

# GUNGNIR

## Gungnir Resources Inc.

### MANAGEMENT DISCUSSION AND ANALYSIS

For the years ended December 31, 2022 and 2021

DATED May 1, 2023

#### 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 mining-friendly 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 MD&A is dated May 1, 2023 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 International Financial Reporting Standards in Canada (“IFRS”) and are expressed in Canadian dollars. This discussion and analysis should be read together with the annual audited financial statements for the year ended December 31, 2022 and related notes attached thereto (the “2022 Financial Statements”). 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” at the end of this report, as well the section on risks and uncertainties.*

#### 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, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Gungnir’ 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.

## Covid-19

To the date of this report, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada and Sweden, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

## **Overall Performance**

The following summarizes the significant corporate events and results on our exploration and evaluation projects during the year to date.

### Annual General Meeting

Gungnir Resources Inc. shareholders approved all the resolutions put before them at the Company's annual general meeting (AGM) held November 10, 2022 in Surrey, B.C. At the AGM, shareholders voted in favour of resolutions to:

- Set the number of Directors at four (99.98%);
- Re-elect Jari Paakki, Chris Robbins, Todd Keast, and Garett Macdonald as Directors for the ensuing year (all > 99.58%);
- Appoint DeVisser Gray, LLP as the auditors for the ensuing year and authorize the Directors to fix the auditor's remuneration (99.98%); and
- Approve the Company's Stock Option 10% rolling plan (96.91%).

Following the AGM, the Board of Directors re-appointed Mr. Jari Paakki as CEO and Mr. Chris Robbins as CFO and Corporate Secretary of the Company. The Board of Directors would like to thank the shareholders for their ongoing

### Financing

On March 18, 2022 Gungnir announced that it had entered into an agreement with Altius Royalty Corporation (ALS: TSX; ATUSF: OTCQX) ("Altius") pursuant to which Altius agreed to purchase 6,250,000 units of the Company (the "Units") at a price of \$0.12 per Unit (the "Unit Price"), for total gross proceeds of \$750,000. Each Unit consisted of one common share in the capital of the Company (each, a "Common Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share (each, a "Warrant Share") at a price per Warrant Share of \$0.18 per share for a period of 24 months from the closing. Altius' investment forms part of a larger non-brokered private placement offering of the Company closed late March 2022.

In March 2022, the Company concurrently entered into a royalty option agreement with Altius (the "Option Agreement") pursuant to which the Company 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, and 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

At the end of March 2022, the “Company completed the second and final tranche of the non-brokered private placement for 15,068,336 units of the Company (the “Units”) priced at \$0.12 per Unit (the “Unit Price”), for total gross proceeds under the second and final tranche of \$1,808,200, resulting in a total of 21,318,336 Units issued under the Offering for total gross proceeds of \$2,558,200 (the “Offering”). 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 net proceeds of the Offering will be used to continue the exploration program, inclusive of drilling, at the Company's 100 per cent owned projects in Sweden, concentrating on its two nickel resources, Rormyrberget and Lappvattnet and its other projects, as well as for general corporate purposes.

## **Outlook**

The Company has significantly advanced its exploration efforts in Sweden through 2022 and up to the time of this report, and continues its exploration efforts in Sweden with the primary goal of advancing to a stage where a resource can be defined or advanced and exploited at a profit or offered for sale or option. The Company initiated its sixth year of drilling in Sweden in May of 2022 and the second year of drilling on the Lappvattnet nickel property. Geophysics were completed on the Knaften, Lappvattnet and Rormyrberget properties in 2021 and the first quarter of 2022.

Since commencing drilling in Sweden in 2017, Gungnir has made several new discoveries and announced significant developments including discovery of a potentially sizeable intrusion-related gold system, discovery of a new volcanogenic massive sulphide (VMS) zinc-copper base metal target and discovery of a new copper-nickel target, all located on the Knaften project. All targets are open for expansion and further discovery. The Company's focus at Knaften is on its intrusion-related gold target, in particular new, undrilled IP (induced polarization) anomalies in the recently acquired southern extension of the property. The Company also acquired the Hemberget property located approximately 6 km north of Gungnir's Knaften project. All projects are located within the Vasterbotten region of northern Sweden which hosts the prolific Skellefte VMS-gold belt, “Gold Line” and “Nickel Line”.

East of Knaften, the Company upgraded its two nickel-copper-cobalt deposits, Lappvattnet and Rormyrberget, to current resources in 2020. The two separate deposits contain 177 million pounds of nickel in inferred resources\* based on NI43-101 resource estimates commissioned by Gungnir in 2020. The Company's first phase drill program in 2021 at Lappvattnet produced consistent strong assay results and as a result drilling at Lappvattnet is continuing and planned to be the focus for 2023.

\*Gungnir Resources Inc. filed on SEDAR “The National Instrument 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, MSc, P.Geo, and Thomas Lindholm, MSc, fellow AusIMM. The effective date is Nov. 17, 2020.

## **Lappvattnet & Rormyrberget**

Continued drilling on the Lappvattnet is scheduled to begin in May of 2023 with the goal of further upgrading and expanding the existing resource, focused on defining further high-grade nickel shoots. At Rormyrberget potential remains to improve nickel grades with assaying of un-sampled drill core within the resource and to expand higher-grade zones including 2.33% nickel over 12.50 metres (see news release dated July 14, 2020).

## **Knaften**

The Company continues to demonstrate continuity of gold-bearing zones which extend more than 400 metres down-dip at the Knaften 300 Gold Zone (“Knaften 300”). With growing indications of a sizeable mineralized system, the Company also importantly tied-up key adjoining permits (nr 500 and nr 600) to cover the entire 4 x 5 km quartz diorite intrusion which hosts Knaften 300 along its northern edge. Gungnir now controls 4,887 hectares (or nearly 50 sq. km), expanding the size of the Knaften property by over 75% and significantly increasing the potential of Gungnir’s Knaften intrusion-hosted gold target.

The new IP (Induced Polarization) anomalies identified in 2021 in the southern part of the intrusion are future drill targets at Knaften (see below) The area has not seen any previous exploration.

### **Hemberget**

The Company added the Hemberget Property to its package of polymetallic projects in northern Sweden during the first quarter of 2022. 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.

The Hemberget area has been on our radar for a few years now after new copper-nickel and VMS discoveries on the Knaften project, which was previously regarded as a gold-only area. The striking feature of the Hemberget permit is an impressive, 11-km long magnetic anomaly which maps out a gabbro-ultramafic intrusion similar to much smaller bodies on the Knaften project that we now know are copper-nickel mineralized. In addition to potential copper-nickel mineralization, the property covers some text-book VMS geology which adds further potential at Hemberget.

The Company is finalizing plans to conduct electromagnetic (EM) geophysics on the Hemberget property targeting shallow conductors potentially related to copper-nickel sulphide mineralization within a large, layered mafic-ultramafic intrusion. Similar, but much smaller intrusions, located to the south on the Company’s Knaften project, host copper-nickel mineralization which was earlier discovered by Gungnir.

The initially planned ground EM survey will consist of several widely-spaced profiles across the property, totally approximately 30 line-kilometres, using a Loupe EM system, a new portable time-domain electromagnetic (TEM) instrument. The survey will be carried out by Geovista AB, Lulea, Sweden.

### **Exploration 2022/2023**

The bulk of the Company’s 2022/2023 exploration program is planned to be devoted to drilling at the Lappvattnet nickel project with up to 10,000 metres approved by Swedish authorities to the end of 2023. The total amount of drill metres will be determined based on continuing positive results. In 2022, the Company drilled 30 holes for a total of 4,240 metres with the goal of upgrading and expanding the existing resource, focused on defining further high-grade nickel shoots, as well as initial scout drilling north of Lappvattnet. A total of 1,300 metres was drilled in 2021. The Company also plans to review new geophysical results from Hemberget to potentially prioritize drilling. The Company has sufficient funds in place through the private placement completed in March 2022 to continue its planned drilling through 2023.

### **Results of Operations To-Date**

The goal at both nickel deposits is to upgrade the current resources. At Lappvattnet, drilling commenced in the western part of the deposit in 2021 and produced numerous near-surface, high-grade nickel and wide zones of nickel mineralization through 2022. Highlights are:

- \* 3.19% Nickel over 4.25 metres within a 10.4-metre interval grading 1.51% Nickel in drill hole LAP21-02 (from 45 metres)
- \* 2.62% Nickel over 5.65 metres within a 14.0-metre interval grading 1.40% Nickel in drill hole LAP21-05 (from 60 metres)
- \* 1.74% Nickel over 10.00 metres in drill hole LAP21-13 (from 21 metres)

- \* 36.00 metres grading 0.93% Nickel in drill hole LAP21-04 (from 49 metres)
- \* 3.02% Nickel over 5.66 metres within a 9.0-metre interval grading 2.35% Nickel in drill hole LAP22-19 (from 66 metres)
- \* 4.04% Nickel over 5.76 metres within an 18.28-metre interval grading 1.49% Nickel in drill hole LAP22-25 (from 58 metres)

In January 2023 the Company reported further, near-surface massive sulphide drill intersections at Company's Lappvattnet with the highest-grade nickel intercept drilled to date at the Company's Lappvattnet nickel deposit in northern Sweden. Hole LAP22-25 drilled 4.04% Ni over 5.76 metres within a broader interval of 1.49% Ni over 18.28 metres starting at a down-hole depth of 57.72 metres. Hole LAP22-25 was drilled in the central part of the Lappvattnet nickel resource on section 14E splitting a 50-metre gap between historic holes LAP74292 and LAP76008. The hole appears to have drilled into a thickened mineralized zone, possibly a fold hinge similar to LAP22-19 drilled on section 16E (80 metres to the east) which cut 2.35% Ni over 9.0 metres including 3.02% Ni over 5.66 metres starting at a down-hole depth of 66.0 metres (see news release dated October 18, 2022). The nickel intercept in LAP22-25 (1.49% Ni over 18.28 metres from 57.72 to 76.0 metres) occurs below a 4-metre jack-straw textured peridotite unit. It consists of an upper disseminated sulphide interval hosted in sedimentary gneisses from 57.72 metres and a lower, high-grade massive and semi-massive sulphide zone (4.04% Ni over 5.76 metres) from 70.0 metres down-hole.

Also, in late January 2023 the Company reported final assay results from the central part of the Lappvattnet nickel deposit. Results include hole LAP22-23 which drilled 12 metres grading 1.02% Ni at a down-hole depth of 38 metres. The central area hosts recently reported high-grade intercepts including 9 metres grading 2.35% Ni (hole LAP22-19) and 5.76 metres grading 4.04% Ni (hole LAP22-25).

The newly identified footwall zone, located approximately 50 to 75 metres structurally below the main Lappvattnet zone, was encountered in six holes and returned anomalous nickel values, including up to 0.29% Ni over 5.92 metres in LAP22-28 within a ball-textured peridotite unit. Several holes were short of the footwall target and extending some existing holes is being considered.

On December 1, 2022 the Company reported highlighted holes which included LAP22-10 which cut 7.0 metres of 1.16% Ni and LAP22-19 which intersected a new footwall nickel target approximately 75 metres below the main Lappvattnet deposit. Assays are pending for thirteen holes.

The new footwall target was encountered in holes LAP22-16, -17, -19, -26, -27, and -28 drilled on sections 15E to 16.5E. The intercepts range from core lengths of 2 to 15 metres consisting of variably mineralized peridotite, local sulphide pods and disseminated sulphides in enclosing sedimentary gneisses. Assays from the lower part of LAP22-19 returned 5.0 metres of 0.30% Ni (or 2.4 metres of 0.40% Ni) from 149 metres, including 0.96% Ni over 0.42 metres from 150 metres down-hole. Assays for the other five holes are pending. Notable "ball-textured" peridotite/pyroxenite (previously not observed) with local matrix sulphides was encountered in hole LAP22-28, and may represent part of a conduit and source site for the nickel-bearing magma.

Also reported were the final assay results from the western part of Lappvattnet. Hole LAP22-10, drilled on section 12E, returned 7.0 metres of 1.16% Ni starting at a down-hole depth of 98 metres, including 0.53 metres of 5.31% Ni at 103.9 metres. LAP22-10 also includes 6.0 metres of 0.30% Ni starting at 109 metres down-hole. Scout holes, LAP22-12 to -15 testing a small area to the north, encountered weakly anomalous nickel.

On November 15, 2022, the Company reported further, near-surface massive sulphide drill intersections at Company's Lappvattnet. Highlighted holes included LAP22-25 and LAP22-23 which were drilled 80 metres west and east, respectively, of hole LAP22-19 which cut 9.0 metres of 2.35% Ni including 5.66 metres of 3.02% Ni in the central part of the Lappvattnet resource.

Hole LAP22-25 cut a 25-metre section of sulphide mineralization, mainly disseminated, from 51 to 76 metres downhole, including a 6-metre interval (70 to 76 metres) containing ten sections of massive sulphides below a

variably mineralized peridotite unit. Hole LAP22-23, located 160 metres to the east of LAP22-25, drilled a 14-metre interval of mainly disseminated sulphides starting within a peridotite unit at 39 metres and includes a one-metre slug of massive sulphide at 44.2 metres. LAP22-23 is the furthest hole drilled to the east by Gungnir.

On October 18, 2022, the Company reported one of the top drill intersections at the Company's Lappvattnet nickel deposit. Gungnir drilled 9.0 metres of 2.35% nickel including 5.66 metres of 3.02% nickel. Results reported were partial results for hole LAP22-19 which was drilled in the central part of the Lappvattnet nickel resource. Final drill results for 2022/2021 follow in the table below.

Hole LAP22-19, drilled on section 16E, intersected the nickel zone at approximately 60 metres vertically below surface where it remains open at depth. Length reported is the core length; true width has not been determined due to the lack of information on the drill section. New, preliminary interpretations suggest structural folding (fold hinges) may control the localization of thickened high-grade nickel shoots which may be the case for hole LAP22-19.

On August 9 and September 7, 2022, the Company reported drill results from nine holes (LAP22-01 to LAP22-09) from the western part of the Lappvattnet deposit. Holes LAP22-01 to -10 were all drilled in the western one-third of the Lappvattnet nickel deposit along sections 7.5E to 12E from seven sites. Holes were drilled below and immediately east of Gungnir's 2021 drill holes. Eight of the ten holes encountered variably mineralized peridotite (core lengths of 0.3 to 16.5 metres) and two holes hit nickel-bearing sulphides in enclosing sedimentary gneisses. A total of 25 holes have been now been drilled by Gungnir in 2021 and 2022 in the western one-third of Lappvattnet on 20-metre sections defining a continuous peridotite unit (a key host to nickel mineralization) across all sections drilled and a prominent structural plunge of 30 degrees to the east.

Nickel mineralization in Gungnir's 2021 and 2022 drill holes (based on 20 holes with results received to August 9, 2022) compared with historic results in the western one-third of the resource (15 holes) shows Gungnir's core lengths averaged 14.4 metres grading 0.92% Ni (Ni grade x core length = 13.2) versus an average core length of 5.1 metres grading 1.33% Ni (Ni grade x core length = 6.8) in historic drilling. Nearly twice the nickel grade-core length product in Gungnir's holes suggests potential to thicken the current resource at least in the western one-third of the deposit. Comparable true widths are estimated to be approximately 70 to 90% of core lengths for both Gungnir and historic holes.

# Lappvattnet 2021 Assays

## 2021 Drill Results from Western Part of the Lappvattnet Deposit (Section 7E to 11E)

Hole ID	From (m)	To (m)	Length (m)	Ni %	Cu %	Co %	PGEs (g/t)
LAP21-01	43.00	44.00	1.00	1.06	0.25	0.02	0.08
	57.00	75.00	18.00	0.49	0.09	0.01	0.08
	72.05	72.30	0.25	2.80	0.21	0.06	0.23
	74.35	74.60	0.25	1.42	0.18	0.02	0.11
LAP21-02	28.00	49.65	21.65	1.09	0.21	0.02	0.28
	45.40	49.65	4.25	3.19	0.37	0.07	0.21
	45.40	46.50	1.10	5.05	0.17	0.11	0.25
	48.15	49.65	1.50	4.25	0.13	0.09	0.19
	48.15	48.40	0.25	7.38	0.07	0.13	0.21
LAP21-03	36.40	37.60	1.20	1.49	0.29	0.04	0.18
LAP21-04	49.00	85.00	36.00	0.93	0.22	0.02	0.28
	49.00	54.00	5.00	1.84	0.52	0.03	0.23
	49.00	50.95	1.95	2.61	0.56	0.04	0.13
	50.40	50.95	0.55	4.08	0.05	0.06	0.11
	52.35	52.65	0.30	6.06	0.09	0.11	0.19
	70.00	85.00	15.00	1.21	0.19	0.03	0.30
LAP21-05	60.00	95.15	35.15	0.98	0.11	0.02	0.28
	60.00	74.00	14.00	1.40	0.12	0.03	0.17
	62.35	68.00	5.65	2.62	0.13	0.05	0.18
	62.90	64.30	1.40	2.51	0.10	0.04	0.20
	65.10	68.00	2.90	3.39	0.14	0.06	0.21
	66.30	66.95	0.65	6.67	0.14	0.11	0.32
	92.00	95.15	3.15	1.17	0.08	0.02	0.13
LAP21-06	53.00	58.00	5.00	1.50	0.21	0.03	0.10
	54.65	55.50	0.85	5.61	0.07	0.10	0.18
LAP21-07	not sampled						

Hole ID	From (m)	To (m)	Length (m)	Ni %	Cu %	Co %	PGEs (g/t)
LAP21-08	54.00	60.30	6.30	0.62	0.13	0.01	0.13
	55.60	55.80	0.20	5.12	0.02	0.04	0.16
	60.05	60.30	0.25	3.23	0.11	0.05	0.64
LAP21-09	42.00	50.00	8.00	1.03	0.36	0.02	0.14
	44.00	44.60	0.60	2.90	0.39	0.05	0.19
LAP21-10	68.00	81.65	13.65	0.83	0.11	0.02	0.12
	76.15	81.65	5.50	1.16	0.12	0.02	0.10
	80.95	81.65	0.70	2.22	0.10	0.03	0.12
LAP21-11	30.00	36.00	6.00	0.59	0.10	0.01	0.04
	33.80	34.25	0.45	1.70	0.03	0.08	0.13
LAP21-12	20.00	51.00	31.00	0.93	0.13	0.02	0.15
	28.00	35.00	7.00	1.24	0.19	0.02	0.18
	33.20	33.40	0.20	6.94	0.04	0.11	0.14
	43.00	51.00	8.00	0.98	0.13	0.02	0.17
LAP21-13	19.00	40.00	21.00	1.14	0.20	0.02	0.17
	21.00	31.00	10.00	1.74	0.20	0.04	0.12
	22.00	25.00	3.00	2.07	0.19	0.04	0.10
	28.00	31.00	3.00	2.28	0.15	0.05	0.09
LAP21-14	41.00	47.50	6.50	1.58	0.32	0.03	4.75
	43.05	47.50	4.45	2.04	0.37	0.04	6.91
	43.05	43.85	0.80	6.52	0.05	0.11	0.23
	43.85	44.50	0.65	1.20	1.65	0.03	45.53
LAP21-15	58.00	69.90	11.90	1.13	0.18	0.02	0.18
	58.00	63.55	5.55	1.44	0.17	0.03	0.09
	58.95	59.40	0.45	4.78	0.26	0.08	0.36
	63.35	63.55	0.20	3.92	0.09	0.05	0.25
	65.50	65.70	0.20	2.47	0.17	0.04	0.11
	69.65	69.90	0.25	2.86	0.05	0.05	0.10
	81.60	82.50	0.90	2.77	0.04	0.05	0.09

PGEs in grams per tonne (g/t) = platinum (Pt) + palladium (Pd) + gold (Au)  
Length is core length in metres

# Lappvattnet 2022 Assays (1 of 2)

Hole ID	Zone	From (m)	To (m)	Length (m)	Ni %	Cu %	Co %	PGEs (g/t)
LAP22-19 *	Main	66.00	75.00	9.00	2.35	0.27	0.04	0.23
incl		69.00	74.66	5.66	3.02	0.33	0.05	0.33
#		72.19	74.66	2.47	4.10	0.19	0.07	0.29
#		70.53	71.39	0.86	3.65	0.08	0.06	0.19
#		72.19	72.39	0.20	6.49	0.04	0.11	0.31
#		72.90	73.31	0.41	6.74	0.08	0.11	0.40
#		73.72	74.19	0.47	5.20	0.04	0.08	0.29
#	Footwall	149.00	151.45	2.45	0.44	0.04	0.02	0.04
LAP22-25 *	Main	57.72	76.00	18.28	1.49	0.20	0.03	0.18
incl		70.00	75.76	5.76	4.04	0.23	0.08	0.43
#		70.00	70.51	0.51	4.93	0.04	0.08	0.40
#		70.51	71.20	0.69	3.73	0.09	0.08	0.32
#		72.00	72.86	0.86	3.17	0.09	0.07	0.24
#		72.86	73.20	0.34	7.18	0.04	0.12	0.45
#		73.20	73.68	0.48	3.14	0.27	0.06	0.24
#		73.68	73.86	0.18	5.17	0.02	0.06	0.26
#		73.86	74.28	0.42	1.13	1.20	0.02	0.23
#		74.28	74.91	0.63	5.52	0.11	0.11	0.45
#		74.91	75.14	0.23	5.94	0.05	0.08	0.49
#		75.14	75.52	0.38	4.15	0.18	0.08	0.46
#		75.52	75.76	0.24	5.70	0.05	0.16	0.38
LAP22-18 *	NSV							
LAP22-16	O/B							
	Footwall	55.60	69.00	13.40	0.15	0.02	0.01	0.02
LAP22-17	Main	30.00	33.20	3.20	0.83	0.18	0.02	0.09
#		33.00	33.20	0.20	4.98	0.09	0.11	0.29
LAP22-20	Main	36.00	41.70	5.70	0.42	0.10	0.02	0.06
LAP22-21	Main	61.00	68.16	7.16	0.82	0.18	0.02	0.09
incl		65.34	68.16	2.82	1.52	0.30	0.04	0.16
#		66.10	66.30	0.20	2.89	0.17	0.06	0.23
#		67.26	68.16	0.90	2.66	0.20	0.09	0.20
LAP22-22	O/B							

Hole ID	Zone	From (m)	To (m)	Length (m)	Ni %	Cu %	Co %	PGEs (g/t)
LAP22-23	Main	34.90	50.00	15.10	0.90	0.22	0.03	0.15
ind		38.00	50.00	12.00	1.05	0.25	0.03	0.18
ind		44.18	49.31	5.13	1.75	0.30	0.06	0.21
#		44.18	44.80	0.62	3.47	0.05	0.20	0.29
#		44.80	45.15	0.35	4.51	0.05	0.24	0.29
#		49.00	49.31	0.31	2.92	0.13	0.04	0.17
#		52.80	53.00	0.20	2.27	0.13	0.05	0.12
LAP22-24	O/B							
LAP22-26	Main	33.00	34.00	1.00	1.42	0.13	0.03	0.10
ind		33.57	33.84	0.27	3.92	0.07	0.08	0.26
	Footwall	80.00	84.00	4.00	0.17	0.04	0.01	0.03
LAP22-27	Main	41.00	43.20	2.20	1.03	0.18	0.02	0.09
#		42.87	43.20	0.33	3.45	0.05	0.05	0.35
	Footwall	120.00	122.54	2.54	0.17	0.02	0.01	0.02
LAP22-28	Main	50.00	53.00	3.00	1.63	0.12	0.03	0.11
#		51.04	51.54	0.50	4.17	0.15	0.09	0.26
#		51.94	52.43	0.49	3.21	0.18	0.05	0.20
	Footwall	105.00	110.92	5.92	0.29	0.05	0.02	0.06
LAP22-29	Main	72.50	73.95	1.45	1.07	0.23	0.02	0.14
LAP22-30	Main	65.00	73.25	8.25	0.58	0.18	0.01	0.08
ind		70.00	73.25	3.25	1.07	0.36	0.02	0.16
#		72.22	72.50	0.28	2.62	0.33	0.05	0.34
#		71.16	71.55	0.39	4.17	0.84	0.07	0.37
LAP22-31	Main	76.55	79.00	2.45	1.66	0.63	0.03	0.26
#		76.55	76.75	0.20	3.60	1.28	0.08	0.36
#		76.75	77.20	0.45	1.08	1.76	0.02	0.41
#		77.20	77.52	0.32	3.36	0.48	0.06	0.87
#		78.00	78.20	0.20	3.97	0.29	0.06	0.10

PGEs (g/t) = platinum (Pt) + palladium (Pd) + gold (Au)  
Lengths noted are core length; true width has not been determined as structural interpretations are on-going  
\* The woody Re k case, # Individual Samples - High-Grade Ni; NSV = No Significant Values; O/B = missed target in thicker overburden

# Lappvattnet 2022 Assays (2 of 2) + co-ordinates for 2021/22 Drilling

Hole_ID	From (m)	To (m)	Length (m)	Ni %	Cu %	Co %	PGEs (g/t)
LAP22-01	94.00	101.00	7.00	0.69	0.28	0.01	0.12
LAP22-02	86.00	109.02	23.02	0.63	0.24	0.01	0.10
includes	93.62	94.11	0.49	2.80	0.12	0.05	0.12
and	100.88	101.08	0.20	4.29	0.05	0.07	0.16
and	102.34	102.67	0.33	1.51	1.47	0.03	0.43
LAP22-03	79.60	83.00	3.40	0.64	0.31	0.01	0.22
	86.00	93.00	7.00	0.50	0.16	0.01	0.05
LAP22-04	91.00	93.87	2.87	0.68	0.10	0.01	0.15
includes	93.60	93.87	0.27	3.45	0.05	0.06	1.26
LAP22-05	68.00	87.00	19.00	0.80	0.18	0.02	0.20
LAP22-07	95.60	108.76	13.16	0.58	0.15	0.01	0.09

PGEs (g/t) = platinum (Pt) + palladium (Pd) + gold (Au), all in g/t

Hole_ID	From (m)	To (m)	Length (m)	Ni %	Cu %	Co %	PGEs (g/t)	Ag (g/t)
LAP22-06B	87.00	90.30	3.30	2.14	0.17	0.04	0.50	0.56
	88.70	89.20	0.50	3.42	0.03	0.09	0.90	0.32
	89.69	90.00	0.31	4.26	0.08	0.07	0.55	0.37
	90.00	90.30	0.30	5.93	0.03	0.11	0.98	0.36
LAP22-08	75.00	84.80	9.80	0.82	0.24	0.02	0.26	0.85
	77.75	78.90	1.15	2.25	0.27	0.04	0.54	0.79
	81.80	82.00	0.20	5.00	0.06	0.07	0.06	1.37
LAP22-09	86.95	89.40	2.45	1.87	0.20	0.03	0.12	245.13
	86.95	88.67	1.72	0.48	0.27	0.01	0.05	349
	88.67	89.40	0.73	5.15	0.04	0.09	0.30	0.39

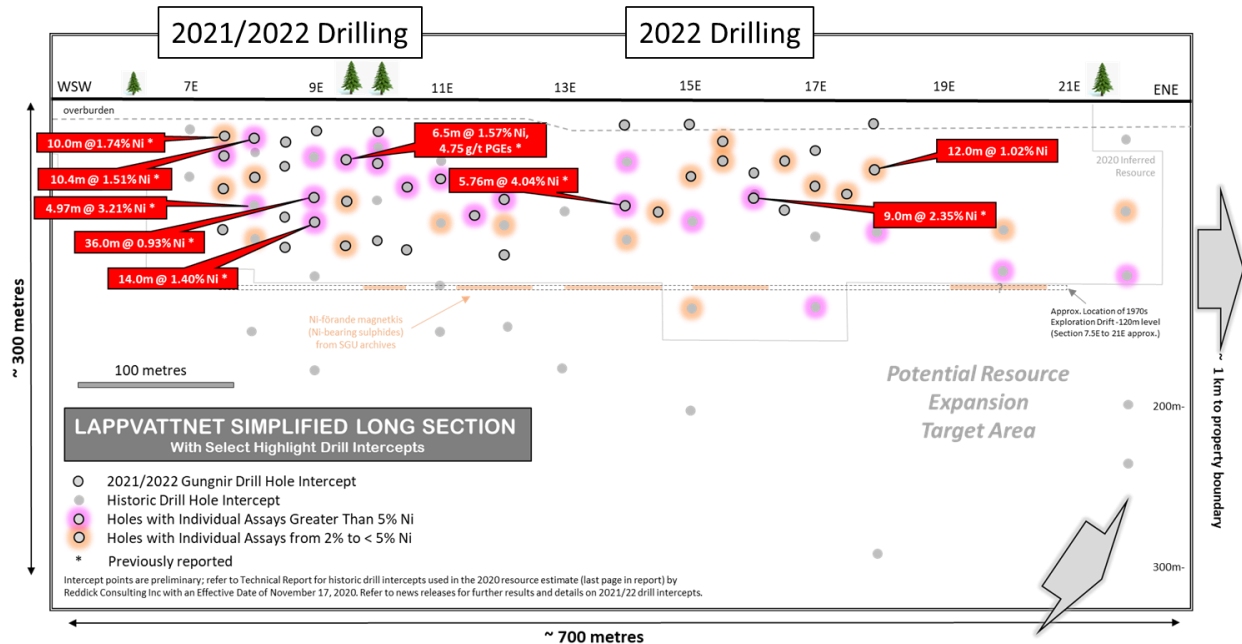
PGEs (g/t) = platinum (Pt) + palladium (Pd) + gold (Au), all in g/t

Length = core length in metres; estimated true widths at approximately 80%

Section	East	Hole_ID	East RT90	North RT90	Elevation	Length	Azimuth	Dip
8	LAP21-01	1741514.0	7165152.0	80.00	100.45	340	-75	
8	LAP21-02	1741517.0	7165150.0	80.00	74.55	340	-45	
9	LAP21-03	1741550.0	7165168.0	79.46	77.50	340	-45	
9	LAP21-04	1741555.0	7165169.0	79.46	98.20	340	-75	
9	LAP21-05	1741555.0	7165169.0	79.46	100.30	340	-85	
10	LAP21-06	1741589.0	7165186.0	78.73	75.55	340	-75	
10	LAP21-07	1741589.0	7165186.0	78.73	49.70	340	-45	
11	LAP21-08	1741620.0	7165201.0	79.82	73.80	340	-75	
9.5	LAP21-09	1741530.0	7165161.0	79.00	101.80	340	-65	
9.5	LAP21-10	1741530.0	7165161.0	79.00	101.70	340	-80	
9.5	LAP21-11	1741530.0	7165161.0	79.00	74.60	340	-50	
7.5	LAP21-12	1741495.0	7165151.0	78.00	80.00	340	-65	
7.5	LAP21-13	1741494.0	7165152.0	78.00	77.30	340	-45	
10.5	LAP21-14	1741571.0	7165176.0	79.00	101.70	340	-60	
10.5	LAP21-15	1741571.0	7165176.0	79.00	124.40	340	-80	
10.5	LAP22-01	1741620.5	7165156.1	78.98	131.80	335	-65	
9.5	LAP22-02	1741584.6	7165140.9	79.78	143.80	335	-65	
8.5	LAP22-03	1741547.5	7165126.7	80.65	152.60	335	-65	
7.5	LAP22-04	1741503.0	7165108.1	79.14	150.30	335	-70	
7.5	LAP22-05	1741502.9	7165108.4	79.29	126.00	335	-55	
11.5	LAP22-06B	1741659.4	7165173.2	78.10	151.90	335	-55	
10	LAP22-07	1741602.3	7165149.5	79.41	150.50	335	-67	
10.5	LAP22-08	1741620.0	7165157.1	78.97	125.00	335	-45	
12	LAP22-09	1741676.2	7165181.2	77.61	126.00	335	-50	
12	LAP22-10	1741677.0	7165179.3	77.73	162.20	335	-67	
8	LAP22-12	1741483.3	7165212.8	80.54	153.00	335	-45	
8	LAP22-13	1741483.5	7165212.2	80.60	205.00	335	-65	
9	LAP22-14	1741515.6	7165238.3	79.37	150.00	335	-45	
9	LAP22-15	1741515.9	7165237.9	79.38	201.50	335	-65	
15	LAP22-16	1741764.2	7165279.0	76.79	75.00	335	-45	
15	LAP22-17	1741764.2	7165279.0	76.60	100.40	335	-75	
16	LAP22-18	1741801.9	7165273.2	76.67	248.80	335	-45	
16	LAP22-19	1741802.3	7165272.4	76.49	193.70	335	-75	
17	LAP22-20	1741843.3	7165291.4	76.48	75.00	335	-45	
17	LAP22-21	1741843.5	7165290.7	76.19	101.50	335	-75	
18	LAP22-22	1741880.0	7165316.7	76.16	75.00	335	-45	
18	LAP22-23	1741880.2	7165316.1	76.20	100.75	335	-75	
14	LAP22-24	1741733.4	7165247.3	77.12	76.40	335	-45	
14	LAP22-25	1741733.8	7165246.4	77.10	111.10	335	-75	
15.5	LAP22-26	1741789.0	7165271.5	76.70	100.70	335	-45	
15.5	LAP22-27	1741789.0	7165272.0	76.68	150.10	335	-65	
16.5	LAP22-28	1741829.0	7165282.0	76.50	155.00	335	-55	
16.5	LAP22-29	1741829.0	7165282.0	76.50	180.20	335	-75	
17.5	LAP22-30	1741872.0	7165290.0	76.14	126.10	335	-65	
14.5	LAP22-31	1741760.0	7165239.0	76.84	126.20	335	-65	



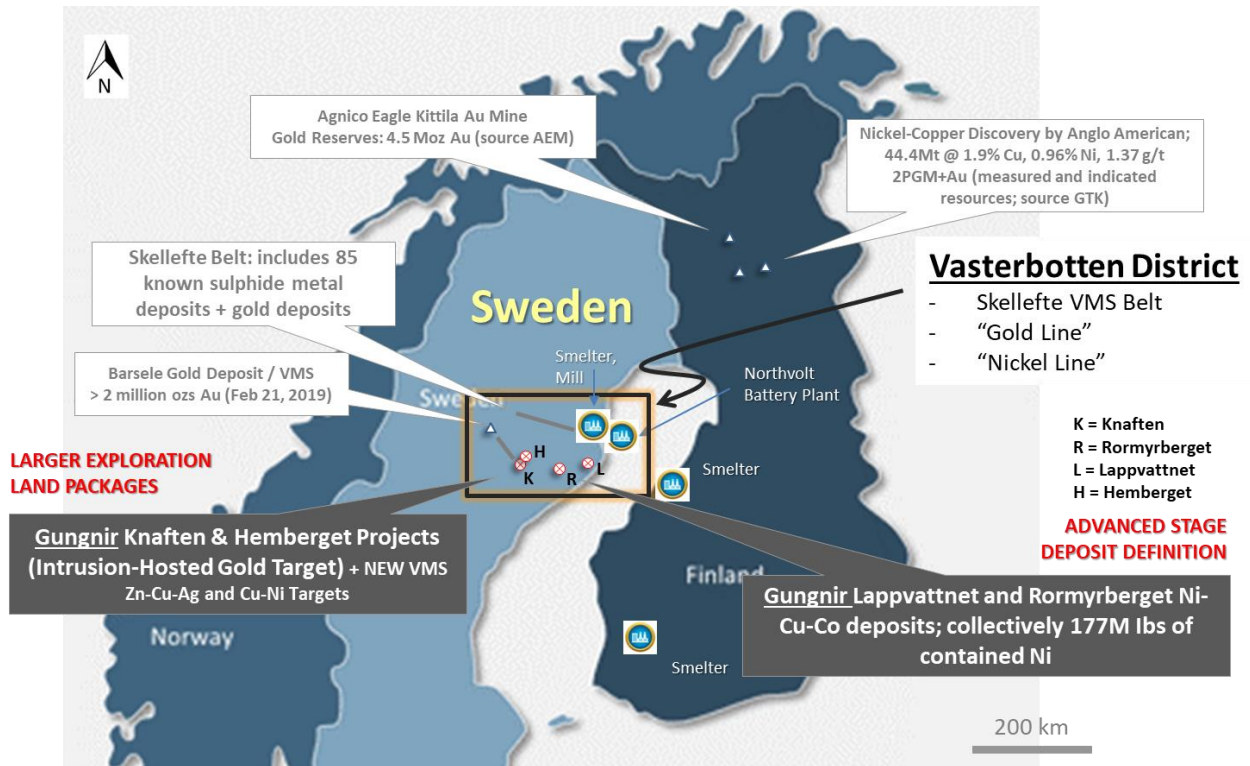
# Lappvattnet Deposit Long Section



Drill core was logged and tagged for sampling at the Company’s core logging facility in Lycksele then shipped to ALS Minerals’ Core Services Laboratory in Mala. Core was sawed on site in Mala by ALS staff and prepped sample material was sent to ALS’s Lab in Ireland. Core was analyzed for multi-elements using code ME-MS41, CuOG46 analysis for >10000 ppm Cu, NiOG46 analysis for >10000 ppm Ni, and Pt, Pd, and Au were analyzed using fire assay method PGM-ICP27. Blanks, certified standards and duplicates are routinely included in sample batches for quality assurance and control.

## Exploration and Evaluation Properties

Gungnir’s exploration project areas are located in northern Sweden within the Fennoscandian Shield, a mineral rich but highly underexplored region, which extends into neighbouring Finland. 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. Gungnir’s key projects are the Lappvattnet & Rormyrberget nickel deposits and the Knaften property.



### Lappvattnet and Rormyrberget

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.

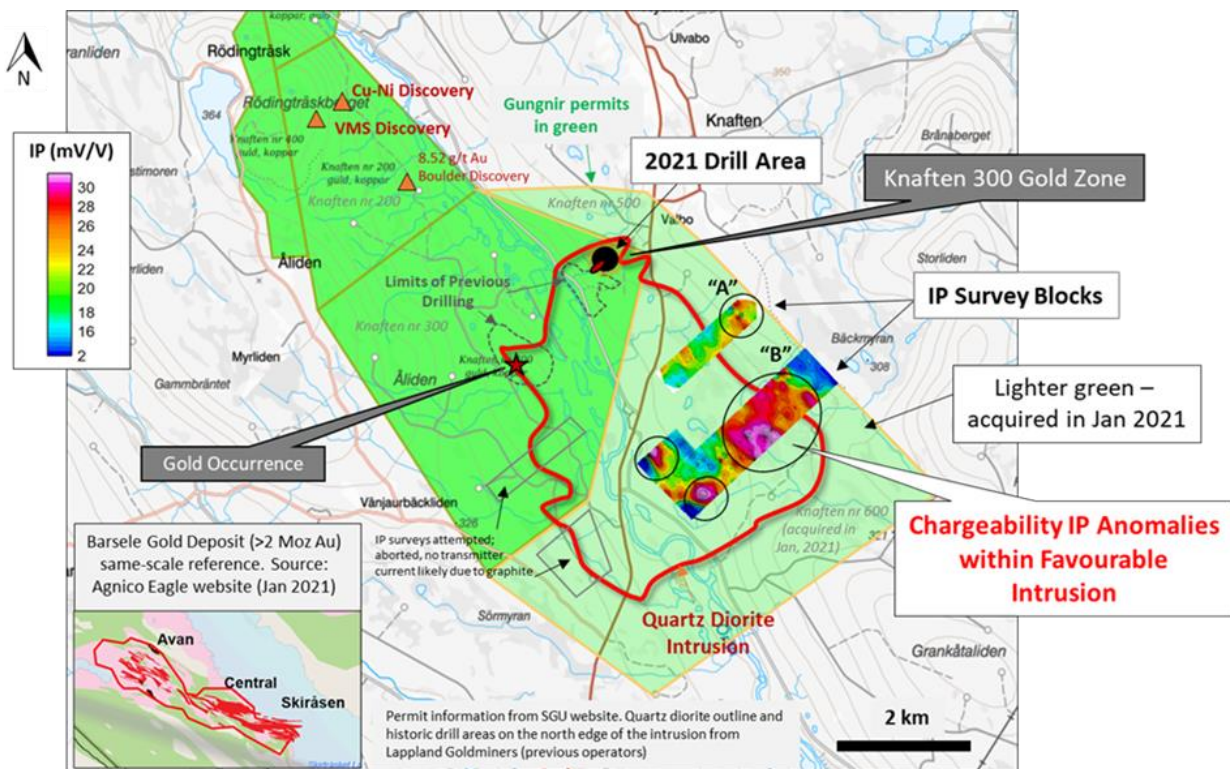
### Knaften Project

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

cover either current and past-producing gold mines or known gold resources. Sizeable intrusive-hosted gold deposits in the region include Barsele with more than 2 million ounces of gold (1) which is located along the same structural trend known as the Gold Line and also covers one of the sizeable gold-in-till anomalies.

Successful exploration by the Company since 2017 has resulted in new target discoveries including two new base metal targets (Rödingtrask VMS zinc-copper and a magmatic copper-nickel target) adding significant up-side to the previously gold-only Knaften project. Further in 2019, 2020 and 2021 Gungnir identified stacked gold mineralization at Knaften 300 including discovery of a new lower zone with high-grade gold (up to 59.60 g/t Au). All three targets on Knaften are wide-open for expansion and further discovery.

In 2021 the Company staked additional claims to the Knaften property to cover the entire prospective intrusion (4 x 5 km) which hosts the Knaften 300 Gold Zone along its northern edge. The expanded Knaften gold project comprises 4,887 hectares (or nearly 50 sq. km) and significantly adds to the potential of Gungnir's Knaften intrusion-hosted gold target. Further in 2021, the Company initiated an IP (induced polarization) geophysical survey over portions of the newly acquired ground (Knaften nr 600) resulting in identification of significant IP anomalies; the strongest IP anomalies in the survey (up to 40 mV/V) are the first-priority targets (see map below).



Notes: (1) Barsele Minerals, February 21, 2019 Technical Report. Combined Pit and Underground Resources: Indicated 324,000 ozs Au @ 1.81 g/t Au + Inferred 2,086,000 ozs Au @ 2.54 g/t Au (based on 349 drill holes).

### Additional Knaften Project Targets

Rödingtrask is a new VMS target discovery outside traditional Skellefte belt in northern Sweden with similar age to older VMS deposits in Finland. 2018 drilling encountered widespread metal-enrichment (Zn, Cu, Ag) in core lengths > 100 metres in host conglomerate (see NR's Aug/Oct/Nov 2018). To date, only 10 holes have tested this target area, all into the edges or halo of a large hydrothermal VMS system. So far mineralization, alteration and marker horizon defined over a strike length of 200 metres. Known mineralization is centred on a magnetic high anomaly; several similar magnetic highs clustered on >10 km trend. The current working model is a mafic volcanic-sedimentary VMS setting. The goal is to locate the core of it targeting potential higher-grade massive sulphide mineralization.

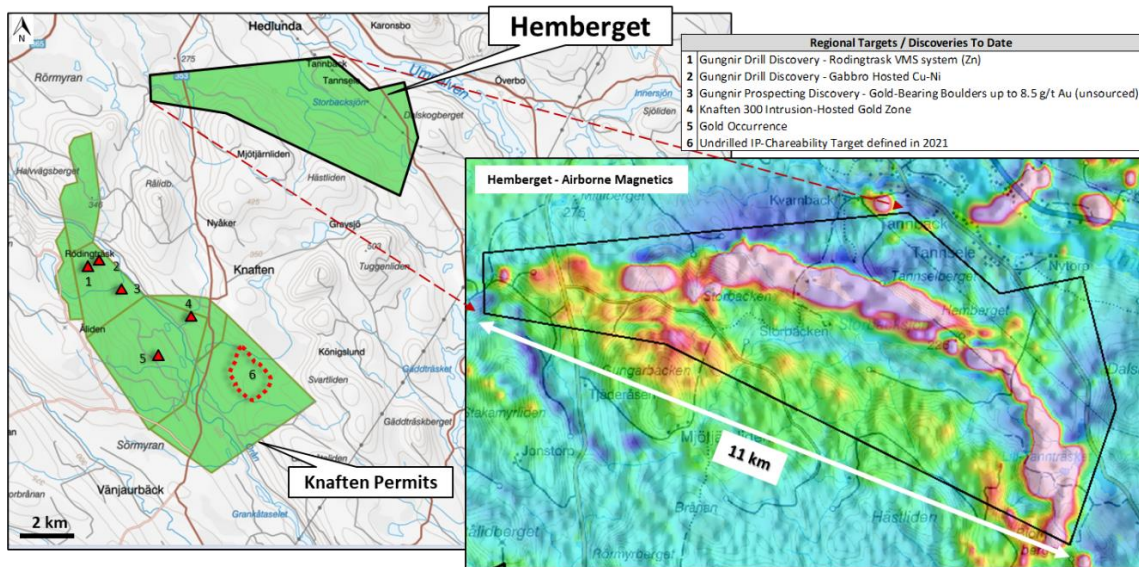
Copper-nickel mineralization on Knaften was discovered by Gungnir in 2017, with a second hole drilled near-by in 2018 cutting a core length of magmatic sulphides assaying 0.38% CuEq over 14.4m (see NR dated Oct 4, 2018). Near-surface intersections are located 400 metres east of the Rodingtrask target. Mineralization consists of disseminated, blebby, patchy and erratically banded pyrrhotite with lesser chalcopyrite. Host rock is gabbro including vari-and orbicular textures which are documented textural styles closely associated with potential massive sulphide accumulations. There is ample blue-sky potential on this target as well with only 2 holes into the mineralized system.

### **Hemberget Property**

Hemberget is located approximately 6 km north of Gungnir’s Knaften project within the broader Gold Line along with Knaften and the Company’s two nickel deposit, Lappvattnet and Rormyrberget.

The property covers 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 corresponds to the “Hemberget” gabbro-ultramafic intrusion.

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.



### **General**

The Company’s properties consist of both early-stage grassroots projects and projects with current resources. There has been insufficient exploration on its early-stage properties to define 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.

### **Quality Control and Quality Assurance Procedure**

During exploration programs all data is evaluated by Gungnir’s geologists and contractors, and also by its Qualified Person, to ensure that the data is reliable and accurate, based on the analysis of the blanks, standards and duplicate samples. The information in this MD&A was prepared under the direction of Mr. Jari Paakki, P. Geo, CEO of the Company, a Qualified Person as defined by NI 43-101.

Exploration and Evaluation Properties	December 31, 2021	Exploration and evaluation	Loss on sale of property	Option proceeds	Recoveries	December 31, 2022
Knaften Property	2,222,533	16,229	-	(83,325)	-	2,155,437
Rormyrberget Property	82,071	-	-	(33,335)	-	48,736
Lappvattnet Property	346,057	732,104	-	(133,340)	-	944,821
Norbotten Property	-	-	-	-	-	-
Hemberget Property	9,607	704	-	-	-	10,310
	<b>2,660,268</b>	<b>749,037</b>	-	<b>(250,000)</b>	-	<b>3,159,305</b>

### Quality Control and Quality Assurance Procedure

During exploration programs all data is rigorously evaluated by Gungnir's geologists and contractors, and also by its Qualified Person, to ensure that the data is reliable and accurate, based on the analysis of the blanks, standards and duplicate samples. If the laboratory results for a Gungnir reference standard are plus or minus three standard deviations of the mean value of the certified value, or, if consecutive reference standard values are equal to plus or minus two standard deviations of the mean value, then the samples associated with that standard are re-analyzed by the laboratory.

The information in this MD&A was prepared under the direction of Mr. Jari Paakki, P. Geo, CEO of the Company, a Qualified Person as defined by NI 43-101.

### 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 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Total revenues	NIL	NIL	NIL
Operating expenses	960,708	878,425	637,498
Write-down of exploration and evaluation properties	-	9,476	-
Stock-based compensation	262,395	362,639	134,614
Comprehensive income (loss) for the year	(962,995)	(900,271)	(628,022)
Basic and diluted earnings (loss) per share	(0.01)	(0.01)	(0.01)
Total Assets	5,737,063	3,936,241	3,457,727
Total long-term liabilities	NIL	NIL	Nil
Cash dividends declared	NIL	NIL	Nil

## Results of Operations

For the years ended December 31,	2022	2021	2020
<b>Operating Expenses</b>			
General and administration	141,154	123,739	107,913
Compensation	732,716	719,480	491,010
Professional fees	86,838	35,206	38,575
<b>Loss from operations</b>	<b>960,708</b>	878,425	637,498
<b>Other items</b>			
Interest income	8,223	114	15,830
Foreign exchange	(10,510)	(12,484)	(6,354)
Write-down of exploration and evaluation properties	-	(9,476)	-
<b>Comprehensive income (loss)</b>	<b>(962,995)</b>	(900,271)	(628,022)

## Expenses

The Company's expenses from operations for the years ended **December 31, 2022**, 2021 and 2020 are detailed as follows:

	2022	2021	2020
<b>General and administration</b>			
Shareholder and regulatory	\$ 103,780	90,262	77,164
Travel and promotion	309	740	914
Office	37,066	32,737	29,835
General exploration	-	-	-
	\$ 141,155	123,739	107,913
<b>Compensation</b>			
Consulting fees and wages	\$ 470,321	356,841	356,396
Stock-based compensation	262,395	362,639	134,614
	\$ 732,716	719,480	419,010
<b>Professional fees</b>			
Accounting fees	29,550	18,788	15,900
Legal fees	57,288	16,418	22,675
	\$ 86,838	35,206	38,575

Gungnir's operating expenses excluding non-cash expenditures, stock-based compensation, have been comparable over the last years as management continues to manage its endeavours in the slightly improved junior exploration markets. Operating expenses except stock-based compensation for the years ended December 31, 2022 and 2021 was \$698,313 and \$515,786 respectively. General and administrative fees remained relatively even at \$141,154 at year end 2022 (2021 - \$123,739).

Consulting fees and wages for the year ended 2022 were \$470,321 compared to \$356,841 in 2021. Shareholder and regulatory fees increased by \$13,518 to \$103,780 in 2022 compared to \$90,262 in 2021. Office expenses increased slightly to \$37,066 in 2022 compared to \$32,737 in 2021. Professional fees for the year also increased to \$86,838 and \$35,206 in 2021 and 2020, respectively due to increased corporate activities and the financing in March 2022.

## Summary of Quarterly Results – Loss from Operations

The following table sets out selected quarterly financial information of Gungnir. Gungnir' interim financial statements are prepared by management, in accordance with International Financial Reporting Standards and expressed in Canadian dollars.

	Dec. 31 2022 \$	Sept. 30 2022 \$	June 30 2022 \$	Mar. 31 2022 \$	Dec. 31, 2021 \$	Sept. 30 2021 \$	June 30 2021 \$	Mar. 31 2021 \$
E&E Properties	3,159,305	3,117,873	2,858,901	2,673,178	2,660,268	2,474,889	2,173,044	2,154,042
Working Capital	2,468,289	2,934,062	3,365,175	3,783,149	1,178,373	1,399,951	989,448	1,115,709
Net Income (loss)	(689,659)	(173,842)	(218,459)	118,965	(520,077)	(147,035)	(117,178)	(115,981)
Earnings (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(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 financings 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, 2022 and 2021 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, 2022 and 2021:

For the quarter ended December 31,	3 Months 2022	3 Months 2021
<b>Operating Expenses</b>		
<b>General and administration</b>	\$ 24,691	29,883
<b>Compensation (w/o SBC)</b>	124,560	87,117
<b>Professional fees</b>	32,354	28,269
	\$ (152,605)	(145,269)
<b>Other items</b>		
Interest income	2,337	28
Foreign exchange	-	(4,723)
Write-down of exploration and evaluation properties	-	(9,476)
<b>Loss for the period</b>	\$ (150,268)	(159,440)
<b>Weighted average number of shares outstanding</b>	114,236,25	83,842,151
<b>Basic and diluted loss per share</b>	\$ (0.01)	(0.01)

During the fourth quarter of 2022, Gungnir incurred a net loss of \$451,729 (2021 - \$520,077).

There were no significant variances in general and administration expenses and professional fees in the fourth quarter of 2022 compared to the fourth quarter of 2021. Compensation increased slightly from \$124,560 compared to \$81,117 in the fourth quarter of 2021. The increase was due to the increase in management's remuneration effective April 1, 2022 and the increase to the quarterly director's fee.

## **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.

Successful drill programs over the last four years at Knaften resulted in new gold and base metal target discoveries; the Rodingtrask VMS, a Cu-Ni target located only 400 metres to the east plus the recent drill success on the Knaften 300 gold zone this year. These targets add significant up-side to the Knaften project, and now the Company has numerous opportunities at deposit discovery by way of multiple targets and metals. All three targets on Knaften are wide-open for expansion and further discovery.

East of Knaften, in 2020 the Company upgraded its two nickel-copper-cobalt deposits, Lappvattnet and Rormyrberget, to current resources. The two separate deposits contain 177 million pounds of nickel in inferred resources based on NI 43-101 resource estimates commissioned by Gungnir. In 2021 the Company initiated drilling and geophysics and sampling programs which have continued in 2022 and 2023.

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, 2022 the Company had working capital of \$2,468,289 (2021 - \$1,178,373). At the time of this report, the Company does have sufficient funds to meet its general and administrative expenses through fiscal 2023 year-end.

## **Capital Resources**

At December 31, 2022, Gungnir had \$33,375,967 in share capital (2021 - \$31,789,790), representing 119,629,786 common shares without par value, and an accumulated deficit of \$36,765,190, resulting in a shareholder's equity (or net assets) of \$5,685,629 (2021 - \$3,885,908).

At December 31, 2022, Gungnir had working capital of \$2,468,289 (2021 - \$1,178,373).

## **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, labour 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, 2022, the Company had the following transactions with related parties:

- Incurred or paid wages of \$387,500 in total to the CEO and CFO of the Company (2021 - \$305,000).
- Incurred or paid directors' fees of \$70,000 included in consulting fees and wages (2021 - \$40,000).
- Incurred stock-based compensation of \$262,395 (2021 - \$362,639).

At December 31, 2022, accounts payable and accrued liabilities include \$nil (2021 - \$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, 2022.

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, 2022, and have been consistently followed in the preparation of these financial statements.

#### **New accounting standards adopted during the year**

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. Changes in accounting policies and correction of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The adoption of IAS 8 did not have a material impact on the Company's financial statements.

#### **Future accounting pronouncements**

Amendments to IAS 16, Property, Plant and Equipment: Proceeds before Intended Use ("IAS 16")

In May 2020 the IASB issued amendments to IAS 16, Property, Plant and Equipment: Proceeds before Intended Use which is effective for annual period beginning after January 1, 2022. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related costs in profit (loss). The amendments to IAS 16 will have no material impact on the Company's financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Report – Phase 2

In August 2020, the IASB issued amendments to IFRS 9, Financial Instruments (IFRS 9), IAS 39, Financial Instruments: Recognition and Measurements (IAS 39), IFRS 7, Financial Instruments: Disclosures (IFRS 7), IFRS 4, Insurance Contracts (IFRS 4), and IFRS 16, Leases (IFRS 16) as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising during reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one. The amendments are effective January 1, 2021. The adoption of these amendments will have no material impact on the Company's financial statements.

### **Disclosure controls and procedures**

As of December 31, 2022, the Company carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our 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.

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 authorised 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.

At December 31, 2022 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 has, at the 2022 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, 2022 and 2021:

	December 31, 2022			December 31, 2021		
	Options	Weighted average exercise price		Options	Weighted average exercise price	
Options outstanding, beginning of year	9,466,667	\$ 0.10		8,350,000	\$ 0.08	
Granted	3,473,777	0.13		4,000,000	0.11	
Exercised	(600,000)	0.05		(2,233,333)	0.06	
Expired/Cancelled	(200,000)	0.05		(650,000)	0.06	
<b>Options outstanding, end of year</b>	<b>12,140,444</b>	<b>\$ 0.11</b>		<b>9,466,667</b>	<b>\$ 0.10</b>	
				<b>2022</b>	<b>2021</b>	
Options exercisable, end of year				12,120,444	9,466,667	
Weighted average contractual remaining life (years)				3.17	3.71	

Summary of stock options outstanding at December 31, 2022:

Number outstanding	Exercise price (\$)	Expiry date
266,667*	0.06	October 2, 2023
2,000,000	0.11	September 11, 2024
2,400,000	0.10	November 18, 2025
4,000,000	0.11	December 22, 2026
933,999 **	0.12	March 31, 2024
2,539,778	0.14	April 6, 2027
<b>12,140,444</b>		

\* Compensation options granted in 2020

\*\* Compensation options granted in 2022

During the year ended December 31, 2022, \$262,395 of share-based compensation was incurred (2021 - \$362,639).

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 (2021 - \$nil), average risk-free interest rate of 2.51% (2021 - 1.25%),

expected life of 5 years (2021 - 5 years), stock price of \$0.14 (2021 - \$0.11) and an expected volatility of 97% (2021 - 120%).

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, 2022 and 2021:

	December 31, 2022		December 31, 2021	
	Warrants	Weighted average exercise price	Warrants	Weighted average exercise price
Beginning of year	15,662,667	\$ 0.09	19,851,000	\$ 0.07
Granted	21,318,336	0.18	6,529,333	0.08
Exercised	(332,000)	0.08	(10,584,332)	0.05
Expired/Cancelled	-	-	(133,334)	0.05
<b>Warrants outstanding, end of year</b>	<b>36,649,003</b>	<b>\$ 0.14</b>	<b>15,662,667</b>	<b>\$ 0.09</b>

	2022	2021
Warrants exercisable, end of year	36,649,003	15,129,334
Weighted average contractual remaining life (years)	1.03	1.72

Summary of warrants outstanding at December 31, 2022:

Number outstanding	Exercise price (\$)	Expiry date
6,666,667	0.09	September 24, 2023
3,000,000	0.09	October 1, 2023
5,664,000	0.08	September 10, 2023
21,318,336	0.18	March 31, 2024
<b>36,649,003</b>		

## 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, 2021	\$ 3,724,396	\$ 3,062,989	\$ 2,112	\$ 6,789,497
Options and warrants expired	8,000	-	-	8,000
Finder's warrants granted	-	-	(2,112)	(2,112)
<b>December 31, 2022</b>	<b>\$ 3,732,396</b>	<b>\$ 3,062,989</b>	<b>\$ -</b>	<b>\$ 6,795,385</b>

### Loss per Share

Years ended	December 31, 2022	December 31, 2021
Numerator: Net income (loss) attributable to common shareholders – basic and diluted	\$ (712,994)	\$ (900,271)
<b>Denominator: Weighted average number of common shares outstanding – basic and diluted</b>	114,236,125	83,842,151
Basic and diluted earnings (loss) per share	\$ (0.01)	\$ (0.01)

Diluted earnings (loss) per share did not include the effect of 12,140,444 (2021 - 9,466,667) stock options and 36,649,003 (2021 - 15,662,667) warrants as they are anti-dilutive.

### Subsequent Events

Subsequent to the year ended December 31, 2022, the Company:

- granted, in compliance with the Company's stock option plan, 1,000,000 incentive stock options to purchase common shares of the Company at \$0.08 per share for 5 years to the directors and a consultant of the Company.

### Additional Information

Additional information is available at the Company website at [www.gungnirresources.com](http://www.gungnirresources.com) or on its SEDAR page site accessed through [www.sedar.com](http://www.sedar.com).

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