

GUNGNIR

Interim Financial Statements

March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

Gungnir Resources Inc.

Statements of Financial Position

(expressed in Canadian dollars)

Unaudited – Prepared by Management

As at			March 31, 2024	December 31, 2023
	Note			
Assets				
Current assets				
Cash and cash equivalents	3	\$	1,161,930	\$ 1,309,657
Accounts receivable and prepaids	4		9,402	13,268
			1,171,332	1,322,925
Non-current assets				
Deposits	3		29,590	29,590
Reclamation bonds	5		25,496	25,496
Exploration and evaluation properties	6		3,714,743	3,703,950
Total assets			4,941,161	5,081,961
Liabilities and equity				
Current liabilities				
Accounts payable and accrued liabilities			29,547	49,500
Total liabilities			29,547	49,500
Equity				
Share capital	7		33,375,967	33,375,967
Stock-based payment reserve	7		1,036,845	1,109,417
Warrants	7		338,879	1,211,948
Contributed surplus	7		7,757,311	6,811,670
Deficit			(37,597,388)	(37,476,541)
Total equity			4,911,614	5,032,461
Total liabilities and equity		\$	4,941,161	\$ 5,081,961

Nature and continuance of operations (Note 1)

Subsequent event (Note 13)

See accompanying notes to the interim financial statements

Gungnir Resources Inc.

Statements of Comprehensive Loss

(expressed in Canadian dollars)

Unaudited – Prepared by Management

For the Periods Ended March 31,	Note	2024	2023
Operating expenses			
General and administration	10	\$ 12,759	\$ 67,731
Compensation	10	134,373	191,673
Professional fees	10	3,470	1,036
		(150,602)	(260,440)
Other items			
Other Income		30,000	-
Interest income		-	2,302
Foreign exchange		(245)	(431)
Net loss and comprehensive loss		\$ (120,847)	\$ (258,569)
Weighted average number of shares outstanding		119,629,786	119,618,126
Basic and diluted loss per share		\$ (0.00)	\$ (0.00)

See accompanying notes to the interim financial statements

Gungnir Resources Inc.

Statements of Cash Flows

(expressed in Canadian dollars)

Unaudited – Prepared by Management

For the Periods Ended March 31,

2024

2023

Operating activities			
Net loss for the year	\$	(120,847)	\$ (258,569)
Adjustments for:			
Accrued interest		-	(366)
Stock-based compensation		-	58,183
Foreign exchange		-	(61)
Impairment of exploration and evaluation assets		-	-
		(120,847)	(200,813)
Net change in non-cash working capital:			
GST/VAT and other accounts receivable		3,346	2,896
Prepaid expenses		520	3,462
Accounts payable and other accrued liabilities		(19,953)	(32,718)
Net cash used in operating activities		(136,934)	(227,173)
Financing activity			
Issue of units, net of share issue costs		-	-
Exercise of options		-	-
Exercise of warrants		-	-
Net cash from financing activities		-	-
Investing activities			
Reclamation Bonds		-	-
Deposits		-	-
Exploration and evaluation expenditures		(10,793)	(34,642)
Option proceeds		-	-
Net cash used in investing activities		(10,793)	(34,642)
Net increase (decrease) in cash		(147,727)	(261,815)
Cash and cash equivalents, beginning of year		1,309,657	2,498,312
Cash and cash equivalents, end of year	\$	1,161,930	\$ 2,236,497

See accompanying notes to the interim financial statements

Gungnir Resources Inc.

Statements of Changes in Equity

(expressed in Canadian dollars)

Unaudited – Prepared by Management

	Shares (Note 7)	Share Capital	Stock-based compensation	Warrants	Contributed surplus	Deficit	Total equity
January 1, 2023	119,629,786	\$ 33,375,967	\$ 1,067,519	\$ 1,211,948	\$ 6,795,385	\$ (36,765,190)	\$ 5,685,629
Re-allocated on expiry of options and warrants	-	-	-	-	-	-	-
Stock-based compensation	-	-	58,183	-	-	-	58,183
Net loss	-	-	-	-	-	(258,569)	(258,569)
March 31, 2023	119,629,786	33,375,967	1,125,702	1,211,948	6,795,385	(37,023,759)	5,485,243
Re-allocated on expiry of options and warrants	-	-	(16,285)	-	16,285	-	-
Stock-based compensation	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	(452,782)	(452,782)
December 31, 2023	119,629,786	\$ 33,375,967	\$ 1,109,417	\$ 1,211,948	\$ 6,811,670	\$ (37,476,541)	\$ 5,032,461
Re-allocated on expiry of options and warrants	-	-	(72,572)	(873,069)	945,641	-	-
Stock-based compensation	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	(120,847)	(120,847)
March 31, 2024	119,629,786	\$ 33,375,967	\$ 1,036,845	\$ 338,879	\$ 7,757,311	\$ (37,597,388)	\$ 4,911,614

See accompanying notes to the interim financial statements

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in British Columbia, Canada and is involved in the acquisition and exploration of mineral property interests. At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its properties and the ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property. The Company is in the development stage with no major source of operating revenue and is dependent upon equity financing to maintain its current operations. These financial statements have been prepared on the basis of the Company being a going concern and able to realize its assets and discharge its liabilities in the normal course of business.

The Company will eventually need to seek additional financing to meet its ultimate exploration and development objectives. The Company has a reasonable expectation that additional funds will be available when necessary to meet ongoing exploration and development costs. However, there can be no assurance that the Company will continue to be able to obtain additional financial resources or will achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to re-evaluate its planned expenditures until additional funds can be raised through financing activities.

The primary office of the Company is located at 1688 – 152nd Street, Suite 404, Surrey, BC, V4A 4N2.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of Compliance

These unaudited interim financial statements have been prepared in accordance with International Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited interim financial statements should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2023.

(b) Basis of presentation

These financial statements have been prepared on a going concern basis, under the historical cost basis except for financial instruments designated at fair value through profit and loss, which are stated at their fair value. These financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Significant accounting judgments and estimates

The preparation of these financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and the reported amounts of revenues and expenses during the period. On an ongoing basis, management evaluates its judgments and estimates by using its experience and other factors it believes to be reasonable. Actual results could differ from those estimates.

These financial statements include estimates which are uncertain, the impacts of which are pervasive and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

recognized in the period in which the estimate is revised and in future periods if it affects both current and future periods.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Significant accounting judgments and estimates (continued)

Significant estimates and judgments include, but are not limited to, valuation of exploration and evaluation properties, inputs used in the valuation of the Company's warrants and stock options and income taxes.

- *Impairment of exploration and evaluation properties.* Management applies judgment in determining whether there are indicators of impairment in connection with properties on which costs have been deferred, as described in note 2 (g).
- *Valuation of warrants and stock options.* Management makes certain estimates when determining the fair value of warrants and stock options awards, and the number of warrants and stock options that are expected to vest. For warrants issued, these estimates affect their amounts recognized either within assets or equity. For stock option awards, these estimates affect the amounts recognized in the statement of comprehensive income.
- *Income taxes.* Income taxes payable and deferred income tax assets and liabilities require management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes becomes certain only when filed and accepted by the relevant authorities.

(d) Functional currency and foreign currency transactions

The functional and presentation currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

(e) Financial instruments and financial risk

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes party to the contractual provisions of the instrument.

i. Financial assets

Cash and cash equivalents are classified as subsequently measured at amortized cost.

Financial assets at fair value through gain or loss are measured at fair value.

Amounts receivable, exclusive of GST, are non-interest bearing and are recognized at the face amount, except when fair value is materially different, and are subsequently measured at amortized cost. Amounts receivable recorded are net of lifetime expected credit losses. The Company applies the simplified approach to determining expected credit losses, which requires expected credit losses to be recognized upon initial recognition of the receivables.

Reclamation bonds are classified as subsequently measured at amortized cost.

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial instruments and financial risk (continued)

ii. Financial liabilities

Accounts payable and accrued liabilities are classified as subsequently measured at amortized cost.

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial instruments liabilities are measured at amortized cost using the effective interest method.

(f) Impairment of financial assets and non-financial assets

i. Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows, discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are collectively assessed in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, this reversal is recognized in profit or loss.

ii. Non-financial assets

Non-financial assets are evaluated at least annually by management for indicators that the carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is estimated to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income (loss). The recoverable amount of the asset is the greater of its fair value less cost to sell and value in use.

(g) Exploration and evaluation properties

Acquisition costs of resource properties together with direct exploration expenditures thereon are deferred until the property to which they relate is placed into production, sold, abandoned, or become impaired.

Option or other payments received in respect of property interests are applied to reduce the carrying value of the properties. The carrying values of mineral properties are, where necessary, written down to the estimated fair value based on discounted estimated future net cash flows. Exploration and evaluation assets will be depreciated on a unit of production basis when the property is placed into production.

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Exploration and evaluation properties (continued)

The Company reviews the carrying values of its resource properties whenever events or circumstances indicate that there may be a potential impairment. Where estimates of future cash flows are not available and where exploration results or other information suggest impairment has occurred, management assesses whether the carrying value can be recovered, and if not, an appropriate write-down is recorded.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects in title registration.

Once mineral reserves are determined and the decision to proceed into project development has been approved, the expenditures related to development will be amortized over the life of the project based on estimated economic reserves.

Exploration costs renounced to shareholders due to flow-through share subscription agreements remain capitalized; however, for income tax purposes the Company has no right to claim these costs as tax deductible expenses.

(h) Reclamation bonds

Cash which is subject to contractual restrictions on use imposed by government agencies as a condition of granting permits in connection with exploration and evaluation assets is classified separately as reclamation bonds.

(i) Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and investments in financial instruments that are readily convertible into known amounts of cash and have original maturities within 365 days held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. At March 31, 2024, the Company had cash and cash equivalents of \$1,161,930 (2023 - \$1,309,657).

(j) Flow-through shares

The Company from time to time issues flow-through common shares to finance a significant portion of its exploration programs. Pursuant to the terms of the applicable flow-through share subscription agreements, the tax deductibility of qualifying resource expenditures funded from the proceeds of the sales of such shares is transferred to the investors who purchased the flow-through shares. Under IFRS, on issuance of such shares, the Company bifurcates the flow-through share into: (i) a flow-through share premium, equal to the

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Flow-through shares (continued)

estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and (ii) share capital. Upon expenses being incurred the Company derecognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the “Look-back” Rule, in accordance with flow-through regulations pursuant to the Income Tax Act (Canada). When applicable, this tax is accrued until paid.

(k) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued. Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value.

(l) Share-based payment transactions

The Company has a stock option plan that allows certain officers, directors, consultants, and related company employees to acquire shares of the Company. The fair value of the options granted is recognized as an expense with a corresponding increase in equity.

Share-based payments to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche is an award with graded vesting and is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Share-based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

The offset to the recorded cost is to share-based payment reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments originally recorded as contributed surplus are transferred to share capital. Upon cancellations or expiry of an option, the recorded value is transferred to contributed surplus.

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Asset retirement obligations

The fair value of a liability for an asset retirement obligation is recognized on a discounted cash flow basis when a reasonable estimate of the fair value of the obligation can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset.

Subsequently, the asset retirement cost is allocated to expense using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and from revisions to either expected payment dates or the amounts comprising the original estimate of the obligation. As at March 31, 2024, the Company does not have any asset retirement obligations.

(n) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(o) Loss per share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the year. The effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore, basic and diluted loss per share are the same.

(p) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Overview of Changes in IFRS

Amendment to IAS 1 Presentation of Financial Statements (“IAS 1”)

On January 1, 2024, the Company adopted the IASB issued amendments to IAS 1, *Presentation of Financial Statements*. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. The right must be unconditional have substance. These additional amendments to IAS 1 will have no material impact on the Company’s financial statements.

3. CASH AND CASH EQUIVALENTS

Cash, cash equivalents and term deposits consist of the following:

	March 31, 2024	December 31, 2023
Cash bank accounts	\$ 1,161,930	\$ 1,309,657
Term deposits	29,590	29,590
	\$ 1,191,520	\$ 1,339,247

The Company estimates that the fair value of cash, cash equivalents and term deposits approximate the carrying values as of March 31, 2024 and 2023. Money market instruments held by the Company are convertible to cash on an "on demand" basis. Term deposits include \$28,750 (2023 - \$28,750) plus accrued interest that the Company deposited with the Bank of Montreal in Guaranteed Investments Certificates with respect to collateralizing its MasterCard Credit card account.

4. ACCOUNTS RECEIVABLE AND PREPAIDS

Receivables and prepayments consist of the following:

	March 31, 2024	December 31, 2023
GST receivable and deposit receivable	\$ 7,217	\$ 6,358
VAT receivable	155	4,361
Advance receivable	-	-
Prepaid	2,030	2,549
	\$ 9,402	\$ 13,268

5. RECLAMATION BONDS

The Company has reclamation bonds outstanding totalling a principal amount of \$25,496 (2023 - \$25,496) to satisfy certain performance obligations associated with the exploration of the Blu Starr properties and Gungnir properties. These investments are recorded at market value and earn interest at market rates.

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

6. EXPLORATION AND EVALUATION PROPERTIES

Exploration and Evaluation Properties	December 31, 2023	Exploration and evaluation	Impairment	Option proceeds	March 31, 2024
Knaften Property	2,181,528	891	-	-	2,182,419
Rormyrberget Property	47,223	-	-	-	47,223
Lappvattnet Property	1,340,552	9,902	-	-	1,350,454
Hemberget Property	134,647	-	-	-	134,647
	3,703,950	10,793	-	-	3,714,743

Exploration and Evaluation Properties	December 31, 2022	Exploration and evaluation	Impairment	Option proceeds	December 31, 2023
Knaften Property	2,155,437	27,336	(1,245)	-	2,181,528
Rormyrberget Property	48,736	-	(1,513)	-	47,223
Lappvattnet Property	944,821	395,731	-	-	1,340,552
Hemberget Property	10,311	124,336	-	-	134,647
	3,159,305	547,403	(2,758)	-	3,703,950

Gungnir Resources Inc.

Notes to the interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

6. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

(a) Knaften-Nordanas, Sweden

On June 16, 2014, the Company through a Share Exchange Agreement, acquired a private company, Gungnir Resources Inc. (“Gungnir”), registered in Ontario, and 100% of its Nordanas and Knaften (Knaften nr 100 and 200) properties located in northern Sweden. The claims are subject to a 2.4% NSR, of which one-third is owned by a related party. During 2016, the Nordanas claim was allowed to expire resulting in a write down of \$148,820 in capitalized costs associated with the Nordanas property. From 2016 to 2021, the Company expanded its Knaften project by adding the Knaften nr 300, 400, 500, 600 and 700 licenses. The licenses comprising of the Knaften property are valid from 2021 to 2027. Knaften nr 400 and Knaften nr 500 claims were deemed impaired in 2023.

In March 2022, the Company entered into a royalty option agreement with Altius Royalty Corporation (‘Altius’) pursuant to which the Company has granted Altius the right, in exchange for \$250,000 in cash, to enter into: (i) a royalty agreement with respect to licences at the Company’s Lappvattnet and Rormyrberget projects (the “Lappvattnet and Rormyrberget Option”), and (ii) a royalty agreement with respect to licences at the Company’s Knaften project (the “Knaften Option”). Altius may exercise its Lappvattnet and Rormyrberget Option by paying the Company, at any time while it maintains its interest in these properties, \$8 million, at which point the Company and Altius will enter into a royalty agreement for a 2.0% gross sales royalty in perpetuity. Altius may exercise its Knaften Option by paying the Company, at any time while it maintains its interest in the property, \$2 million at which point the Company and Altius will enter into a royalty agreement for a 1.0% gross sales royalty in perpetuity.

On March 25, 2022, Altius paid the Company \$250,000 described above, which was applied against the deferred costs applicable to each of its property interests as follows:

- Knaften property – 33.33% or \$83,325
- Lappvattnet property – 53.34% or \$133,340, and
- Rormyrberget property – 13.33% or \$33,345

During the period ended March 31, 2024, the Company incurred exploration expenditures of \$891 (2023 - \$27,336) on the Knaften property.

(b) Rormyrberget-Lappvattnet, Sweden

On February 24, 2015, the Company staked three mining licenses comprising of the Rormyrberget and Lappvattnet properties. These two properties are located east of the Company’s Knaften-Nordanas property. The properties are held 100% by the Company through staking.

In March 2022, the Company received \$250,000 from Altius Minerals Corporation (‘Altius’) granting Altius the right to enter into the royalty agreement with respect to licences at the Company’s Lappvattnet and Rormyrberget projects as detailed in Note 6 (a) above. In 2023 one of the two Rormyrberget claims was impaired for \$1,513.

During the period ended March 31, 2024, the Company incurred exploration expenditures of \$9,902 (2023 - \$395,731) on the Lappvattnet property and \$nil (2023 - \$nil) on the Rormyrberget property.

(c) Hemberget Property

Gungnir Resources Inc.

Notes to the interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

6. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

In April 2022, the Company added the Hemberget Property to its package of polymetallic projects in northern Sweden. The 29.4 sq. km property was acquired by staking in order to evaluate potential for intrusion hosted copper-nickel and volcanogenic massive sulphide (VMS) mineralization. During the period ended March 31, 2024, the Company incurred exploration expenditures of \$nil (2023 - \$124,336).

7. SHARE CAPITAL

The authorized share capital in Gungnir Resources Inc. consists of 500,000,000 common shares.

At March 31, 2024 there are 119,629,786 common shares issued and outstanding

Share-based Compensation

The Company has an Incentive Stock Option Plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares.

Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options less any discount, if applicable, but in any event not less than \$0.05 per share.

Options may be exercised no later than 6 months following cessation of the optionee's position with the Company.

The following table summarizes information about the stock options for periods ended March 31, 2024 and 2023:

	March 31, 2024		December 31, 2023	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Options outstanding, beginning of year	12,873,777	\$ 0.11	12,140,444	\$ 0.11
Granted	-	-	1,000,000	0.08
Exercised	-	-	-	-
Expired/Cancelled	(933,999)	0.12	(266,667)	0.06
Options outstanding, end of period	11,939,778	\$ 0.11	12,873,777	\$ 0.11
			2024	2023
Options exercisable, end of year			11,939,778	12,873,777
Weighted average contractual remaining life (years)			2.28	2.37

Gungnir Resources Inc.

Notes to the interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

7. SHARE CAPITAL (CONTINUED)

Summary of stock options outstanding at March 31, 2024:

Number outstanding	Exercise price (\$)	Expiry date
2,000,000	0.11	September 11, 2024
2,400,000	0.10	November 18, 2025
4,000,000	0.11	December 22, 2026
2,539,778	0.14	April 6, 2027
1,000,000	0.08	February 14, 2028
11,939,778		

The fair value of stock options was estimated at the grant date based on the Black-Scholes option pricing model, using the expected dividend yield of \$nil (2022 - \$nil), average risk-free interest rate of 3.54% (2022 - 2.51%), expected life of 5 years (2022 - 5 years), stock price of \$0.08 (2022 - \$0.14) and an expected volatility of 113% (2022 - 97%).

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock based on historical volatility. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

Warrants

The following table summarizes information about the warrants for the periods ended March 31, 2024 and 2023:

	March 31, 2024		December 31, 2023	
		Weighted average exercise price	Warrants	Weighted average exercise price
	Warrants			
Beginning of year	36,649,003	\$ 0.14	36,649,003	\$ 0.14
Granted	-	-	-	-
Expired	(21,318,336)	0.18	-	-
Warrants outstanding, end of period	15,330,667	\$ 0.09	36,649,003	\$ 0.14
			2024	2023
Warrants exercisable, end of year			15,330,667	36,649,003
Weighted average contractual remaining life (years)			0.47	0.45

Summary of warrants outstanding at March 31, 2024:

Number outstanding	Exercise price (\$)	Expiry date
6,666,667	0.09	September 24, 2024
3,000,000	0.09	October 1, 2024
5,664,000	0.08	September 10, 2024
15,330,667		

Gungnir Resources Inc.

Notes to the interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

7. SHARE CAPITAL (CONTINUED)

Contributed surplus

Contributed surplus includes the accumulated fair value of expired or cancelled stock options and unit warrants and the fair value of finder warrants granted. Contributed surplus is comprised of the following:

	Options	Unit Warrants	Finder Warrants	Total
December 31, 2023	\$ 3,748,681	\$ 3,062,989	\$ -	\$ 6,811,670
Options and warrants expired	72,572	873,069	-	945,641
March 31, 2024	\$ 3,821,253	\$ 3,936,058	\$ -	\$ 7,757,311

Loss per Share

Periods ended	March 31, 2024	December 31, 2023
Numerator: Net loss attributable to common shareholders – basic and diluted	\$ (120,847)	\$ (711,351)
Denominator: Weighted average number of common shares outstanding – basic and diluted	119,629,786	119,629,786
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)

Diluted loss per share did not include the effect of 11,939,778 (2023 - 12,873,777) stock options and 15,330,667 (2023 - 36,649,003) warrants as they are anti-dilutive.

8. CAPITAL MANAGEMENT

The Company manages its cash, common shares, stock options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Gungnir Resources Inc.

Notes to the interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

9. FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is limited to cash and term deposits. As at March 31, 2024, the Company's financial instruments consist of interest-bearing, short-term investment-grade instruments issued by a Canadian chartered bank. The Company does not believe that it is exposed to significant credit risk on financial instruments issued by the Canadian chartered bank.

Interest rate risk

The Company is exposed to interest rate risk on its cash, term deposits and reclamation bonds, but is not exposed to any interest rate risk on outstanding borrowing as there are none at March 31, 2024.

Liquidity risk

The Company manages its liquidity risk by ensuring that there is sufficient capital in order to meet the short-term business requirements. The Company maintains cash and short-term investments which are available on demand for this purpose.

Other risks

The Company considers commodity price risk, operational risk and foreign exchange risk to be immaterial and therefore does not include them in their sensitivity analysis.

FAIR VALUE HIERARCHY

The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels:

The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company does not have any financial instruments carried at fair value.

Gungnir Resources Inc.

Notes to the interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

10. EXPENSES

The Company's expenses from operations for the periods ended March 31, 2024 and 2023 are detailed as follows:

General and administration		2024		2023
Shareholder and regulatory	\$	8,394	\$	59,655
Travel and promotion		309		4,202
Office		4,056		3,874
General Exploration		-		-
	\$	12,759	\$	67,731

Compensation	Note	2024		2023
Consulting fees and wages	11	\$ 134,373	\$	133,490
Stock-based compensation	7, 11	-		58,183
		\$ 134,373	\$	191,673

Professional fees		2024		2023
Accounting fees	\$	-	\$	400
Legal fees		3,470		636
	\$	3,470	\$	1,036

11. RELATED PARTY TRANSACTIONS

Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount. The following are the related party transactions for the year.

For the period ended March 31, 2024, the Company had the following transactions with related parties:

- Incurred or paid wages of \$103,750 in total to the CEO and CFO of the Company (2023 - \$103,750).
- Incurred or paid directors' fees of \$20,000 included in consulting fees and wages (2023 - \$20,000).
- Incurred stock-based compensation of \$nil (2023 - \$58,183).

Related party amounts are unsecured, non-interest bearing and due on demand. At March 31, 2024, accounts payable and accrued liabilities include \$nil (2023 - \$nil due to the related parties of the Company).

Gungnir Resources Inc.

Notes to the interim Financial Statements

For the periods ended March 31, 2024 and 2023

(expressed in Canadian dollars)

Unaudited – Prepared by Management

12. SEGMENTED INFORMATION

At March 31, 2024, the Company has two operating and reporting segments, being the Canadian and the Sweden exploration operations. The Company's information about its exploration and evaluation assets by geographic location is detailed below.

		Exploration	
		Canada	Sweden
March 31, 2024	\$	-	\$ 3,714,743
December 31, 2023	\$	-	\$ 3,703,950

13. SUBSEQUENT EVENT

None at the time of this report.