



Interim Financial Statements

September 30, 2025 and 2024

(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	Note	September 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	3	\$ 186,579	\$ 657,737
Accounts receivable and prepaids	4	3,027	8,542
		189,606	666,279
Non-current assets			
Deposits	3	28,750	29,484
Reclamation bonds	5	27,200	25,904
Exploration and evaluation properties	6	3,856,480	3,823,664
Total assets		4,102,036	4,545,331
Liabilities and equity			
Current liabilities			
Accounts payable and accrued liabilities		3,016	26,677
Total liabilities		3,016	26,677
Equity			
Share capital	7	33,375,967	33,375,967
Stock-based payment reserve	7	869,158	869,158
Warrants	7	77,921	338,879
Contributed surplus	7	8,237,281	7,976,323
Deficit		(38,461,307)	(38,041,673)
Total equity		4,099,020	4,518,654
Total liabilities and equity		\$ 4,102,036	\$ 4,545,331

Nature and continuance of operations (Note 1)

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 September 30,	Note		2025 3 months	2024 3 months		2025 9 months	2024 9 months
Operating expenses							
General and administration	10	\$	22,561	13,268	\$	55,813	58,803
Compensation	10		102,295	182,582		364,248	446,165
Professional fees	10		1,540	2,160		4,198	7,700
			(126,396)	(198,010)		(424,259)	(512,668)
Other items							
Other Income			-	-		-	123,373
Interest income			-	170		4,232	19,567
Foreign exchange			(272)	553		393	(99)
Net loss and comprehensive loss		\$	(126,668)	(197,287)	\$	(419,634)	(369,827)
Weighted average number of shares outstanding			119,629,786	119,629,786		119,629,786	119,629,786
Basic and diluted loss per share		\$	(0.00)	(0,00)	\$	(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 September 30,	2025	2024
Operating activities		
Net loss for the period	\$ (419,634)	\$ (369,827)
Adjustments for:		
Accrued interest	(561)	(393)
Stock-based compensation	-	59,387
Foreign exchange	-	-
Impairment of exploration and evaluation assets	-	-
	(420,195)	(310,833)
Net change in non-cash working capital:		
GST/VAT and other accounts receivable	2,881	4,472
Prepays	2,633	(867)
Accounts payable and other accrued liabilities	(23,661)	(29,006)
Net cash used in operating activities	(438,342)	(336,234)
Investing activities		
Reclamation Bonds	-	-
Exploration and evaluation expenditures	(32,816)	(91,404)
Net cash used in investing activities	(32,816)	(91,404)
Decrease in cash	(471,158)	(427,638)
Cash and cash equivalents, beginning of period	657,737	1,339,247
Cash and cash equivalents, end of period	\$ 186,579	\$ 911,609

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, 2024	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	-		-		-		-		-		(172,540)		(172,540)
September 30, 2024	119,629,786	\$	33,375,967	\$	1,036,845	\$	338,879	\$	7,757,311	\$	(37,649,081)	\$	4,859,921
Re-allocated on expiry of options and warrants	-		-		(219,012)		-		219,012		-		-
Stock-based compensation	-		-		51,325		-		-		-		51,325
Net loss	-		-		-		-		-		(392,592)		(392,592)
December 31, 2024	119,629,786	\$	33,375,967	\$	869,158	\$	338,879	\$	7,976,323	\$	(38,041,673)	\$	4,518,654
Re-allocated on expiry of options and warrants	-		-		-		(260,958)		260,958		-		-
Stock-based compensation	-		-		-		-		-		-		-
Net loss	-		-		-		-		-		(419,634)		(419,634)
September 30, 2025	119,629,786	\$	33,375,967	\$	869,158	\$	77,921	\$	8,237,281	\$	(38,461,306)	\$	4,099,020

See accompanying notes to the interim financial statements

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended September 30, 2025 and 2024

(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 IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements. These unaudited interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2024.

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

Gungnir Resources Inc.

Notes to the Interim Financial Statements

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(expressed in Canadian dollars)

Unaudited – Prepared by Management

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.

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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 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.

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Notes to the Interim Financial Statements

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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 September 30, 2025, the Company had cash and cash equivalents of \$186,579 (2024 - \$657,737).

(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

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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

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(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 September 30, 2025, 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

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(expressed in Canadian dollars)

Unaudited – Prepared by Management

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Overview of Changes in IFRS

IFRS 18 Presentation and Disclosure in Financial Statements (“IFRS 18”)

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. This standard intends to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027.

The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

3. CASH AND CASH EQUIVALENTS

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

	September 30, 2025	December 31, 2024
Cash bank accounts	\$ 186,579	\$ 657,737
Term deposits	28,750	29,484
	<u>\$ 215,329</u>	<u>\$ 687,221</u>

The Company estimates that the fair value of cash, cash equivalents and term deposits approximate the carrying values as of September 30, 2025 and 2024. Money market instruments held by the Company are convertible to cash on an "on demand" basis. Term deposits include \$28,750 (2024 - \$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.

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended September 30, 2025 and 2024

(expressed in Canadian dollars)

Unaudited – Prepared by Management

4. ACCOUNTS RECEIVABLE AND PREPAIDS

Receivables and prepayments consist of the following:

	September 30, 2025	December 31, 2024
GST receivable and deposit receivable	\$ 3,027	\$ 6,358
VAT receivable	-	4,361
Prepays	-	2,549
	\$ 3,027	\$ 13,268

5. RECLAMATION BONDS

The Company has reclamation bonds outstanding totalling a principal amount of \$26,359 (2024 - \$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

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(expressed in Canadian dollars)

Unaudited – Prepared by Management

6. EXPLORATION AND EVALUATION PROPERTIES

Exploration and Evaluation Properties	December 31, 2024	Exploration and evaluation	Impairment	September 30, 2025
Knaften Property	2,268,424	4,744	-	2,274,868
Rormyrberget Property	-	-	-	-
Lappvattnet Property	1,361,391	-	-	1,361,391
Hemberget Property	193,849	22,773	-	220,221
	3,823,664	27,517	-	3,856,480

Exploration and Evaluation Properties	December 31, 2023	Exploration and evaluation	Impairment	December 31, 2024
Knaften Property	2,181,528	86,896	-	2,268,424
Rormyrberget Property	47,223	-	(47,223)	-
Lappvattnet Property	1,340,552	20,839	-	1,361,391
Hemberget Property	134,647	59,202	-	193,849
	3,703,950	166,937	(47,223)	3,823,664

Gungnir Resources Inc.

Notes to the Interim Financial Statements

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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 September 30, 2025, the Company incurred exploration expenditures of \$6,443 (2024 - \$86,896) 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. The Company impaired one of the two Rormyrberget claims for \$1,513 in 2023 followed by impairment of the remaining Rormyrberget claim for \$47,223 in 2024.

During the period ended September 30, 2025, the Company incurred exploration expenditures of \$nil (2024 - \$20,839) on the Lappvattnet property.

(c) Hemberget Property

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 September 30, 2025, the Company incurred exploration expenditures of \$26,373 (2024 - \$59,202).

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6. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

(d) Sale of Claims

During the year ended December 31, 2024, the Company sold 19 mineral claims previously written-off in 2014 to PTX Metals Inc. (“PTX”) for \$30,000 in cash and 3,000,000 common shares. The Company has been granted a 2.0% NSR, of which, PTX can repurchase 1.0% for \$500,000. Included in other income is \$93,373 being the net proceeds received.

7. SHARE CAPITAL

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

At September 30, 2025 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 September 30, 2025 and 2024:

			September 30, 2025	December 31, 2024		
			Weighted average exercise price			
			Options			
			price			
			Options			
			price			
Options outstanding, beginning of year	11,939,778	\$	0.10	12,873,777	\$	0.11
Granted	-		0.00	2,000,000		0.05
Expired/Cancelled	-		0.00	(2,933,999)		0.11
Options outstanding, end of period	11,939,778	\$	0.10	11,939,778	\$	0.10

	2025	2024
Options exercisable, end of period	11,939,778	11,939,778
Weighted average contractual remaining life (years)	1.63	2.38

Gungnir Resources Inc.

Notes to the Interim Financial Statements

For the periods ended September 30, 2025 and 2024

(expressed in Canadian dollars)

Unaudited – Prepared by Management

7. SHARE CAPITAL (CONTINUED)

Summary of stock options outstanding at September 30, 2025:

Number outstanding	Exercise price (\$)	Expiry date
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
2,000,000	0.05	September 27, 2029
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 (2024 - \$nil), average risk-free interest rate of 2.70% (2024 – 2.70%), expected life of 5 years (2024 - 5 years), stock price of \$0.05 (2024 - \$0.05) and an expected volatility of 138.93% (2024 – 138.93%).

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 September 30, 2025 and 2024:

			September 30, 2025			December 31, 2024
			Weighted average exercise price			Weighted average exercise price
	Warrants			Warrants		
Beginning of year	15,330,667	\$	0.09	36,649,003	\$	0.14
Expired	(12,330,867)		0.09	(21,318,336)		0.18
Warrants outstanding, end of period	3,000,000	\$	0.09	15,330,667	\$	0.09

	2025	2024
Warrants exercisable, end of period	3,000,000	15,330,667
Weighted average contractual remaining life (years)	0.00	0.72

Summary of warrants outstanding at September 30, 2025:

Number outstanding	Exercise price (\$)	Expiry date *
3,000,000	0.09	October 1, 2025
3,000,000		

* During the year ended December 31, 2024 the warrants set to expire on September 10, 24 & October 1, 2024, were extended by one year to 2025.

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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		Total
December 31, 2024	\$	4,040,265	\$	3,936,058	\$ 7,976,323
Options and warrants expired		-		260,958	260,958
September 30, 2025	\$	4,040,265	\$	4,197,016	\$ 8,237,281

Loss per Share

Periods ended	September 30, 2025		December 31, 2024	
Numerator: Net loss attributable to common shareholders – basic and diluted	\$	(419,634)	\$	(565,132)
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 (2024 - 11,939,778) stock options and 3,000,000 (2024 - 15,330,667) 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.

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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 September 30, 2025, 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 September 30, 2025.

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

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10. EXPENSES

The Company's expenses from operations for the periods ended September 30, 2025 and 2024 are detailed as follows:

General and administration		2025	2024
Shareholder and regulatory	\$	26,091	\$ 25,729
Travel and promotion		3,279	2,847
Office		26,443	30,227
General Exploration		-	-
	\$	55,813	\$ 58,803

Compensation	Note	2025	2024
Consulting fees and wages	11	\$ 364,248	\$ 386,778
Stock-based compensation	7, 11	-	59,387
		\$ 364,248	\$ 446,165

Professional fees		2025	2024
Accounting fees	\$	3,460	\$ 4,230
Legal fees		738	3,470
	\$	4,198	\$ 7,700

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 September 30, 2025, the Company had the following transactions with related parties:

- Incurred or paid wages of \$288,194 in total to the CEO and CFO of the Company (2024 - \$311,250).
- Incurred or paid directors' fees of \$60,000 included in consulting fees and wages (2024 - \$60,000).
- Incurred stock-based compensation of \$nil (2024 - \$59,387).

Related party amounts are unsecured, non-interest bearing and due on demand. At September 30, 2025, accounts payable and accrued liabilities include \$nil (2024 - \$nil) due to the related parties of the Company.

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12. SEGMENTED INFORMATION

At September 30, 2025, 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
September 30, 2025	\$ -	\$ 3,856,480
December 31, 2024	\$ -	\$ 3,823,664

13. SUBSEQUENT EVENTS

On September 4, 2025 the Company announced the resignation of Mr. Jari Paakki as Chief Executive Officer and a Director of the Company effective September 30, 2025. Mr. Paakki advised the Company that his resignation is for personal reasons. The Board of Directors is undertaking a search for a new CEO and will provide updates if and when necessary, in accordance with applicable securities laws.