ~67,000-75,000m through the end of 2027. The robust drilling program should provide for systematic testing along the entire 6km prospective trend, as well as the deeper Cu-Ag target. **ZNG is also likely to test for potential parallel mineralized zones. Key drill intercepts include:**

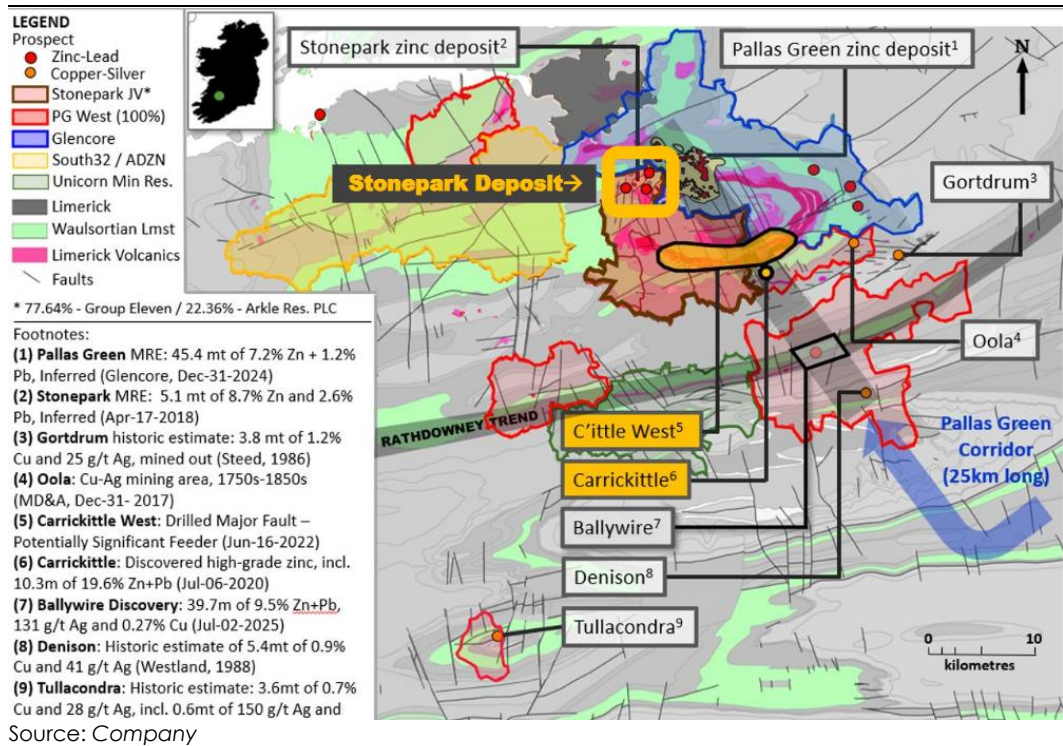
- 10.8m of 10.0% Zn+Pb and 109g/t Ag (G11-468-03)
- 10.5m of 14.7% Zn+Pb, 399g/t Ag and 0.31% Cu (G11-468-12)
- 29.6m of 10.6% Zn+Pb, 78g/t Ag and 0.15% Cu (G11-3552-12)
- 11.8m of 11.6% Zn+Pb, 48g/t Ag (G11-3552-18)
- 15.6m of 11.6% Zn+Pb, 122g/t Ag and 0.19% Cu (G11-3552-27)
- 12.0m of 560g/t Ag, 2.30% Cu and 0.17% Sb (25-3552-31), including
 - 6.4m of 838g/t Ag, 3.72% Cu and 0.27% Sb

- 39.7m of 9.5% Zn+Pb, 131g/t Ag and 0.27% Cu (25-3552-35)
- 25.6m of 9.2% Zn+Pb, 28g/t Ag (25-3552-39)
- 52.3m of 10.3% Zn+Pb, 330g/t Ag and 0.40% Cu (25-3552-51), including
 - 8.4m of 18.2% Zn+Pb, 1776g/t Ag, 2.21% Cu and 0.18% Sb
- 23.5m of 12.3% Zn+Pb and 46g/t Ag (25-3552-53)

In addition to zinc, lead, and silver mineralization, drilling at Ballywire has returned significantly elevated germanium values. Germanium grades within sphalerite-rich mineralized zones range from 10g/t to 79g/t Ge, representing some of the highest germanium grades reported in Ireland.

The Stonepark Project: Stonepark comprises 5 contiguous prospecting licences covering 148km². The property is strategically located adjacent to Glencore's Pallas Green zinc-lead project and ~40km from the deep-water port of Foynes. The project covers a large area in Limerick County, Ireland. It extends ~13.5km north-south (from Ballyneety to Bruff) and 25km east-west (from south of Pallas Green to near Croom). The northern boundary of the license lies 6km south of Limerick City. Overall, the project enjoys significant access to established infrastructure and a skilled regional workforce. Stonepark is ~78% owned by ZNG with the balance held by Arkle Resources.

Fig 8 Stonepark & Carrickittle West Prospect: Pallas Green Lookalike Target



The project is prospective for Irish-type zinc-lead mineralization hosted within the Lower Carboniferous sedimentary sequence, particularly along the base of the Waulsortian Reef horizon, which hosts many of Ireland's major zinc deposits.

The project is located 5km south of Glencore's Pallas Green deposit, one of the world's largest undeveloped zinc deposits, in Ireland's Limerick Basin.

Recent drilling has highlighted the Killeely and Bruff prospects as priority follow-up targets, following encouraging results at the Carrickittle West prospect, a geological analogue to Glencore's nearby Pallas Green deposit. ZNG has expanded its planned drill program from 3,000m to ~15,500m across 2026-2027, with drilling already underway.

Stonepark MRE (2018): Stonepark hosts three main mineralized zones, Stonepark North, Stonepark and Stonepark West, which collectively contain an inferred mineral resource of 5.1MMt grading 11.3% combined Zn+Pb (8.7% Zn and 2.6% Pb), containing ~1,279MMlb Zn+Pb.

Recent, 2026 step out of 550m drilling from the closest edge of the Stonepark MRE intersected **14.7m of 2.0% Zn+Pb** (1.4% Zn and 0.6% Pb) starting 461m downhole in hole **26-2638-07**, including **6.3m of 4.1% Zn+Pb** (2.7% Zn and 1.3% Pb), **2.8m of 8.3% Zn+Pb** (5.5% Zn and 2.9% Pb) and **1.0m of 21.7% Zn+Pb** (13.8% Zn and 7.9% Pb), 4g/t Ag. The result highlights the expansion potential of the Stonepark MRE.

Fig 9 Stonepark Zinc-Lead Project MRE (April 2018)

Stonepark Inferred Resources							
Area	Tonnes (Kt)	Grades			Metal Content		
		Zn (%)	Pb (%)	Zn+Pb (%)	Zn (MMlb)	Pb (MMlb)	Zn+Pb (MMlb)
Stonepark North	3,900	9.2	2.9	12.1	790.2	247.6	1,037.8
Stonepark West	800	7.1	2.2	9.3	128.0	39.9	167.9
Stonepark	400	7	1.0	8	64.0	9.1	73.1
Total	5,100	8.7	2.6	11.3	982.2	296.6	1,278.8

Source: Company

The MRE is based on 4.8% eqZn cut-off grade, at Zinc price of US\$3,284/t, recovery 88%, a lead price of US\$2,425/t, recovery of 80%, concentrate grade of 60% Zn and 50% for Pb, processing costs of US\$21.25/t, mining costs of US\$46.50/t, treatment charges of US\$1.00/t of concentrates, payable 85% Zn and 94% Pb, with selling cost zinc US\$1,257/t Zn and US\$1,026/t Pb and a royalty of 4.5%.

Ballinalack Project

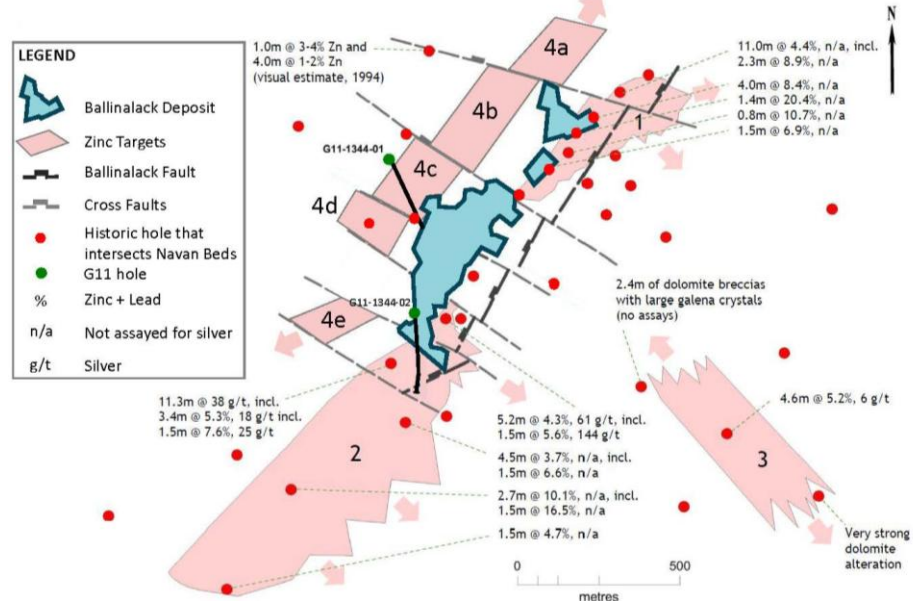
The Ballinalack project is a joint venture between ZNG (60%) and S Nonfemet (40%), one of China's largest zinc producers. Located in north-central Ireland, ~50km west of Boliden's producing Tara zinc-lead mine, the project comprises a single prospecting licence covering 46km².

Ballinalack hosts a MRE of 5.4MMt grading 8.7% combined Zn+Pb (7.6% Zn and 1.1% Pb) plus 9.0g/t Ag). The MRE is based on 5.2% eqZn cut-off grade and metal prices of US\$2,954/t Zn, US\$2,325/t Pb and US\$15.79/oz Ag.

Fig 10 Ballinalack Zinc-Lead Project MRE (August 2018)

Ballinalack Inferred Resources									
	Tonnes (Kt)	Grades				Metal Content			
		Zn (%)	Pb (%)	Zn+Pb (%)	Ag (g/t)	Zn (MMlb)	Pb (MMlb)	Zn+Pb (MMlb)	Ag (Koz)
Total	5,400	7.6	1.1	8.7	9.0	898.3	135.7	1,034.0	1,600.0

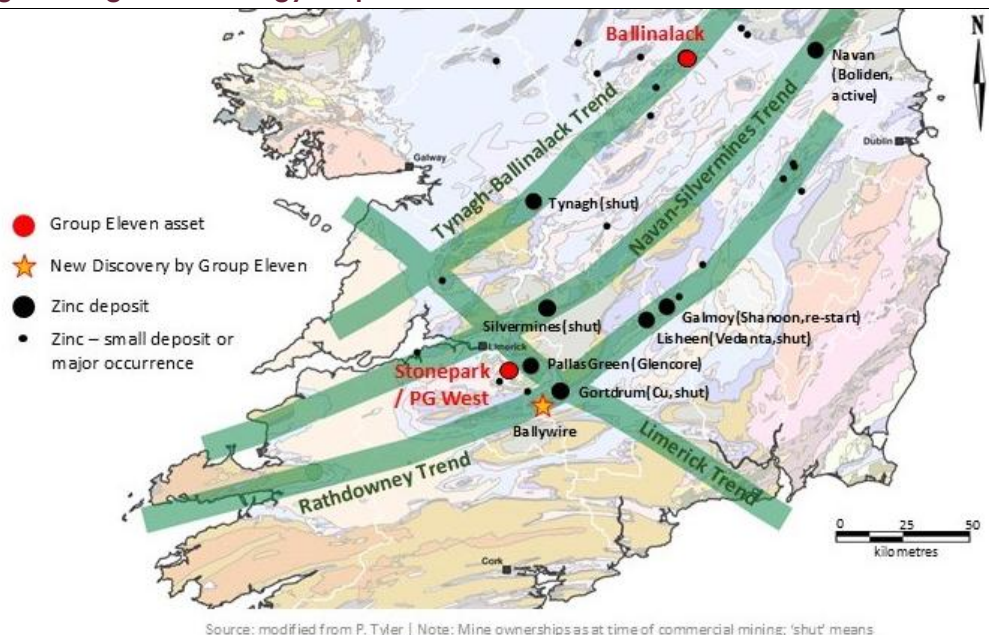
Source: Company

Fig 11 Ballinalack Project – Exploration Upside Near Existing Deposit


Source: Company

Geology

Regional Geology: Ireland occupies a back-arc basin environment that was progressively submerged by a marine transgression. Much of the island consisted of a shallow-water carbonate shelf surrounding localized deeper basins. In the region north of the South Munster Basin, mixed carbonate and clastic sediments have developed into several geological provinces. The Stonepark project is situated within the Limerick province, a highly prospective zinc-bearing region that extends eastward through the Silvermines and Tynagh districts.

Fig 12 Regional Geology Map


Source: modified from P. Tyler | Note: Mine ownerships as at time of commercial mining; 'shut' means

Source: Company

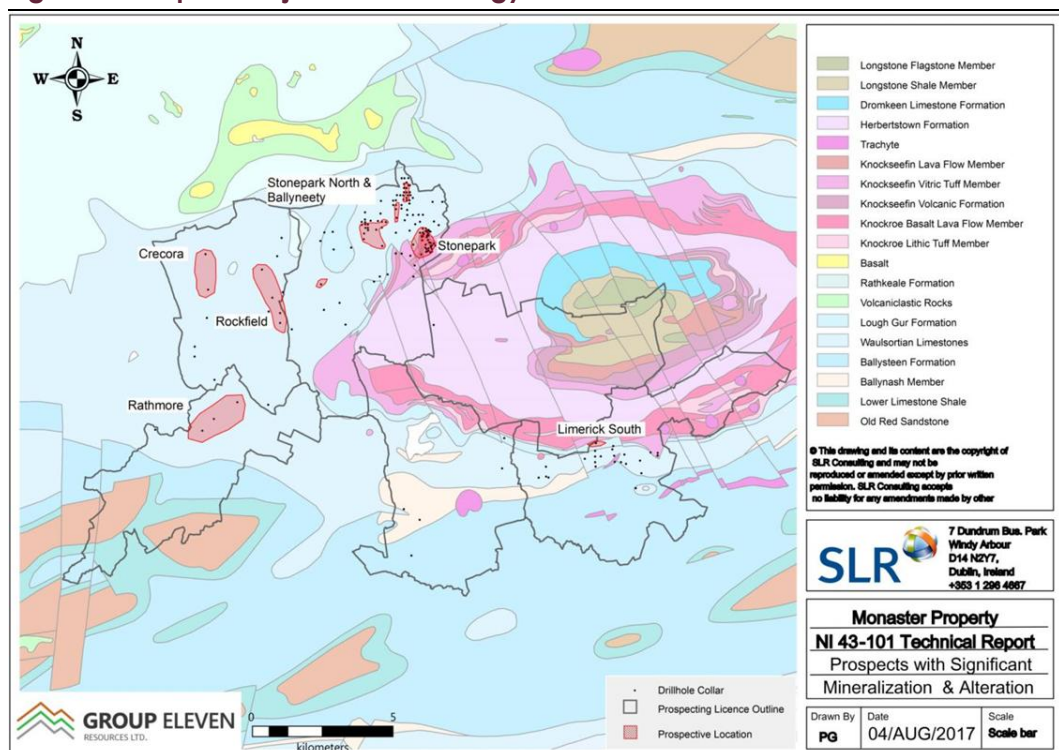
PG West/Stonepark Project Geology & Mineralization

Stonepark is located within the highly prospective Limerick Basin, part of Ireland's globally significant Irish Midlands Ore Field, one of the world's premier zinc-lead districts. The basin hosts a sequence of Carboniferous sedimentary rocks, including the Waulsortian Limestone. The Waulsortian Limestone is the principal host of the region's hydrothermal alteration and the bulk of its base-metal mineralization.

Stonepark lies immediately west of Glencore's Pallas Green deposits and exhibits alteration and mineralization styles comparable to other major Irish zinc mines such as Lisheen, Galmoy, and Silvermines. Importantly, the Limerick mineralizing system at Stonepark appears to be substantially larger than those districts. Evidence of widespread hydrothermal activity extends well beyond the known deposits. Numerous drill holes have intersected alteration and mineralization away from the current resource area, highlighting significant exploration upside potential.

A key exploration opportunity remains the identification of the major feeder structures that controlled mineralization. Evidence from other Irish deposits indicate that the deposits are typically located on the immediate hanging wall of major faults which control the location of the deposits. The higher thickness and grade of ore bodies are typically located adjacent to these structures.

Fig 13 Stonepark Project Area Geology



Source: Company

Ballinalack Project Geology & Mineralization

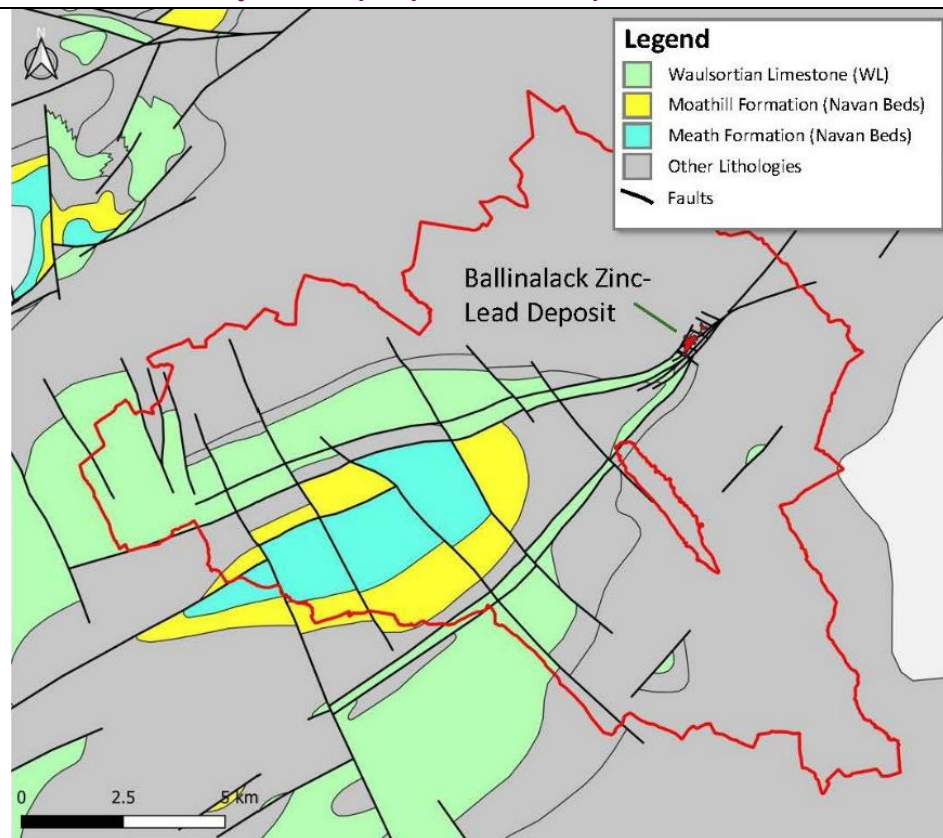
The Ballinalack project is also situated within the Irish Midlands Orefield. It lies along the highly prospective Tynagh-Ballinalack Trend. The Tynagh-Ballinalack Trend is a regional mineralized corridor that is associated with a major basement structure that acted as a conduit for hydrothermal fluids responsible for forming many of Ireland's significant zinc-lead deposits.

Mineralization at Ballinalack is hosted primarily within Waulsortian Limestone and occurs as a series of zinc-lead-rich pods that are parallel to the Ballinalack Fault. Additional mineralization is also present within an older stratigraphy, the Pale Beds stratigraphy, particularly in the footwall of the fault. The hanging wall remain largely untested at depth. The Pale Beds are especially prospective as they host the world-class Navan zinc-lead deposit located ~50km to the east.

The deposit is classified as an Irish-Type zinc-lead system, a distinct class of carbonate-hosted mineralization characterized by replacement-style sulphide mineralization formed from higher-temperature hydrothermal fluids. These deposits are well understood globally, following nearly six decades of exploration success that led to the discovery of major Irish zinc-lead mines including Tynagh, Silvermines, Navan, Galmoy, and Lisheen.

The combination of favorable host rocks, strong structural controls, proven regional endowment, and underexplored targets provides significant exploration potential beyond the existing MRE at Ballinalack.

Fig 14 Ballinalack Project – Property Location Map



Source: Company

Exploration

PG West: Group Eleven continued to expand the Ballywire discovery throughout 2025 and 2026, with drilling extending the mineralized footprint to 3.2km along a broader 6km prospective trend. The project hosts some of the highest silver grades ever reported in Ireland and increasingly demonstrates potential for a major zinc-

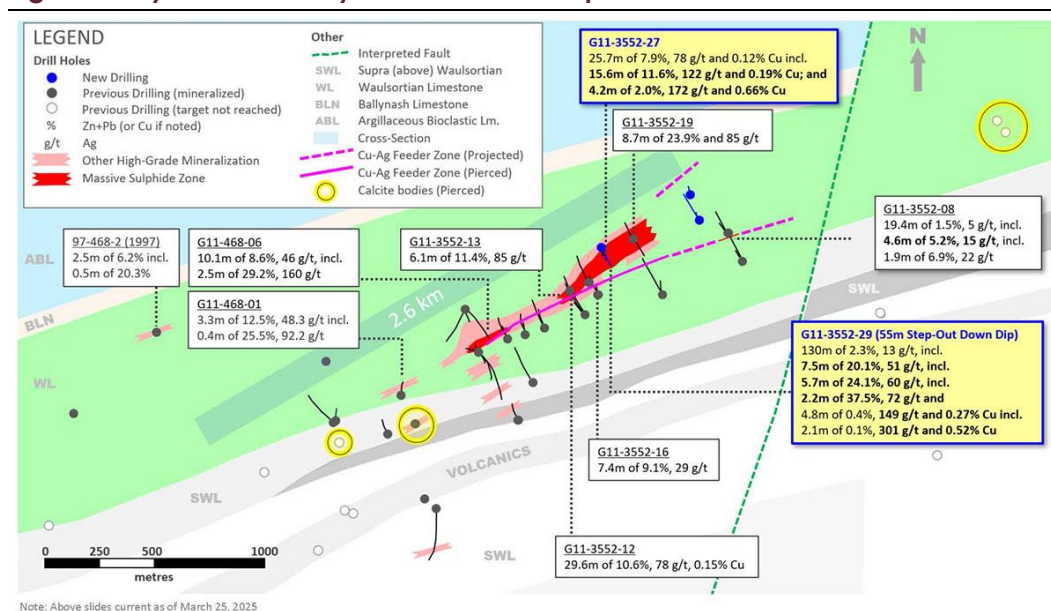
lead-silver deposit discovery, while recent drilling has also highlighted significant copper-silver upside.

ZNG has with four drill rigs currently active. To date the company has reported results from ~86 drill holes at Ballywire, and plans to complete ~67,000-75,000m of drilling during 2026-2027, with ~77% of the program focused on expanding the Ballywire discovery.

Key drilling results included:

- 15.6m grading 11.6% Zn+Pb, 122g/t Ag and 0.19% Cu, including 3.5m of 21.3% Zn+Pb, 395g/t Ag and 0.73% Cu.
- 7.5m grading 20.1% Zn+Pb and 51g/t Ag from step-out drilling.
- One of the highest-grade silver and copper intercepts reported in Ireland over the past 60 years, returning **19.9m of 1.46% Cu and 356g/t Ag, including 6.4m of 3.72% Cu and 838g/t Ag.**
- One of the company's best holes to date, returned **39.7m grading 9.5% Zn+Pb, 131g/t Ag and 0.27% Cu, including 5.6m grading 16.6% Zn+Pb, 370g/t Ag and 0.86% Cu.**
- Continued success testing the emerging Deeper Cu-Ag Target, including multiple copper-silver-antimony intersections supporting a broader copper-bearing system at depth.

Fig 15 Ballywire Discovery Drill Hole Plan Map



Source: Company

In January 2026, the company reported its highest-grade drilling results to date at Ballywire, including **29.9m grading 15.3% Zn+Pb, 552g/t Ag and 0.67% Cu**, including **8.4m grading 18.2% Zn+Pb, 1,776g/t Ag and 2.21% Cu**, extending the massive sulphide zone by ~80m. Subsequent results identified multiple additional Cu-Ag zones, supporting the interpretation that copper-silver-bearing fault structures may extend along the full strike length of the Ballywire discovery. In April, hole 25-3552-52 extended the mineralized strike by ~600m to 3.2km from 2.6km, intersecting 22m of mineralization.

Stonepark: Recently, hole 26-2638-07, drilled 550m from the nearest edge of the

Stonepark MRE, intersected **14.7m grading 2.0%Zn+Pb** from 461m, including **6.3m at 4.1%Zn+Pb, 2.8m at 8.3%Zn+Pb and 1.0m at 21.7%Zn+Pb with 4g/t Ag**. A second zone returned 16.1m at 0.4%Zn from 507m, including 1.0m at 2.5%Zn+Pb.

The new intercept is 150m NW of historic hole TC-2638-030 (3.2m at 4.4%Zn+Pb) and both holes lie outside the current MRE, highlighting potential to expand mineralization beyond the existing resource footprint. Both zones occur within the lowest 65m of the Waulsortian Limestone and comprise sphalerite, galena and pyrite, consistent with the broader Irish-type zinc deposit model.

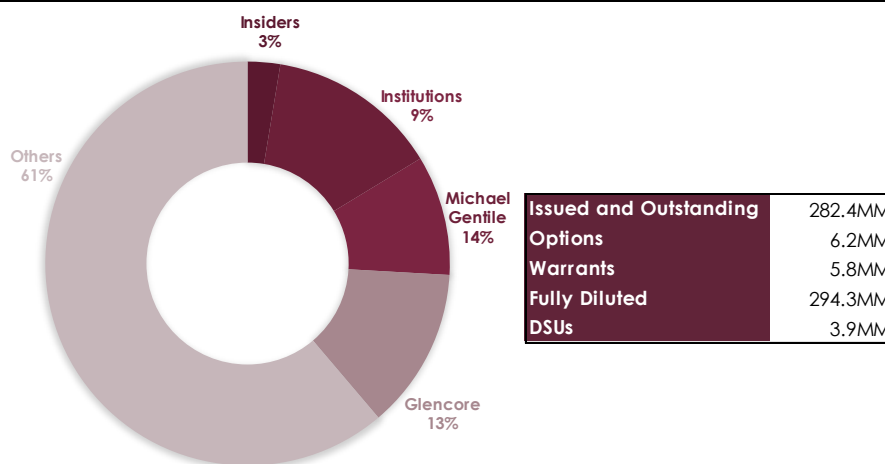
Two additional holes totaling 2,700m are planned over the coming months. Hole 26-2531-03 was terminated at 245m due to poor ground conditions before reaching its planned 600m depth. a

Ballinalack: A total of 513 drill holes totaling 93,350m had been completed across the Ballinalack property, including 59 drill holes for 14,822m within the Ballinalack deposit itself, at filing of the 2019 technical report. Historical drilling data were compiled as part of a 1991 feasibility study and include drill collar locations, geological logging, and assay information. Notably, ~95% of the drilling data underpinning the Ballinalack MRE was completed prior to 1991, highlighting the historical nature of much of the dataset and potential upgrades with update cost and price assumptions.

Ownership & Capital Structure

ZNG has 282.4MM outstanding, 6.2MM warrants exercisable at \$0.28/unit and 6.2MM options (exercise prices from \$0.10 - \$0.22), and 3.9MM DSUs, for a total of 294MM common shares issued and outstanding. Michael Gentile and Glencore are major shareholders, owning 13.7% and 12.9% respectively.

Fig 16 Capital Structure & Ownership



Source: Company

Catalysts

- Results ~67,000m to up to 75,000m of funded drilling
 - **PG West:** >51,500m focused on Ballywire from April 2026 to mid-2028
 - **Stonepark:** >15,500m of drilling, including a 2,700m drill program during mid-2026

Appendix A: Investment Risks

Potential risks to ZNG are issues related to resources and grades, changes in commodity prices; permitting risks; and market sentiment. We consider geopolitical risk to be low as the project areas are in Ireland where mining and exploration is ongoing. We note that exploration projects by nature are highly speculative.

Commodity Prices – Average

Like all mineral exploration companies, ZNG is subject to various factors beyond its control, including, not limited to fluctuations in commodity prices; unforeseeable development delays; work stoppages; unexpected environmental issues; unanticipated metal recoveries; and inflationary factors. Furthermore, ZNG's project is in the early stages of development and, as such, there are no economic or feasibility studies that contribute to de-risking certain technical risks associated with the project that may help to minimize, although not eliminate, certain risks.

Operational Risks – Moderate

Potential risks related to issues of future resources and mining grades are high. Operational issues, such as unforeseeable development delays; work stoppages; and unexpected environmental issues can materially affect our valuation. In addition to certain technical risks that are associated with project exploration and development, we consider geopolitical risk to be low. The area has a long-established mining culture and mining code; however, uncertainties related to community relations in the country in general exist.

Development and Exploration Risks – Moderate to High

As is the case with all exploration and development companies, ZNG also must provide continuous work results and/or outline new resources to maintain market visibility. ZNG has an ongoing exploration program with the potential to complete an updated resource estimate in the future. The company has begun to work towards this goal; success, however, is not guaranteed.

Financial Risk – Average

At the current rate of exploration and development expenditure ZNG is well financed to advance its projects into 2026. The company currently has cash and equivalents of ~C\$16MM, which is sufficient to fund its ongoing exploration works.

Permitting Risk – Moderate to High

ZNG has permits to explore its properties and is working towards securing more extensive mining licenses. Going forward, like all exploration and development projects, there are no ironclad guarantees to continually secure all necessary permits to advance the project.

Appendix B: Management/Directors

Bart Jaworski – CEO & Director

Mr. Jaworski, based in Ireland, has been the CEO and a director of ZNG since incorporation and a director of GERL since June 2015 and provides his services on a full-time basis. He has 20+ years' experience in the mining industry, commencing his career as an exploration geologist for >6 years followed by 12 years as a mining analyst at J & E Davy and Raymond James Ltd. As an exploration geologist, he was worked on properties in Canada, Russia and Costa Rica and was associated with the early stages of the Coffee Creek gold discovery in the Yukon. He has a BSc (Hons) in Geology from UBC.

Jasmine Lau – CFO

Ms. Lau is a Vancouver-based CPA with 16+ years' experience in the resource sector, having served as the CFO for several mineral exploration companies. She is currently the CFO of Minaurum Gold Inc. (MGG-T, BUY, TP-\$0.90), Forte Minerals Corp. (CUAU-CSE, Not Rated), and Cascadia Minerals Ltd. (CAM-V, Watchlist, Not Rated). Prior to that, Jasmine also served as CFO to a various number of other private and public mineral exploration companies.

David Furlong P.Geo – COO

Mr. Furlong has served as a director of ZNG since incorporation until October 2017 and was a founding Director of GERL since August 2013 and is also the COO. He has 22+ years of experience as a geologist, most recently he spent 7 years (2007 to 2014) as GM, Projects for Rathdowney Resources Ltd. (RTH-V, Not Rated). He provides expertise in the design, implementation and management of mineral exploration programs. He has a BSc (Hons) in Exploration and Mining Geology from the University of Wales and holds the P.Geo designation from the IGI.

Dr. Mark Holdstock – Project Manager

Dr. Holdstock is a Professional Geologist with 30+ years exploration experience including Noranda, Billiton, Outokumpu, Boliden and Tara Mines. At Tara, he led the team that discovered the 20MMt+ SWEX extension to the world class Navan Zn-Pb orebody in Ireland. He has published a number of academic papers on carbonate-hosted zinc deposits. Most recently, he was Managing Director at Ireland-based Aurum Exploration Services, a position he held since 2005.

Sheryl Dhillon – Corporate Secretary

Ms. Dhillon is a corporate secretary with 10+ years of experience, with extensive knowledge of corporate governance, and strong management and corporate communications skills. She is Corporate Secretary for several public companies.

Board of Directors

Daniel MacInnis – Chairman

Barry O'Shea – Director

Brendan Cahill – Director

Franz Bollman – Director

Michael Gentile – Director

Appendix C: Summary Financials

Group Eleven Resources Corp.

Beacon Securities Limited

Symbol **ZNG-V**
Stock Rating **Spec. Buy**
Price Target **\$1.60**

Share Price **\$0.78**
Shares O/S (MM) **282.5** Float (MM) **201.1**
Mkt Cap (\$MM) **220**

Bereket A. Berhe (416) 507-3978

INCOME STATEMENT		FY25	FY26e	FY27e
Revenues	C\$MM	-	-	-
Operating Costs	C\$MM	-	-	-
EBITDA	C\$MM	(18.5)	(24.5)	(14.5)
DD&A	C\$MM	-	-	-
EBIT	C\$MM	(18.5)	(24.5)	(14.5)
Interest Expense	C\$MM	-	-	-
EBT	C\$MM	(17.0)	(23.0)	(13.0)
Taxes/Recovery	C\$MM	-	-	-
Net Income (reported)	C\$MM	(18.5)	(24.5)	(14.5)
Non-Recurring Items/Other	C\$MM	-	-	-
Net Income (operating)	C\$MM	(17.0)	(23.0)	(13.0)
Shares o/s (wgt avg.)	MM	285.0	285.0	285.0
EPS (operating)	\$/sh	(\$0.06)	(\$0.08)	(\$0.05)
P/E Multiple	x	n.m.	n.m.	n.m.
Cash Flow (operating)	C\$MM	(17.0)	(23.0)	(13.0)
CFPS	\$/sh	(\$0.06)	(\$0.08)	(\$0.05)
P/CF Multiple	x	n.m.	n.m.	n.m.

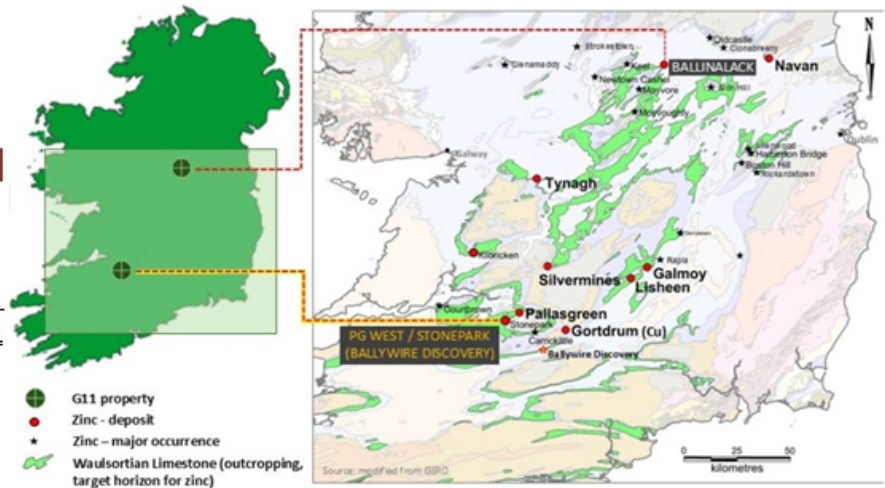
BALANCE SHEET		FY25	FY26e	FY27e
Cash & Equivalents	C\$MM	56.1	41.1	38.0
Total Current Assets	C\$MM	56.1	41.1	38.0
PP&E & Mining Interests	C\$MM	3.7	5.7	7.7
Other	C\$MM	-	-	-
Total Assets	C\$MM	59.9	46.8	45.8
Current Liabilities	C\$MM	0.3	0.3	1.3
Long Term Debt	C\$MM	-	-	1.0
Other LT Liabilities	C\$MM	-	-	-
Total Liabilities	C\$MM	0.3	0.3	2.3
S/Holder Equity	C\$MM	59.6	46.5	43.4
Total Liab. & S/Holder Equity	C\$MM	59.9	46.8	45.7
Working Capital	C\$MM	55.8	40.8	36.7

Management		Other Directors
Bart Jaworski	CEO	Daniel MacInnis - Chairman
Jasmine Lau	CFO	Barry O'Shea
David Furlong	COO	Brendan Cahill
Dr. Mark Holdstock	Project Manager	Franz Bollman
		Michael Gentile

Options (MM)	Avg. Price	Warrants (MM)	Avg. Price
6.2	\$0.20	5.80	\$0.28

Recent Financings

Date	Amount	Price	Type	Warrant	Expiry
March-2026	\$12.0	\$0.90	priv. placement	-	-



Source: Company reports, Beacon estimates

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As of August 31, 2026	#Stocks	Distribution
BUY	62	72.1%
Speculative Buy	19	22.1%
Hold	2	2.3%
Sell	0	0.0%
Under Review	3	3.5%
Tender	0	0.0%
Total	86	100%

BUY	Total 12-month return expected to be > 15%
Speculative Buy	Potential 12-month return is high (>15%) but given elevated risk, investment could result in a material loss
Hold	Total 12-month return is expected to be between 0% and 15%
Sell	Total 12-month return is expected to be negative
Under Review	
Tender	Clients are advised to tender their shares to a takeover bid or similar offer

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