



## **Gungnir Resources Inc.**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

**For the Three Months ended March 31, 2022**

**DATED May 30, 2022**

#### **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 30, 2022 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 in conjunction with the annual audited financial statements for the year ended December 31, 2021 and related notes attached thereto (the “2021 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 interim management discussion and analysis (“Interim 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 Interim 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 Interim 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, 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.

## **Outlook**

The Company has significantly advanced its exploration efforts in Sweden through 2021 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 2022 on the Lappvattnet nickel property. Geophysics was 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 newly acquired southern extension of the property. The Company also acquired the Hemberget property located approximately 6 km north of Gungnir's Knaften project in the Vasterbotten region of northern Sweden hosting 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. 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. EM (electromagnetic) geophysical surveys were also performed at both the Lappvattnet and Rormyrberget properties which produced significant new anomalies for further exploration and drilling in 2022 and beyond.

\*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, PGeo, and Thomas Lindholm, MSc, fellow AusIMM. The effective date is Nov. 17, 2020.

## **Financing**

In January 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. 200,000 stock options with an exercise price of \$0.05 expired unexercised.

In March 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.

In March 2022, the Company entered into a royalty option agreement with Altius Minerals Corporation pursuant to which the Company has granted Altius the right, in exchange for \$250,000 in cash, to enter into: (i) a royalty agreement with respect to licences at the Company's Lappvattnet and Rormyrberget projects (the "Lappvattnet and Rormyrberget Option"), and (ii) a royalty agreement with respect to licences at the Company's Knaften project (the "Knaften Option"). Under the Option Agreement, Altius may exercise its Lappvattnet and Rormyrberget Option by paying the Company \$8 million at which time 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 \$2 million at which time the Company and Altius will enter into a royalty agreement for a 1.0% gross sales royalty in perpetuity.

#### Nickel Resources – Lappvattnet & Rormyrberget

The Company's Lappvattnet and Rormyrberget nickel deposits collectively contain a newly expanded NI43-101 resource which outlined 177 million pounds of nickel in the inferred resources category (see news release dated November 25, 2020). The goal at both deposits is to upgrade the current resources. At Lappvattnet, there is also potential for significant PGEs as demonstrated by Gungnir's sampling including 50.91 g/t PGEs (39.0 g/t platinum, 11.8 g/t palladium, 0.11 g/t gold) with 2.13% nickel over 0.45 metres at Lappvattnet (see news release dated March 30, 2020). At Rormyrberget there is potential 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). Further drilling on the Lappvattnet began in late summer of 2021 and further drilling and sampling are planned on these projects.

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

With recommendations in the new Technical Report along with work completed by Gungnir including geological and structural analyses, core sampling, ground geophysics and 3-D modelling, the Company is now making plans for continued work at both properties in 2022. Drilling on the Lappvattnet property began during the week of May 2, 2022. Existing licenses covering both deposits are currently valid to early January 2026.

#### 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 Company's 2021 drilling at Knaften was reduced due to travel restrictions, but was carried out as efficiently and economically as possible in light of COVID-19 concerns and provided important structural information. The Company made the decision to move the drill to the Lappvattnet property in August of 2021.

#### Hemberget Property

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

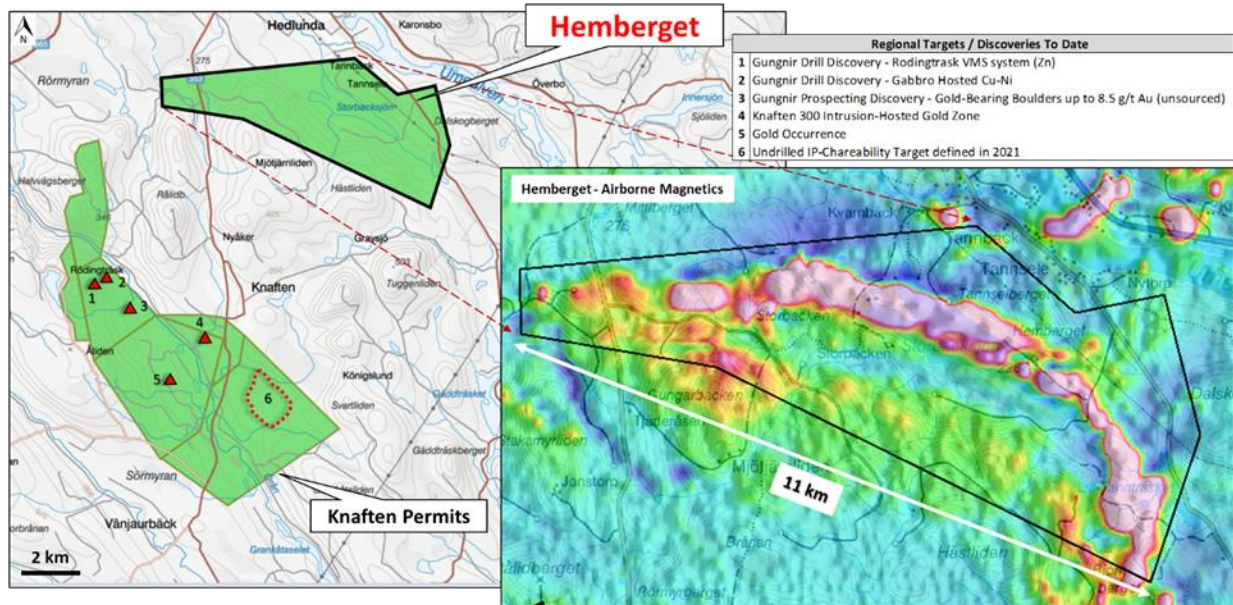
bodies on the Knaften project that we now know are copper-nickel mineralized. In addition to potential copper-nickel mineralization, the property covers some text-book VMS geology which adds further potential at Hemberget.

Hemberget is located approximately 6 km north of Gungnir's Knaften project in the Vasterbotten region of northern Sweden hosting the prolific Skellefte VMS-gold belt, "Gold Line" and "Nickel Line". Hemberget is situated with 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.

## Hemberget Property

GUNGNIR



### Exploration 2022

The bulk of the Company's 2022 exploration program will be devoted to drilling the nickel projects as well as our new, large gold target at Knaften.

### Planned 2022 Exploration Program:

- The Company has sufficient funds in place for its exploration activities through the recent private placement completed in March 2022
- An initial 4,000 metres of drilling is planned with approximately 75% or more planned on drilling nickel targets
- At Lappvattnet, expanded drilling to test for further high-grade nickel shoots along strike, down-plunge and down-dip of 2021 drill holes, plus the "twin" north EM conductor
- At Knaften Gold, initial testing of new IP anomalies (area has not seen any previous exploration); drill permits and approvals pending
- At Rormyrberget, evaluate and prioritize targets; timing of drilling to be determined
- At Hemberget detailed compilation work as well as initial prospecting and mapping. Based on information on hand, including the SGU (Swedish Geological Survey) website, the property has seen minimal exploration.

## **Project Highlights from 2021:**

### Lappvattnet Nickel:

- Phase one drill program covered just 20% of the total strike length of Lappvattnet
- Consistent shallow drill hits of high-grade and wide zones of nickel mineralization, including:
  - **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)**
- Outlined a near-surface untested “twin” electromagnetic (EM) conductor 100 metres north of the Lappvattnet nickel resource

### Knaften Gold:

- Target: bedrock source of one of the largest gold-in-till anomalies in Sweden
- Expanded the property to cover entire favourable host rock, a 4 km x 5 km intrusion
- Completed induced polarization (“IP”) geophysical survey over parts of the expanded area which outlined very significant IP chargeability anomalies (up to 40 mV/V) within the intrusion

### Rormyrberget Nickel:

- Outlined untested EM targets outside of the nickel resource

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

### 2021 Lappvattnet Drill Results:

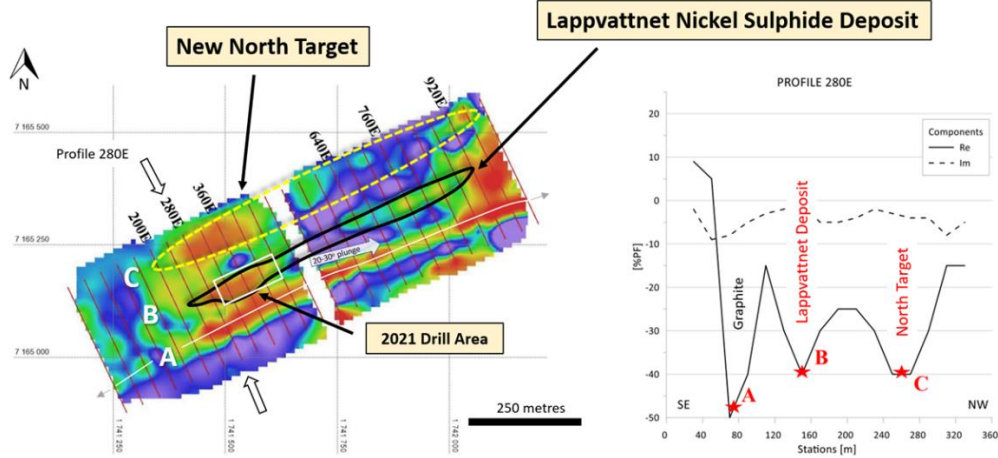
The Company’s first-phase drill program at Lappvattnet delivered consistent shallow drill hits of high-grade and wide-grade nickel mineralization. Fourteen of the fifteen holes drilled demonstrated continuity of the inferred resource, ten of which expanded nickel mineralization outside of the 2020 resource block (see news releases dated August 31 to December 2, 2021). The drill program also importantly provided key structural information to help guide the next phase of drilling.

### Lappvattnet EM Survey:

Following completion of the Company’s initial drill program, a ground geophysical electromagnetic (EM) survey was completed to assist positioning of future drill holes. A Slingram EM survey, completed in late 2021 with final results received during the first week of February 2022, outlined three main conductors, labeled A, B and C (see Figure below). The EM signature over the Lappvattnet deposit (B), which has a strike length of approximately 800 metres, consists of a prominent conductor along the western, shallowest part of the deposit, and becomes weaker and “spotty” along strike to the east where the deposit plunges shallowly to depth. A very similar, parallel “twin” EM signature occurs approximately 100 metres to the north (C). This conductor has not been drill-tested based on available data. A third, thinner and more continuous conductor (A), south of Lappvattnet, is attributed to sedimentary origin (graphite) and is confirmed in drill core.

Data was collected with an Emac Slingram instrument with a total of 26 profiles measured covering approximately 20% of the Lappvattnet property. The profiles are evenly spaced by 40 metres and each profile is 300 metres long running roughly NW-SE. The geophysical field work was carried out in two phases with the western half of the survey using a 60-metre coil configuration and a 40-metre coil configuration for eastern part of the survey block. Depth investigation is in the order of 20 to 40 metres below surface. The weaker EM signature in the eastern part of the survey block is also likely attributed, in part, to the shallower depth investigation of the 40-metre coil configuration. The survey was conducted by Geovista AB of Lulea, Sweden.

## Lappvattnet EM Survey



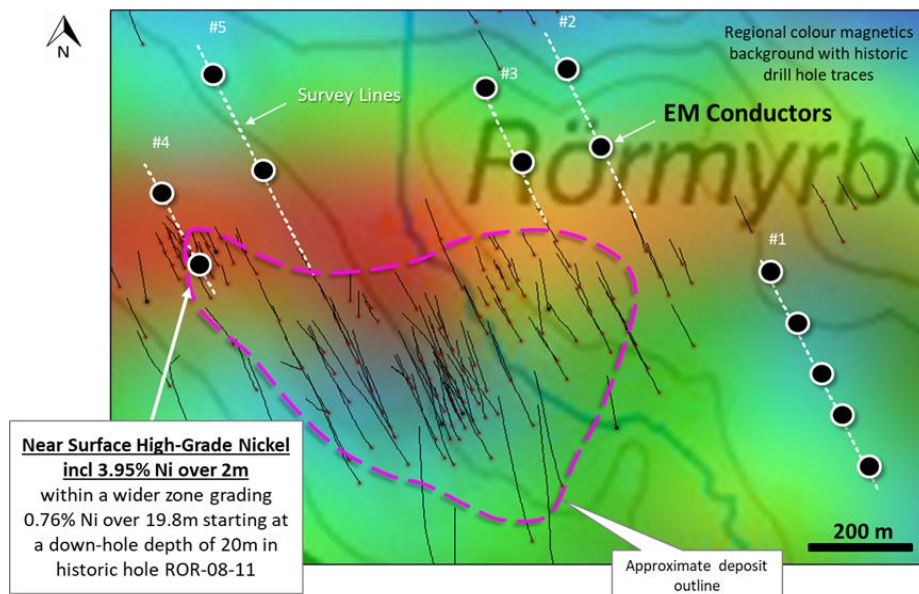
Slingram survey results. Strongest conductors are in red. Western half of the survey employed a 60-metre coil configuration and a 40-metre coil configuration was used for eastern part of the survey block. The larger discordant red anomaly in the easternmost part of the survey is likely resulting from conductive soils.

Slingram survey data along line 280E. Centre of conductive bodies indicated by red star.

## Rormyrberget EM Survey:

Concurrent with drilling at the Lappvattnet nickel deposit, test EM survey profiles were completed outside of the Rormyrberget nickel resource in areas with no prior drilling. The geophysical survey successfully outlined twelve, untested near-surface conductors immediately north and east of the nickel resource (see Figure below).

Five profiles were measured using Slingram and WalkTEM equipment. Good conductors at shallow depth were identified along all five profiles completed. Four profiles (#2, 3, 4 and 5) surveyed across a large gap in drilling immediately north of the nickel resource covering a strike length of approximately 800 metres. Profile #4 confirmed a conductor over part of the current resource with high-grade nickel mineralization including 3.95% Ni over 2 metres starting at a down-hole depth of 33.5 metres in historic hole ROR-08-11. Profile #1 was completed east of the nickel resource and outlined five conductors. The survey was conducted by Geovista AB of Lulea, Sweden.

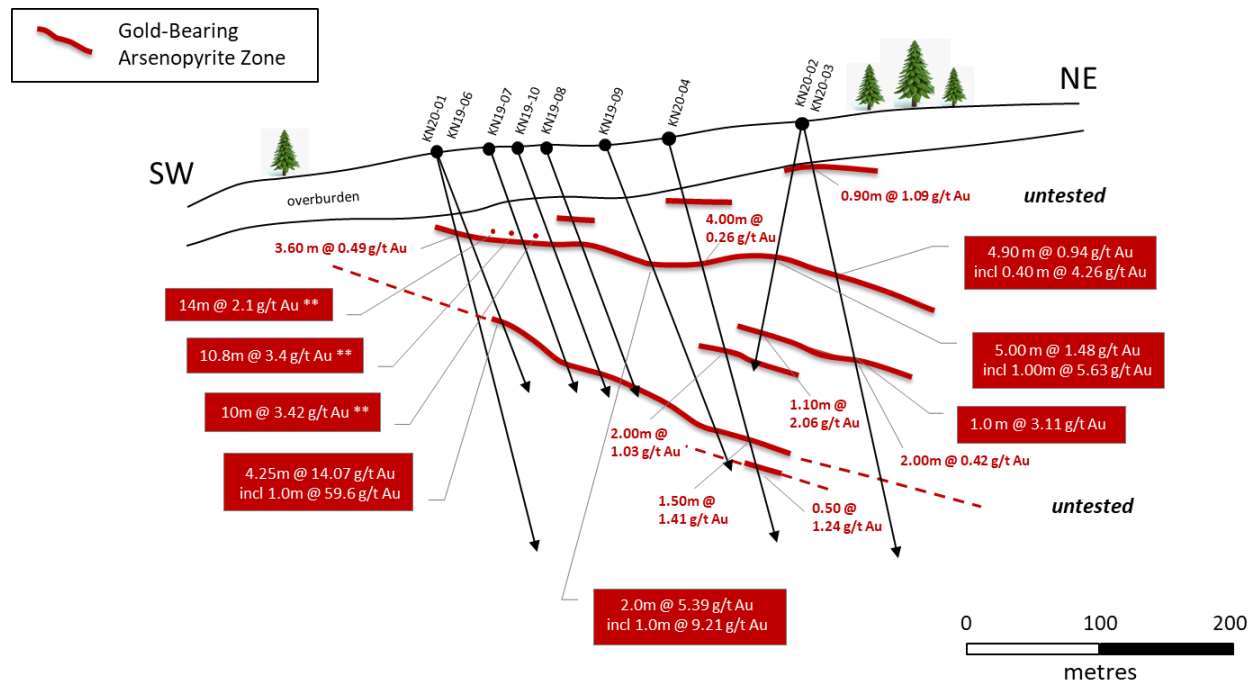


In addition to prioritizing these EM targets outside the current resource for drilling, the Company plans to evaluate potential for higher-grade nickel shoots within the Rormyrberget deposit.

### Knaften 300 - 2021 Drilling

Three 100-metre step-out holes were drilled east, south and north of the Knaften 300 gold zone totaling 700 metres at the northern edge of the four-by-five-kilometre host quartz diorite intrusion. All three holes intersected zones of disseminated arsenopyrite, with the most abundant mineralization encountered in hole KN21-03, the farthest north hole drilled at Knaften 300. Hole KN21-03, a 250-metre hole, cut three separate zones of disseminated arsenopyrite with the widest zone over a core length of 12 metres.

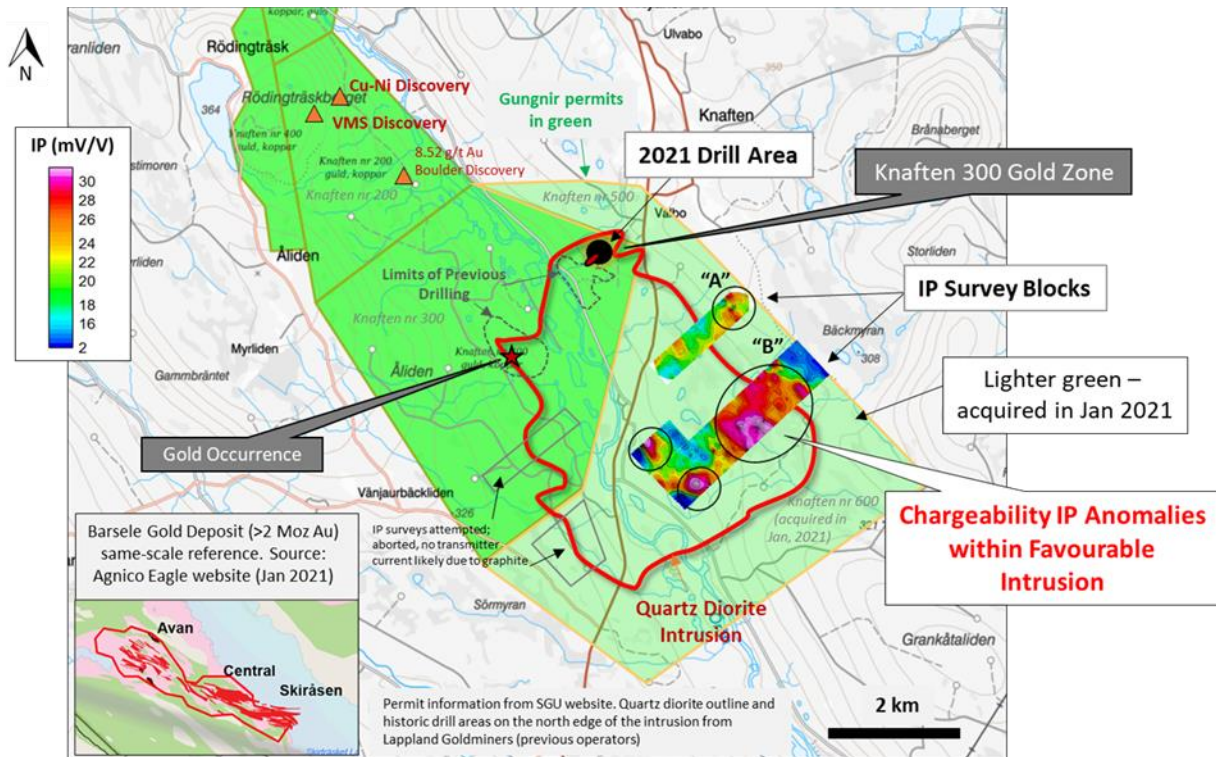
The three 100-metre step-out holes were drilled east (hole KN21-01), south (hole KN21-02) and north (hole KN21-03) on the Knaften 300 gold zone. All three holes intersected zones of disseminated arsenopyrite and continued to expand the mineralized zone.



### Knaften Property Extension

The new Knaften permits (Knaften nr 500 and 600) expand the existing property from 2,761 to 4,887 ha. The new area was earlier held by another group as part of a massive regional staking venture along the Gold Line, but all licenses were recently relinquished after the first three-year holding period, including those in the Knaften region. Based on information on hand, the new permits have seen little to no exploration or drilling.

As gold mineralization at Knaften is associated with disseminated sulphide minerals (arsenopyrite), IP is a valuable tool to generate drill targets. In the 2021, the Company completed an IP (induced polarization) geophysical survey covering portions of the southern part of the Knaften project (acquired in January, 2021). Several significant IP were reported including a new IP anomaly (up to 30 millivolts per volt) measures approximately 1,200 metres by at least 700 metres and is open to the north and south (see Figure below). It is located in an unexplored area within the southern half of a four-kilometre-by-five-kilometre quartz diorite intrusion, entirely held by Gungnir, and approximately three kilometres southeast of the company's disseminated-style Knaften 300 gold zone. The Company plans to initiate drilling on some of these IP targets in 2022.



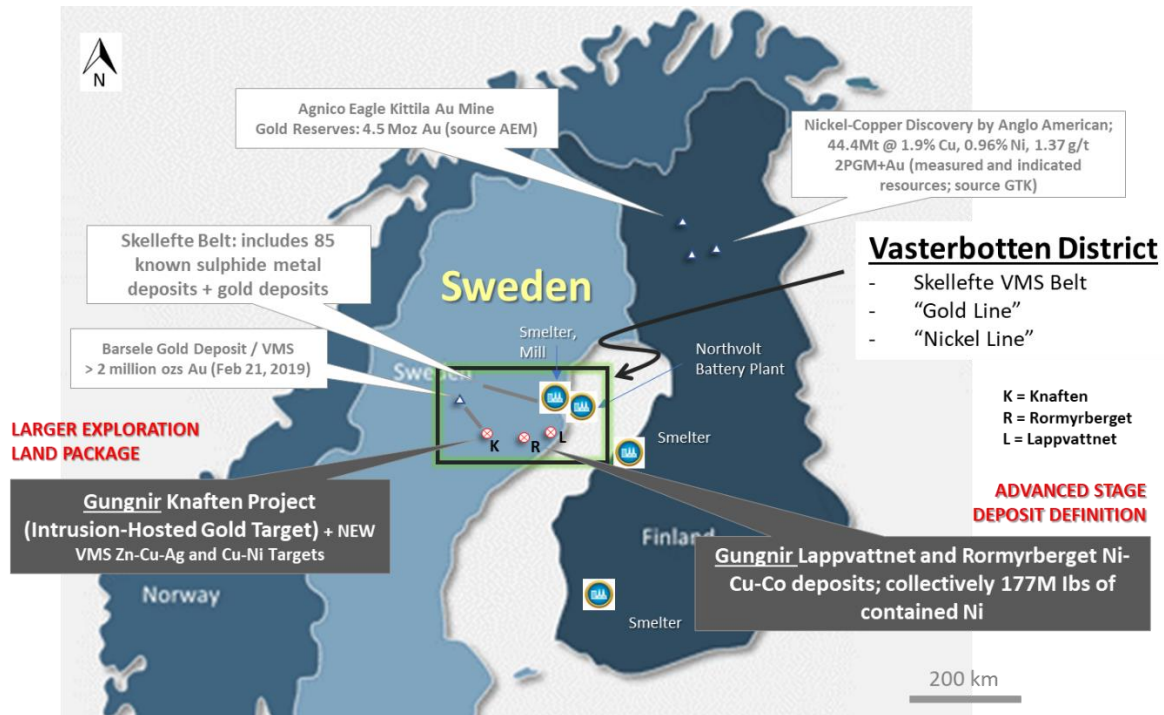
The target is the bedrock source(s) of the large Knaften gold-in-till anomaly (“Knaften anomaly”), one of the largest in Sweden. The bedrock source is believed to be partially identified at Knaften 300, but based on the sheer size of the Knaften anomaly it is reasonable to expect more gold to be found 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 <sup>(1)</sup> which is located along the same structural trend known as the Gold Line and also covers one of the sizeable gold-in-till anomalies.

*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).*

### 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.

Lappvattnet and Rormyrberget collectively contain 177 million pounds of nickel in inferred resources based on NI43-101 resource estimates commissioned by Gungnir in 2020.

### Knaften

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. Successful exploration by the Company since 2017 has resulted in new target discoveries including two new base metal targets (Rodingtrask 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.

Further 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.

### Knaften Gold Targets

The Knaften property covers up-ice of one of the largest gold-in-till anomalies in Sweden and is likely only partially indicated by current drilling at the Knaften 300 Gold Zone. The intrusion-hosted gold target at Knaften 300

comprises shallow-dipping, stacked arsenopyrite zones that are gold-bearing and extend down-dip for more than 400 metres based on drilling completed from 2017 to 2020. Drill results include 3.45 g/t Au over 10.75 metres and 59.6 g/t Au over 1.00 metre.

Knaften 300 is situated along the northern edge of a large quartz diorite intrusion which was acquired (by staking) in its entirety in January 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.

#### Knaften - Rodingtrask VMS Target

Rodingtrask 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.

#### Knaften – Copper-Nickel Target

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.

#### **Exploration and Evaluation Properties as at March 31, 2022:**

<b>Exploration and Evaluation Properties</b>	<b>December 31, 2021</b>	<b>Exploration and evaluation</b>	<b>Impairment</b>	<b>Loss on sale of property/ Recoveries</b>	<b>March 31, 2022</b>
Gungnir Sweden Properties	2,660,268	12,910	-	-	2,673,178

#### **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 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.Geol, CEO of the Company, a Qualified Person as defined by NI 43-101.

### Selected Annual Information

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

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Total revenues	NIL	NIL	NIL
Operating expenses	878,425	637,498	655,953
Write-down of exploration and evaluation properties	9,476	-	-
Stock-based compensation	362,639	134,614	219,013
Comprehensive income (loss) for the year	(900,271)	(628,022)	940,267
Basic and diluted earnings (loss) per share	(0.01)	(0.01)	0.01
Total Assets	3,936,241	3,457,727	3,852,352
Total long-term liabilities	NIL	Nil	NIL
Cash dividends declared	NIL	Nil	NIL

### Results of Operations

For the years ended December 31,	2021	2020	2019
<b>Operating Expenses</b>			
General and administration	123,739	107,913	91,233
Compensation	719,480	491,010	533,913
Professional fees	35,206	38,575	30,807
<b>Loss from operations</b>	<b>878,425</b>	<b>637,498</b>	<b>655,953</b>
<b>Other items</b>			
Royalty option proceeds, net	-	-	1,600,126
Interest income	114	15,830	10,851
Foreign exchange	(12,484)	(6,354)	(14,757)
Write-down of exploration and evaluation properties	(9,476)	-	-
<b>Comprehensive income (loss)</b>	<b>(900,271)</b>	<b>(628,022)</b>	<b>940,267</b>

### 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.

	Mar. 31 2022	Dec. 31, 2021	Sept. 30 2021	June 30 2021	Mar. 31 2021	Dec. 30, 2020	Sept. 30, 2020	June 30, 2020
	\$	\$	\$	\$	\$	\$	\$	\$
E&E Properties	2,673,178	2,660,268	2,474,889	2,173,044	2,154,042	2,117,439	2,053,162	1,840,257
Working Capital	3,783,149	1,178,373	1,399,951	989,448	1,115,709	1,265,155	1,168,787	1,158,747
Net Income (loss)	118,965	(520,077)	(147,035)	(117,178)	(115,981)	(282,002)	(145,097)	(97,636)
Earnings (loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(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 during the current reporting period or to the year ended 2021 audited financial statements 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.

### First Quarter Results of Operations – March 31, 2022 and 2021:

For the Quarter Ended March 31,	3 Months 2022	3 Months 2021
<b>Operating Expenses</b>		
	\$	
General and administration	36,665	19,728
Compensation	93,352	93,125
Professional fees	3,183	600
	(133,170)	(113,453)
<b>Other items</b>		
Interest and other income	23	38
Foreign Exchange (loss)	2,112	(2,566)
<b>Loss before income taxes</b>		(115,981)
<b>Net loss and comprehensive loss for the period</b>	\$ 118,965	(115,981)
Weighted average number of shares outstanding	88,577,630	72,266,735

<b>Basic and diluted loss per share</b>	\$	<b>0.00</b>
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During the first quarter of 2022, Gungnir sustained a gain from operations of \$118,965 (Q1-2021 – (\$115,981)) due to the \$250,000 payment from Altius for the right to purchase two royalties on the Knaften, Rormyrberget and Lappvattnet properties as reported earlier in this MD&A. Previous quarters for 2021 and 2020 have expenses incurred throughout the years that are fairly well balanced from quarter to quarter when excluding non-cash based charges and any impairment to the Company’s properties.

General administrative costs in the first quarter of 2022 were \$36,635 compared to the same period in 2021 of \$19,728. The largest contributing factor to the increase in G&A in Q1-2022 was Shareholder and Regulatory fees of \$32,764 compared to \$15,288 in Q1-2021. Travel and Promotional expenses were Nil in Q1-2022 compared to \$250 in Q1 2021 due to Covid travel restrictions.

Compensation was \$93,352 in Q1-2022 and \$93,125 in Q1-2021 with \$NIL Stock based Compensation recorded for either reporting period. Office expenses were \$3,870 and \$4,190 for the first quarter of 2022 and 2021 respectively and Professional fees in Q1-2022 were \$3,183 and \$600 in Q1-2021, the increase incurred was for legal fees related to the Royalty Agreement with Altius.

### **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 are continued in 2022.

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, 2021 the Company had working capital of \$1,178,373 (2020 - \$1,265,155). At March 31, 2022 the Company has working capital of \$3,783,149 (March 31, 2021 - \$1,115,709). At the time of this report the Company does have sufficient funds to meet its general and administrative expenses through 2022.

### **Capital Resources**

At March 31, 2022 Gungnir had paid up capital of \$32,968,339 representing 119,597,786 common shares without par value, and an accumulated deficit of \$35,683,230, resulting in a shareholder’s equity (or net assets) of \$6,503,594 (\$3,885,908 at December 31, 2021). Gungnir has working capital of \$3,783,149 at March 31, 2022 compared to working capital of \$1,115,709 at March 31, 2021.

### **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 period.

For the period ended March 31, 2022, the Company had the following transactions with related parties:

- Incurred or paid wages of \$81,250 in total to the CEO and CFO of the Company (2021 - \$81,250).
- Incurred or paid directors' fees of \$10,000 included in consulting fees and wages (2021 - \$10,000).
- Incurred stock-based compensation of \$nil (2021 - \$nil).

At March 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, marketable securities, deposits and accounts payable. 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 quarterly financial statements for the period ended March 31, 2022.

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The

consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 consolidated 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 consolidated statements of comprehensive income or loss;
- the income taxes provision which is included in the consolidated statements of comprehensive income or loss and the composition of deferred income tax assets and liabilities which are included in the consolidated statements of financial position;
- the inputs used in determining the various commitments which are accrued in the consolidated 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.

### **Stock-based Compensation**

The standard now requires that all stock option-based awards made to consultants and employees be recognized in these consolidated 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.

### **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, 2021, 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 Reform – 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 March 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.

### **Outstanding Share Data**

The authorised share capital in Gungnir Resources Inc. consists of 500,000,000 common shares. In January 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. 200,000 stock options with an exercise price of \$0.05 expired unexercised.

In March 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.

In March 2022, the Company entered into a royalty option agreement with Altius Minerals Corporation pursuant to which the Company has granted Altius the right, in exchange for \$250,000 in cash, to enter into: (i) a royalty agreement with respect to licences at the Company's Lappvattnet and Rormyrberget projects (the "Lappvattnet and Rormyrberget Option"), and (ii) a royalty agreement with respect to licences at the Company's Knafthen project (the "Knafthen Option"). Under the Option Agreement, Altius may exercise its Lappvattnet and Rormyrberget Option by



paying the Company \$8 million at which time 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 \$2 million at which time the Company and Altius will enter into a royalty agreement for a 1.0% gross sales royalty in perpetuity.

At March 31, 2022 there are 119,597,786 common shares issued and outstanding.

## Share-based Compensation

### Options

The Company has adopted a 2019 Incentive Stock Option Plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares.

Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options less any discount, if applicable, but in any event not less than \$0.05 per share. Options may be exercised no later than 6 months following cessation of the optionee's position with the Company.

The following table summarizes information about the stock options for periods ended March 31, 2022 and 2021:

	March 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	933,999	0.12	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 period</b>	<b>9,600,666</b>	<b>\$ 0.11</b>	<b>9,466,667</b>	<b>\$ 0.10</b>
			<b>2022</b>	<b>2021</b>
Options exercisable, end of period			9,600,666	9,466,667
Weighted average contractual remaining life (years)			3.63	3.71

Summary of stock options outstanding at March 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
<b>9,600,666</b>		

\* Compensation options granted in 2020

\*\* Compensation options granted in 2022

During the period ended March 31, 2022, \$ nil 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 2.27% (2021 – 1.25%), expected life of 5 years (2021 - 5 years), stock price of \$0.12 (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 periods ended March 31, 2022 and 2021:

	March 31, 2022		December 31, 2021	
	Warrants	Weighted average exercise price	Warrants	Weighted average exercise price
Beginning of year	15,129,334	\$ 0.09	19,851,000	\$ 0.07
Granted	21,318,336	0.18	5,996,000	0.08
Exercised	(300,000)	0.08	(10,584,332)	0.05
Expired/Cancelled	-	-	(133,334)	0.05
<b>Warrants outstanding, end of period</b>	<b>36,147,670</b>	<b>\$ 0.14</b>	<b>15,129,334</b>	<b>\$ 0.09</b>

	2022	2021
Warrants exercisable, end of period	36,147,670	15,129,334
Weighted average contractual remaining life (years)	1.79	1.72

Summary of warrants outstanding at March 31, 2022:

Number outstanding	Exercise price (\$)	Expiry date
6,133,334	0.09	September 24, 2023
3,000,000	0.09	October 1, 2023
5,664,000	0.08	September 10, 2023
32,000	0.05	September 10, 2023
21,318,336	0.18	March 31, 2024
<b>36,147,670</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	-	-	-	-
<b>March 31, 2022</b>	<b>\$ 3,732,396</b>	<b>\$ 3,062,989</b>	<b>\$ 2,112</b>	<b>\$ 6,797,497</b>

### Loss per Share

Periods ended		March 31, 2022		December 31, 2021
Numerator: Net income (loss) attributable to common shareholders – basic and diluted	\$	118,965	\$	(900,271)
<b>Denominator: Weighted average number of common shares outstanding – basic and diluted</b>		88,577,630		83,842,151
Basic and diluted earnings (loss) per share	\$	0.00	\$	(0.01)

Diluted earnings (loss) per share did not include the effect of 9,600,666 (2021 - 9,466,667) stock options and 36,147,670 (2021 - 15,129,334) warrants as they are anti-dilutive.

### Subsequent Events

In April 2022, the Company granted, in compliance with the Company's stock option plan, 2,539,778 incentive stock options to purchase common shares of the Company at \$0.14 per share for five (5) years to the directors and a consultant of the Company.

In April of 2022 the Company added the Hemberget Property to its package of polymetallic projects in northern Sweden. The 29.4 sq. km property was acquired by staking in order to evaluate potential for intrusion hosted copper-nickel and volcanogenic massive sulphide (VMS) mineralization.

### 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.**