

GUNGNIR

Gungnir Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Years ended December 31, 2025 and 2024

DATED April 24, 2026

Introduction and Overview

Gungnir is a junior mineral exploration company listed on the TSX Venture Exchange as a Tier 2 company under the trading symbol “GUG”. The Company is also inter-listed in the United States as “ASWRF.PK”. The Company is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario, Quebec and Nova Scotia.

Gungnir is in the business of the acquisition, evaluation and exploration of mineral properties with the primary aim of advancing them to a stage where they can be exploited at a profit or offered for sale or option. We do not currently have any producing mineral properties and our current operations on our various properties are exploratory searches for mineable mineral deposits. Gungnir’s corporate strategy is to focus on exploration in under explored Sweden with the goal of discovery of high-quality gold and base metal deposits. The Company also continues to evaluate other opportunities as they arise.

This annual MD&A is dated April 24, 2026 and discloses specified information up to that date. Gungnir is classified as a “Venture Issuer” for the purposes of National Instrument 51-102. Our financial statements are prepared in accordance with IFRS Accounting Standards in Canada (“IFRS”) and are expressed in Canadian dollars. This discussion and analysis should be read in conjunction with the annual audited financial statements for the year ended December 31, 2025 and related notes attached thereto (the “2025 Financial Statements”). The years ended December 31, 2025, 2024 and 2023 are referred to as “YE 2025”, “YE 2024” and “YE 2023” respectively. The first, second, third and fourth quarters of the Company’s fiscal years are referred to as “Q1”, “Q2”, “Q3” and “Q4”, respectively. Throughout this report we refer from time to time to “Gungnir”, the “Company”, “we”, “us”, “our”, or “its”. All these terms are used in respect of Gungnir Resources Inc. which is the reporting issuer in this document.

We recommend that readers consult the “Cautionary Statement” below, as well the section on risks and uncertainties in the accompanying unaudited Annual Financial Statements.

Cautionary Statement

Forward-Looking Information

This annual management discussion and analysis (“Annual MD&A”) contains forward-looking statements and information relating to Gungnir Resources Inc. (“Gungnir” or the “Company”) that are based on the beliefs of its management as well as assumptions made by and information currently available to Gungnir. When used in this document, the words “anticipate”, “believe”, “estimate”, and “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This Annual MD&A contains forward-looking statements relating to, among other things, regulatory compliance, environmental matters, changes in legislation or regulations, receipt of required licenses, permits and approvals, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Gungnir’s exploration properties. Many factors could cause the actual results, performance or achievements of Gungnir to be materially different from any future results, performance or achievements whether expressed or implied by such forward-looking statements. Important factors are identified in this Annual MD&A.

Corporate

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. On February 9, 2026 the Company announced a series of changes to its executive leadership and Board of Directors, as of February 6, 2026.

In February of 2026 the Company appointed three new directors to the Board: Robert Danard, Kurt Soost, and Michael Gheyle. Robert Danard has been appointed Interim Chief Executive Officer. Todd Keast and Chris Robbins will continue to serve as directors. Mr. Robbins will also continue in his executive role, providing continuity and strategic support during the transition period while the Company works toward the appointment of permanent executive leadership.

Garett Macdonald, a director of Gungnir since July 2015, resigned from the Board of Directors, effective February 6, 2026. Mr. Macdonald will continue his relationship with Gungnir as a consultant to support the Company during the transition period.

Outlook

Significant project advances will require the Company to successfully transition to improving the board of directors and management team plus raising funds, an earn-in type arrangement or possibly an equitable merger or sale. There are several gold and base metal exploration targets on its Knaften-Hemberget projects ranging from drill-ready gold targets, early-stage prospects and a large under-explored land position, all along the Swedish Gold Line. The Company continues to seek new additions/replacements to its board of directors and management while managing its capital to maintain its compliance with applicable regulatory agencies.

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.

Project Status

The Company's properties consist of both early-stage grassroots projects (Knaften-Hemberget) and projects with current resources (Lappvattnet and Rormyrberget), collectively covering a total land area exceeding 15,000 hectares. There has been insufficient exploration on its early-stage properties to define a mineral resource and it is uncertain if further exploration will result in any such targets being delineated as mineral resources. The properties with current resources are categorized as inferred resources and it is uncertain if further work will be able to advance these resources to indicated resources. In 2020 the Company completed and filed an updated National Instrument 43-101 ("NI 43-101") Technical Report on the current nickel-copper-cobalt resources at its Lappvattnet and Rormyrberget deposits.

On December 8, 2025 the Company announced that its Lappvattnet Nickel Project has been officially designated a "Property of National Interest" by the Swedish Geological Survey (SGU).

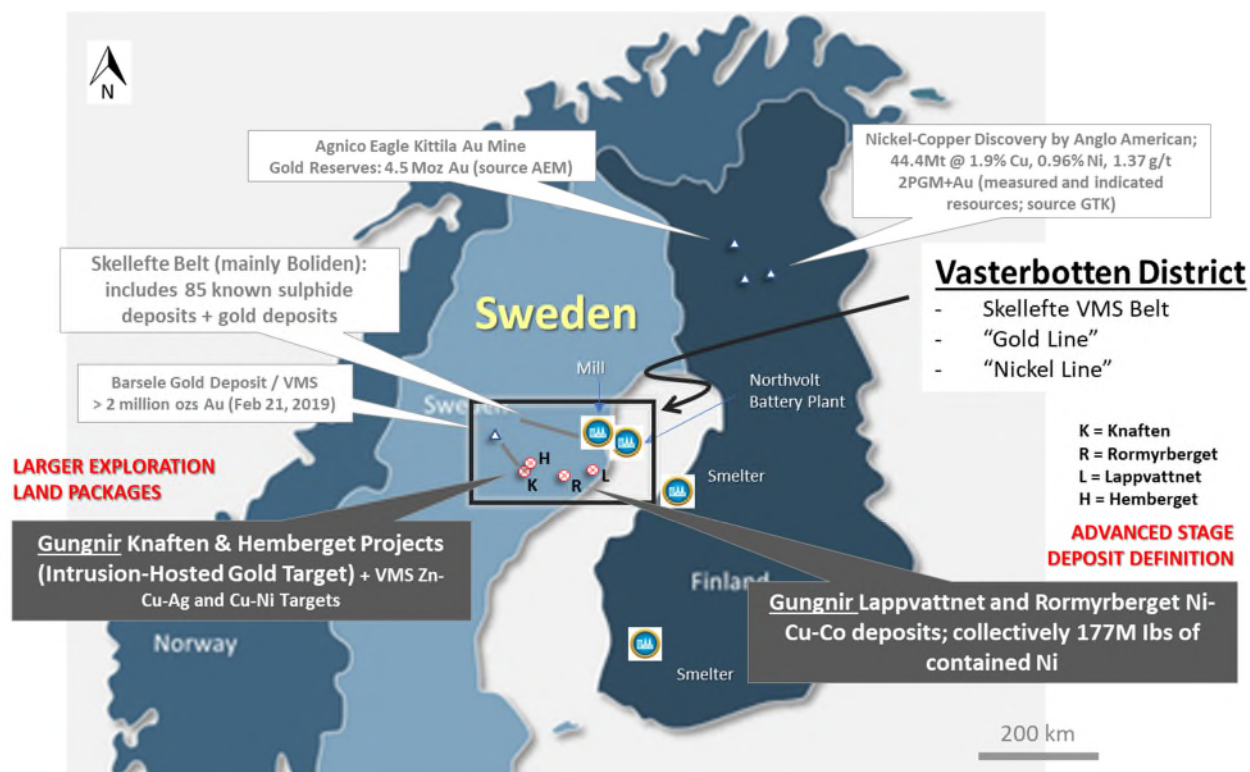
This designation is highly significant, as it provides protection for Lappvattnet from competing land uses that could hinder future mining activities. It also represents a major milestone for the Company, with the potential to streamline future permitting processes and strengthen Gungnir's ability to attract partners and investment for ongoing exploration and development.

For details regarding Gungnir's currently held permits, please visit the Mining Inspectorate of Sweden's website: <https://www.sgu.se/en/mining-inspectorate/prospecting-process/mineral-permits/>

Exploration and Evaluation Properties - General Summary

Gungnir's exploration project areas are located in northern Sweden within the Fennoscandian Shield, a mineral rich but highly underexplored region, which extends into neighboring Finland (see Map 3). The Fennoscandian shield continues to offer excellent ore discovery potential, in particular under glacial till (sand and gravel) which covers large areas. Major mining companies active in the Nordic Region (mining, exploration, and investing) include Boliden, Agnico Eagle, Anglo American, Goldcorp and Kinross. Currently, Gungnir's projects include the Lappvattnet and Rormyrberget nickel deposits, and the Knaften and Hemberget properties.

Map 3: Project Location Map



Lappvattnet and Rormyrberget Nickel

The Lappvattnet and Rormyrberget nickel deposits are located along the "Nickel Line" in the eastern part of the Vasterbotten District, 60 km and 100 km respectively east of the Company's Knaften gold exploration project. The deposits are held 100% by Gungnir under two separate permits covering an area of 471.3 hectares. The properties are accessible year-round with good transportation and industrial infrastructure including shipping facilities as there are a number of active mines in the area. Gungnir acquired both deposits in open-staking in 2015. Existing licenses covering both deposits are currently valid to early January 2027.

Nickel resources totally 177 million pounds of nickel for Lappvattnet and Rormyrberget were updated in 2020.

- Lappvattnet: Inferred Resource of 780,000 tonnes grading 1.35% nickel for 23.1 million lbs (10.5 million kg) of nickel.
- Rormyrberget: Inferred Resource of 36,800,000 tonnes grading 0.19% nickel for 154 million lbs (70 million kg) of nickel.

The NI 43-101 Technical Report entitled "TECHNICAL REPORT on the LAPPVATTNET and RORMYRBERGET DEPOSITS, NORTHERN SWEDEN" was prepared by Reddick Consulting Inc. Qualified Persons are John Reddick, M.Sc., P.Geo., and Thomas Lindholm, M.Sc., Fellow AusIMM. The Effective Date is November 17, 2020.

Knaften Project

The Knaften project is situated at the south end of a regional structure known as the "Gold Line" or Knaften-Barsele Arc located within a prolific VMS region including the Skellefte Belt and VMS belts in Finland. The main gold target

is the bedrock source(s) of the large Knaften gold-in-till anomaly (“Knaften anomaly”), one of the largest in Sweden. The bedrock source is believed to be partially identified at Knaften 300, but based on the sheer size of the Knaften anomaly it is reasonable to expect more gold to be found in situ. Other gold-in-till anomalies in the region are over either current and past-producing gold mines or known gold resources.

On December 5, 2024, the Company reported that it had significantly expanded the Knaften property. The newly submitted applications add 9,216 hectares to Gungnir’s existing permits for a new total land package of more than 15,000 hectares or 150 square kilometres. Receipts of final permit approvals were announced on March 19, 2025. The Company also received approvals for two additional mineral claims contiguous Knaften claims in the first quarter of 2025, Knaften nr 800 and nr 900.

These two claims are a significant expansion to the Knaften-Hemberget gold property located in the southern part of the Swedish Gold Line in the prolific Vasterbotten District. The newly submitted applications add 9,216 hectares to Gungnir’s existing permits for a new total land package of more than 15,000 hectares or 150 square kilometres.

Hemberget Property

Hemberget is located approximately 6 km north of Gungnir’s Knaften project within the broader Gold Line along with Knaften. It occurs in the northern part of the Knaften greenstone belt, covering a thick package of dacite and rhyolite volcanics, including fragmentals, alongside mafic pillow lavas, straddling the large magnetic anomaly which based on government maps corresponds to a mafic-ultramafic intrusion.

The property was acquired by staking in order to evaluate potential for intrusion hosted copper-nickel, volcanogenic massive sulphide (VMS) mineralization and gold. In 2024, the Company discovered a new surface gold exploration target with gold mineralization associated with disseminated arsenopyrite and silica-sericite alteration making it an ideal target for Induced Polarization (IP) geophysics.

In summer of 2025 the Company completed an assessment of the prospectivity of the recently expanded Knaften-Hemberget project. Surface work was undertaken as part of the Company’s plan to increase exploration coverage across its property portfolio in Sweden to potentially generate new targets. The field work program at Knaften-Hemberget focused on gabbro-ultramafic intrusions which are potentially favourable for copper mineralization.

Recently reviewed archived data files from the Swedish Geological Survey (SGU) shows a gabbro outcrop with weakly disseminated chalcopyrite (copper-sulphide) and pyrrhotite (iron-sulphide) mineralization at Hemberget, as well as chalcopyrite hosted in massive sulphides in a boulder (glacial float) database in the east half of the newly expanded Knaften permits. No assays were reported. Further prospecting and sampling are planned in these locales as well as other gabbro/ultramafic intrusions on the property.

Quality Control and Quality Assurance Procedure

During previous exploration programs within the Company’s Swedish properties all data were evaluated by Gungnir’s geologists and contractors, as well as by the Company’s Qualified Person at the time, to ensure the reliability and accuracy of the results. This evaluation included the analysis of blanks, standards, and duplicate samples.

Exploration and Evaluation Properties	December 31, 2024	Exploration and evaluation	Impairment	December 31, 2025
Knaften Property	2,268,424	10,325	(567,572)	1,711,177
Lappvattnet Property	1,361,391	652	-	1,362,043
Hemberget Property	193,849	26,373	-	220,222
	3,823,664	37,350	(567,572)	3,293,442

Selected Annual Information

The following table summarizes selected financial data of Gungnir for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the audited financial statements, prepared in accordance with International Financial Reporting Standards, and related notes.

	Year Ended December 31, 2025	Year Ended December 31, 2024	Year Ended December 31, 2023
Total revenues	NIL	NIL	NIL
Operating expenses	470,088	670,627	734,969
Write-down of exploration and evaluation properties	(567,572)	(47,223)	(2,758)
Stock-based compensation	-	51,325	58,183
Comprehensive income (loss) for the year	(1,031,832)	(565,132)	(711,351)
Basic and diluted earnings (loss) per share	(0.01)	(0.00)	(0.01)
Total Assets	3,512,337	4,545,331	5,081,961
Total long-term liabilities	NIL	NIL	NIL
Cash dividends declared	NIL	NIL	NIL

Results of Operations

For the years ended December 31,	2025	2024	2023
Operating Expenses			
General and administration	62,729	69,265	129,332
Compensation	379,182	564,115	570,475
Professional fees	28,177	37,247	35,162
Loss from operations	470,088	670,627	734,969
Other items			
Other Income	-	123,373	-
Interest income	4,897	29,826	39,519
Foreign exchange	931	(481)	(13,143)
Write-down of exploration and evaluation properties	(567,572)	(47,223)	(2,758)
Comprehensive income (loss)	(1,031,832)	(565,132)	(711,351)

Expenses

The Company's expenses from operations for the years ended December 31, 2025, 2024 and 2023 are detailed as follows:

	2025	2024	2023
General and administration			
Shareholder and regulatory	\$ 29,973	32,459	87,499
Travel and promotion	3,279	3,487	4,765
Office	29,477	33,319	33,068
General exploration	-	-	4,000
	\$ 62,729	69,265	129,332
Compensation			
Consulting fees and wages	\$ 379,182	512,790	512,292
Stock-based compensation	-	51,325	58,183
	\$ 379,182	564,115	570,475
Professional fees			
Accounting fees	25,075	26,230	26,550
Legal fees	3,102	10,928	8,612
	\$ 28,177	37,247	35,162

Gungnir's operating expenses excluding non-cash expenditures and stock-based compensation have been comparable over the last years as management continues to manage its endeavors in the depressed junior exploration markets. Operating expenses excluding stock-based compensation for the years ending December 31, 2025, 2024 and 2023 were \$470,088, \$619,302, and \$676,786 respectively.

General and administrative fees decreased to \$62,729 in 2025, compared to \$69,265 in 2024 and \$129,332 in 2023. Management was aware of the decline in the junior resource sector and reduced costs where possible over the last three years. Office expenses were consistent for the YE 2025 at \$29,477 and YE 2024 - \$33,319; YE 2023 - \$33,068.

Consulting fees and wages for the years ended in 2025 were significantly reduced to \$379,182 compared to 2024 - \$512,790, and 2023 was \$512,292. The reduction in 2025 was due to the resignation of the Company's CEO effective September 30, 2025 and the end of his remuneration on September 30, 2025. Both the CEO and the CFO voluntarily reduced their remuneration to 1/3 pay effective September 1, 2025. This reduction remains in place for the CFO through the time of this report as the Company transitions to new board members and executive management in 2026.

Stock-based Compensation ("SBC") for the three years were \$NIL, \$51,325, \$58,183 for the years 2025, 2024 and 2023 respectively. SBC is determined by the number and price of stock options granted to officers, directors and consultants to the Company under the Company's Stock Option Plan and TSX Venture guidelines.

Shareholder Information and regulatory fees decreased slightly in 2025 to \$29,973 compared to \$32,459 in 2024 and \$87,499 in 2023. The Company curtailed its external Investor Relations as market sentiment for the junior exploration sector declined in 2023; management did not see any return on continuing with these efforts with no positive result in shareholder value. The Company with new board members and executive management changes in 2026 are reevaluating its Investor Relations position as there is a renewed interest in our market sector. Travel and Promotion were minor at \$3,279, \$3,487 and \$4,765 for years ended 2025, 2024, 2023.

Professional fees were lower for YE 2025 at \$28,177 compared to \$37,247 for YE 2024, which were similar to YE 2023 of \$35,162. Professional fees for the past three years consist of accounting fees of \$25,075, \$26,230, and \$26,550 and Legal fees of \$3,102, \$10,928, and \$8,612 respectively over the three years.

Summary of Quarterly Results – Loss from Operations

The following table sets out selected quarterly financial information of Gungnir. Gungnir' annual financial statements are prepared by management, in accordance with IFRS Accounting Standards and expressed in Canadian dollars.

	Dec. 31 2025 \$	Sept. 30 2025 \$	June 30 2025 \$	March 31 2025 \$	Dec. 31 2024 \$	Sept. 30 2024 \$	June 30 2024 \$	March 31 2024 \$
E&E Properties	3,293,442	3,856,480	3,851,181	3,824,950	3,823,664	3,795,354	3,738,034	3,714,743
Working Capital	136,294	186,590	318,588	483,114	639,602	871,189	1,066,801	1,141,785
Net Income (loss)	(612,191)	(126,668)	(139,411)	(153,562)	(195,305)	(197,287)	(51,693)	(120,847)
Earnings (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Discussion

The operating results of junior exploration companies typically demonstrate wide variations from quarter to quarter and year to year. These variances are attributed to changes in stock-based compensation, exploration costs expensed or written down, professional and consulting fees related to financing and property exploration and evaluation and reporting, transfer and filing fees which are attributed to financings and annual filings, shareholder information and general office expenses. Large billings received from completion of an exploration program can also affect any given period depending upon the timing of the billing.

Any significant changes to the year ended December 31, 2025 and 2024 can be attributed to whether the Company completed any equity financings within the year or the volume of exploration and development activities on its properties.

Select Fourth Quarter Results of Operations – December 31, 2025 and 2024:

For the quarter ended December 31,	3 Months 2025	3 Months 2024
Operating Expenses		
General and administration	\$ 6,916	10,462
Compensation (w/o SBC)	14,934	117,950
Professional fees	23,979	29,547
	\$ (45,829)	(157,959)
Other items		
Other income	-	(19,567)
Interest income	665	29,826
Foreign exchange	545	(382)
Write-down of exploration and evaluation properties	(567,572)	(47,223)
Loss for the period	\$ (612,191)	(195,305)
Weighted average number of shares outstanding	119,629,786	119,629,786
Basic and diluted loss per share	\$ (0.01)	(0.00)

At the end of the fourth quarter of 2025, Gungnir incurred a net loss of \$612,191 for the period (Q4-2024 - \$195,305), and a net loss of \$1,031,832 for the year ended 2025 (YE-2024 - \$565,132). The increase in both Q4 and annual losses in 2025 was primarily due to the Knaften property write-down of \$567,572.

There were no significant variances in operating expenses consisting of general and administration expenses, with the exception as noted of the remuneration to the CEO, who resigned September 30, 2025 and the aforementioned reduction in pay to both the CEO and CFO effective September 1, 2025.

Compensation in Q4 2025 was \$14,934 and professional fees were \$23,979, compared to \$117,950 and \$29,547, respectively, in Q4 2024. The Compensation was considerably less in Q4 2025 due to the CEO resignation at end of Q3 2025 and the CFO lowering his pay to 1/3 effective September 1, 2025.

Other Income, Interest Income and Foreign Exchange for both 3-month periods were minor. The Company did incur a write-down to the Knaften property in Q4 2025, claim nr 100 lapsed and nr 200 was impaired totaling \$567,572, resulting in a loss for the period of \$612,191 compared to the loss for the period Q4-2024 of \$195,305.

Liquidity

Gungnir does not currently have any producing mineral properties and our current operations on our various properties in Sweden are exploratory searches for mineable mineral deposits.

The Company's future mineral exploration and mining activities may be affected in varying degrees by prevailing market prices, political stability and government regulations, the success of existing or future partners, all of which are beyond the control of the Company.

At December 31, 2025 the Company had working capital of \$136,294 (2024 - \$639,602). At the time of this report, the Company does have minimal funds to meet its general and administrative expenses through fiscal 2026 year-end. The Company is considering a financing in Q2-2026 to improve its working capital and funds for property evaluations and prioritize exploration programs for 2026/2027.

Capital Resources

At December 31, 2025 and December 31, 2024, Gungnir had \$33,375,967 in share capital, representing 119,629,786 common shares without par value, and an accumulated deficit of \$39,073,505 (2024 - \$38,041,673), resulting in a shareholder's equity (or net assets) of \$3,486,822 at December 31, 2025 (2024 - \$4,518,654).

Business Risks, Uncertainties and Commitments

The Company's business of mineral exploration has a high level of inherent risk associated with it. Although the Company is optimistic about the potential of many of its projects, there is no guarantee that any mineral deposits will be identified or that, if deposits are identified, it will be economically feasible to put them into production. The Company's exploration activities may also be affected by changes in environmental and other governmental regulation.

The financial condition of the Company is influenced by operational performance and a number of market risks. Fluctuations in market prices, foreign exchange rates and unit costs of production are the most significant risks experienced by the Company.

The Company purchases insurance to mitigate losses that may arise from certain liability and property risks. The cost of this insurance and the specific protection provided by the policies will vary from year to year depending on the conditions in the insurance market. The Company believes that the insurance program it has in place continues to prudently address its major liability and property risk exposures.

Risks associated with operations are numerous and include environmental pollution, accidents or spills, industrial and transportation accidents, labor disputes, blockades, changes in regulatory environment, natural phenomena and unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of the Company's mineral properties, personal injury or death, environmental damage, delays in or interruption of or cessation of production in its exploration or development activities.

The Company is subject to normal worker health, safety and environmental risks associated with its exploration operations. The Board of Directors regularly reviews the health and safety of the Company's operations to mitigate potential hazards and optimize the health and safety of employees, contractors and the public in general. Operational changes are increasingly subject to regulatory approval that may include delays due to longer and more complex regulatory review and approval process. These increasing requirements are expected to continue to result in higher administration costs and capital expenditures for compliance.

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 year ended December 31, 2025, the Company had the following transactions with related parties:

- Incurred or paid wages of \$331,944* in total to the CEO and CFO of the Company (2024 - \$415,000).
- Incurred or paid directors' fees of \$60,000 included in consulting fees and wages (2024 - \$80,000).
- Incurred stock-based compensation of \$nil (2024 - \$51,325).

* The Company's CEO resigned effective September 30, 2025 and his remuneration ended as well. Both the CEO and the CFO voluntarily reduced their remuneration to 1/3 pay effective September 1, 2025. This reduction remains in place for the CFO through the time of this report.

Related party amounts are unsecured, non-interest bearing and due on demand. At December 31, 2025, accounts payable and accrued liabilities include \$nil (2024 - \$nil) due to the related parties of the Company.

Financial Instruments

Gungnir' financial instruments consist of cash, receivables, deposits and accounts payable and accrued liabilities. Unless otherwise noted, it is the Company's opinion that we are not exposed to significant interest, currency or credit risks. Gungnir has to date not entered into the use of derivative instruments or foreign exchange contracts to hedge gains or losses arising from foreign exchange fluctuations.

Significant Accounting Judgements and Estimates

A summary of all the Company's significant accounting policies is included in Note 2 to the annual audited financial statements for the year ended December 31, 2025.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable and prepayments which are included in the statements of financial position;
- the recoverability and probability of future economic benefits of amounts capitalized as exploration and evaluation costs
- the inputs used in valuing share-based payments which are included in the statements of comprehensive income or loss;
- the income taxes provision which is included in the statements of comprehensive income or loss and the composition of deferred income tax assets and liabilities which are included in the statements of financial position;
- the inputs used in determining the various commitments which are accrued in the statements of financial position.

Evaluation and Exploration 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 or 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 exploration and evaluation properties are, where necessary, written down to the estimated fair value based on discounted estimated future net cash flows.

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 exploration and evaluation 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.

Critical Accounting Policies and Changes in Accounting Policies

The accounting policies followed by the Company are set out in Note 2 to the audited financial statements for the year ended December 31, 2025, and have been consistently followed in the preparation of these financial statements.

New accounting standards adopted during the year

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.

Disclosure controls and procedures

As of December 31, 2025, the Company carried out an evaluation, under the supervision and with the participation of the Chief Financial Officer and Audit Chairman of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the Chief Financial Officer and Audit Chairman concluded that the disclosure control and procedures are effective to ensure that information required to be (a) disclosed is recorded, processed, summarized and reported in a timely manner and (b) disclosed in the reports that we file or submit is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. The Company appointed an interim CEO on February 6, 2026.

We have designed, or caused to be designed under our supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in Canada.

Share Capital Transactions

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

On March 31, 2022, the Company completed a non-brokered private placement for 21,318,336 units of the Company (the “Units”) priced at \$0.12 per Unit (the “Unit Price”), for gross proceeds of \$2,558,200. Each Unit consists of one common share in the capital of the Company (each, a “Common Share”) and one common share purchase warrant (each, a “Warrant”), with each Warrant entitling the holder thereof to acquire one Common Share for a period of two years from the applicable closing date of the Offering at an exercise price of \$0.18 per share. The fair value attributable to these share purchase warrants was \$873,069. The Company paid a cash commission of \$113,480 and granted 933,999 finder options (valued at \$72,572). Each finder option entitles the holder to purchase one common share of the Company at an exercise price of \$0.12 and one common share purchase warrant of the Company at an exercise price of \$0.18 for a period of 24 months following the closing.

On January 31, 2022 the Company issued 600,000 common shares, pursuant to the exercise of options, at \$0.05 per share for gross proceeds of \$30,000. \$24,000 previously recognized in stock-based payment reserve was reclassified to share capital on the exercise of the options. 200,000 options with an exercise price of \$0.05 expired unexercised.

On March 22, 2022 the Company issued 300,000 common shares, respectively, pursuant to the exercise of warrants at \$0.08 per share for gross proceeds of \$24,000. \$5,385 previously recognized in warrants reserve was reclassified to share capital on the exercise of the warrants.

On August 11, 2022 the Company issued 32,000 common shares, respectively, pursuant to the exercise of finder’s warrants at \$0.05 per share for gross proceeds of \$1,600. \$2,112 previously recognized in contributed surplus was reclassified to share capital on the exercise of the warrants.

There has been no further issuance of common shares since January 1, 2023.

At December 31, 2025 there are 119,629,786 common shares issued and outstanding

Share-based Compensation

The standard now requires that all stock option-based awards made to consultants and employees be recognized in these financial statements and measured using a fair value-based method. Consideration received on the exercise of stock options and compensation options and warrants is recorded as share capital. The related contributed surplus originally recognized when the options were granted, is transferred to share capital.

Options

The Company at the 2024 AGM, re-confirmed the 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 years ended December 31, 2025 and 2024:

	December 31, 2025		December 31, 2024	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Options outstanding, beginning of year	11,939,778	\$ 0.09	12,873,777	\$ 0.11
Granted	-	-	2,000,000	0.05
Expired/Cancelled	(2,400,000)	0.10	(2,933,999)	0.11
Options outstanding, end of year	9,539,778	\$ 0.10	11,939,778	\$ 0.10

	2025	2024
Options exercisable, end of year	9,539,778	11,939,778
Weighted average contractual remaining life (years)	1.75	2.38

Summary of stock options outstanding at December 31, 2025:

Number outstanding	Exercise price (\$)	Expiry date
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
9,539,778		

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 years ended December 31, 2025 and 2024:

	December 31, 2025		December 31, 2024	
	Warrants	Weighted average exercise price	Warrants	Weighted average exercise price
Beginning of year		\$ 0.09	36,649,003	\$ 0.14
Expired	15,330,667 (15,330,667)	0.09	(21,318,336)	0.18
Warrants outstanding, end of year	-	\$ 0.00	15,330,667	\$ 0.09

	2025	2024
Warrants exercisable, end of year	-	15,330,667
Weighted average contractual remaining life (years)	-	0.72

There are no warrants outstanding at December 31, 2025.

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	134,615	338,879	473,494
December 31, 2025	\$ 4,174,880	\$ 4,274,937	\$ 8,449,817

Loss per Share

Years ended	December 31, 2025	December 31, 2024
Numerator: Net loss attributable to common shareholders – basic and diluted	\$ (1,031,832)	\$ (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	\$ (0.01)	\$ (0.00)

Diluted loss per share did not include the effect of 9,539,778 (2024 - 11,939,778) stock options and nil (2024 - 15,330,667) warrants as they are anti-dilutive.

Subsequent Events

There are no subsequent events at the time of this report.

Additional Information

Additional information is available at the Company website at www.gungnirresources.com or on its SEDAR page site accessed through www.sedar.com.

**BY THE ORDER OF THE BOARD OF DIRECTORS
OF GUNGNIR RESOURCES INC.**