

**RECORD RESOURCES INC. (FORMERLY SILK ROAD ENERGY INC.)  
MANAGEMENT DISCUSSION AND ANALYSIS – ANNUAL HIGHLIGHTS  
For the nine-month period ended June 30, 2024**

This Management's Discussion and Analysis – Quarterly Highlights ("MD&A") for Record Resources Inc. (formerly Silk Road Energy Inc.) ("Record" or the "Company") should be read in conjunction with: the audited financial statements for the year ended September 30, 2023 (the "Reporting Period") and the notes thereto; and the MD&A for the year ended September 30, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS"); the unaudited condensed interim financial statements for the period ended June 30, 2024.

The effective date of this MD&A is August 21, 2024.

## **OVERVIEW**

Record is a publicly traded company that operates in the mining exploration and development as well as in the oil and gas industries. The Company's primary listing exchange is the TSX Venture Exchange (TSXV: REC (formerly SLK)). The Company was subsequently moved the TSX Venture Exchange's subset trading platform known as the NEX Exchange. On October 1, 2021, the Company received a dual revocation order from the ASC and the OSC. Subsequently, the NEX Exchange announced the resumption of the trading of common shares of the Company effective October 6, 2021.

On July 5, 2022, the Company received approval from the TSXV to have its shares reactivated as a Tier 2 Mining Issuer from a NEX Issuer. On July 7, 2022, the Company commenced trading under the symbol "SLK" on the TSXV. The Company has changed its name to Record Resources Inc. since April 4, 2023 and its trading symbol has been changed to "REC" on the TSXV.

## **Background**

During the last half of the fiscal year ended September 30, 2021, the Company began its work towards the revocation of its cease-trade order issued jointly by the Alberta Securities Commission and the Ontario Securities Commission and its reinstatement for the re-listing of its common shares for trading on the TSX Venture Exchange. During the fiscal year, the Company applied to the Alberta Securities Commission for a partial revocation order. On October 24, 2019, the Alberta Securities Commission granted a partial revocation order to permit the Company to complete a private placement (the "Private Placement") of units of the Issuer ("Units"), each Unit consisting of one Preferred Share and one Preferred Share purchase warrant, for gross proceeds of up to \$185,000, to one or more subscribers, solely in order to cover all costs and fees (which includes audit fees, professional fees, late filing fees and any other applicable fees) that are related to the fulfillment by the Company of all of its disclosure obligations and in order to file all the financial statements and related certifications for all previously ended financial years and interim periods since the date of the cease-trade order as required by applicable law and to provide it with sufficient working capital to continue its operations until it can apply for and receive a full revocation of the cease-trade order.

During the year ended September 30, 2023, the Company began to seek exploration opportunities in the mineral sectors with concentration on gold and other precious metals.

The Company continued to seek exploration opportunities in the mineral sectors during the period ended June 30, 2024.

## **CORPORATE HIGHLIGHTS FOR THE REPORTING PERIOD**

### **During the twelve-month period ended September 30, 2023, the Company announced the following developments.**

On October 27, 2022, The Company closed a further private placement of \$12,000 by issuing 200,000 units at \$0.06 per unit. Each unit consists of 1 common shares and 1 warrant to purchase an additional common share at an exercise price of \$0.12 per share, expiring 12 months from the date of closing.

On December 21, 2022, upon receipt of the approval by the TSX Venture Exchange, the Company issued 1,000,000 shares to the property owners in pursuance to the Four Nations Agreement.

On December 17, 2022, the Company entered into an option agreement ("Doran Agreement") with arms-length parties to acquire a 100 percent interest in the Doran Lithium Property consisting of 9 mining claims located approximately 200 kilometres east of Red Lake in north western Ontario. The Company is acquiring the property by issuing 900,000 shares and by making cash payments over the next three years for a total of \$111,000. There are no work commitments on the properties. The agreement has been approved by the TSXV in February of 2023. The Company will act as sole operator of the project. The vendor will hold a 1.5% Net Smelter Royalty (NSR) on the property. One third of this NSR can be purchased by the Company for \$600,000.

On February 22, 2023, The Company closed a further private placement of \$39,779 by issuing 795,580 units at \$0.05 per unit. Each unit consists of 1 common shares and ½ warrant to purchase an additional common share at an exercise price of \$0.10 per share, expiring 24 months from the date of closing.

On January 9, 2023, the Company has entered into an option agreement ("Doran-South Agreement") with arms-length parties to acquire a 100 percent interest in the Doran-South Lithium property ("Doran-South Lithium Property") located approximately 200 km east of Red Lake in north western Ontario and contiguous with Doran Lithium Property it recently optioned. Doran-South Lithium Property consists of approximately 1,820 hectares. The Company is acquiring the Doran-South Lithium Property by issuing 1,000,000 shares, at deemed price of \$0.06 per share, and by making cash payments over the next year of \$50,000. There are no work commitments on the properties. The agreement has been approved by the TSXV in February of 2023. The Company will act as sole operator of the project. The vendor will hold a 1.5% Net Smelter Royalty (NSR) on the property that can be purchased by the Company for \$3,000,000.

On April 4, 2023, the Company changed its name to Record Resources Inc. trading under the new symbol "REC" on the TSXV.

On May 2, 2023, the Company issued a total of 1,900,000 common shares of the Company in pursuant to the Doran Agreement and the Doran-South Agreement after these agreements have been approved by the TSXV.

On September 6, 2023, the Company issued 1,000,000 common shares of the Company in pursuant to the Kenogami property option agreement.

**During the nine-month period ended June 30, 2024, the Company announced the following developments.**

The Company has entered into an option agreement with an arms-length, private, Ontario exploration company to acquire 100 percent interests in three of its lithium properties and one of the uranium properties in Western Ontario.

The Whitemud River lithium prospect consists of 111 claims and is approximately 200 kilometres east of Red Lake and approximately 125 kilometres northeast of Sioux Lookout. The Company has also optioned a uranium property in western Ontario consisting of 10 claims.

The uranium and lithium properties are part of a same agreement. The private exploration company, the Optionor, will receive 2,100,000 common shares of the Company, the Optionee, over three years (700,000 share per year) and a cash payment of \$64,000 payable over three years. \$24,000 payable in the first year and \$20,000 in year two and \$20,000 in year three.

The vendor holds net smelter royalty agreements on each of the properties under the following terms: upon the exercise of the Option, the Optionee will grant a Royalty to the Optionor. The Optionor will retain a 1.5% Royalty. The Optionee or its assigns shall have the right at any time to purchase from Optionor zero-point five percent (0.5%) Net Smelter Returns Production Royalty by way of a payment to the Optionor of the sum of \$500,000. An additional zero-point five (0.5%) Net Smelter Returns Production Royalty can be purchased by the Optionee for \$1 million. The final zero-point percent (0.5%) Net Smelter

Returns Production Royalty can be purchased by the Optionee for \$1.5 million.

The Company closed private placements of \$46,655 and issued 1,453,714 units at \$0.035 per unit. Each unit consists of one common share and one common share purchase warrant at exercise price of \$0.06 per share for two years.

The Company has acquired an option on a large package of uranium claims northeast of Thunder Bay, Ont., Canada. The option covers a large area known as the Malborne property and is owned by privately-held exploration companies, 2758145 (Ontario) Inc and 1170331 BC Ltd. (the optionor). The land package consists of 780 claims stretching over 16,320 hectares (163 square kilometres) and is located 110 kilometres northeast of Thunder Bay, Ontario. The Company can own 100 percent of the claims by paying \$300,000 at closing on or before May 31, 2024 and by issuing a total of 6.9 million shares in instalments over a two-year period. Three million of the total 6.9 million shares are payable at closing. An additional two million shares is payable on May 31, 2025. A last payment of 1.9 million shares is payable on May 31, 2026. The shares to be issued as part of this agreement are valued at \$0.035 per share. No finders fee was paid. This transaction was not closed as of June 30, 2024.

The Company has entered into option agreements with two private exploration companies to explore for uranium on an additional 200 claims. The claims are contiguous or in close proximity to the company's 16,320-hectare (780-claim) Malborne block. In an agreement with optionor one, the Company acquired an option on the Church North property located to the southwest of the main Malborne block. The Church North property consists of 100 claims. Optionor one consists of prospecting groups 2758145 Ontario Inc. and Robin Dunbar. In an agreement with optionor two, the Company acquired an option on the Ferguson Lake property consisting of 75 claims which are located on the north side of the Malborne claim block. Optionor two are prospecting groups 2758145 Ontario, Peter Gehrels and Allan Onchulenko. Also, in the same agreement with optionor two, the company acquired an option on the Church Northwest property (14 claims) and the U property (11 claims), both situated on the southwest side of the Malborne claim block. The terms of the agreement for the Church North property (optionor one) are the same as they are for the Ferguson Lake properties (optionor two). The Company can own 100 per cent of each package of claims by paying to each optionor separately \$20,000 at closing on or before June 30, 2024, and by issuing a total of 300,000 common shares of the company. On the first anniversary of the closing and additional cash payment of \$30,000 is due and on the second anniversary of closing a final cash payment of \$50,000 is due. The optionors will retain a 1.5-per-cent royalty. The Company or its assigns shall have the right at any time to purchase from optionors 0.5-per-cent net smelter return production royalty by way of a payment to the optionor of the sum of \$500,000. An additional 0.5-per-cent net smelter return production royalty can be purchased by the Company for \$1million. The final 0.5-per-cent net smelter return production royalty can be purchased by the Company for \$1.5-million. The shares to be issued as part of this agreement are valued at five cents per share. No finders fee was paid. This arm's-length agreement was signed on May 2, 2024. This transaction was not closed as of June 30, 2024.

## **FINANCIAL HIGHLIGHTS FOR THE REPORTING PERIOD**

The Company reported total assets of \$2,707 as at June 30, 2024 (September 30, 2023: \$3,502), a nominal decrease of \$793 mainly due to more shareholders promotional activities during the current period.

Shareholders' deficiency was \$293,435 as at June 30, 2024 (September 30, 2023: shareholders' deficiency of \$281,524), a slight increase of \$11,911 which was mainly due to more shareholders promotional activities during the current period.

For the nine-month period ended June 30, 2024, the Company had working capital deficit of \$293,436 (September 30, 2023 – \$281,525) comprised of cash or cash equivalents, short term payable, loan payable, accounts payable and accrued liabilities and due to related party. The Company reported a net loss of \$1,258,566 in the reporting period (2023 – \$74,369), a significant increase of \$1,184,197 in net loss mainly resulted from impairment on mineral properties of \$1,201,685 incurred.

## **OUTLOOK**

The Company is transforming itself to seek potential asset acquisitions in the mineral resources sector and to become a junior mineral exploration company. It has begun acquiring as previously stated. The Company seeks to enlarge its property base of gold exploration properties situated in Ontario. With

accumulated deficit of \$3,909,002 as at the end of the reporting period indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Additionally, the Company will continue to seek opportunities in the resources sectors, including additional asset acquisitions of or joint venture in opportunities in the mining and exploration sectors.

## RESULTS FROM OPERATIONS

### THREE YEARS ANNUAL FINANCIAL INFORMATION

|                                           | September 30,<br>2023<br>\$ | September 30,<br>2022<br>\$ | September 30,<br>2021<br>\$ |
|-------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total Assets                              | 3,502                       | 459,192                     | 10,302                      |
| Total Liabilities                         | 285,026                     | 255,271                     | 639,355                     |
| Total Shareholders' Equity (Deficiencies) | (281,524)                   | 203,921                     | (629,053)                   |

|                                              | September 30,<br>2023<br>\$ | September 30,<br>2022<br>\$ | September 30,<br>2021<br>\$ |
|----------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenue                                      | -                           | -                           | 13,352                      |
| Operating expenses                           | -                           | -                           | (13,357)                    |
| General and administrative expenses          | (98,547)                    | (80,137)                    | (92,267)                    |
| Depletion, impairment and accretion expenses | -                           | -                           | (8,332)                     |
| Other items                                  | (674,977)                   | 374,112                     | 240,792                     |
| Net (loss) income                            | (773,524)                   | 293,975                     | 140,188                     |
| Income (loss) per share – basic and diluted  | (0.025)                     | 0.014 & 0.013               | 0.003&0.008                 |

## RESULTS FROM OPERATIONS

During the nine-month period ended June 30, 2024, the Company incurred general and administration expenses of \$55,902 (2023 - \$74,369). The Company recognized impairment on mineral properties of \$1,201,685 (2023 - \$Nil). Interest expense of \$979 (2023 - \$Nil) was also accrued on three loans.

## SUMMARY OF QUARTERLY RESULTS

| Reporting Period            | Gross<br>Revenue \$ | Net Income<br>(Loss) \$ | Basic \$ | Diluted \$ |
|-----------------------------|---------------------|-------------------------|----------|------------|
| Q3 ended June 30, 2024      | -                   | (22,248)                | (0.0003) | (0.0003)   |
| Q2 ended March 31, 2024     | -                   | (1,234,028)             | (0.037)  | (0.037)    |
| Q1 ended December 31, 2023  | -                   | (1,684)                 | (0.000)  | (0.000)    |
| Q4 ended September 30, 2023 | -                   | (699,155)               | (0.021)  | (0.021)    |
| Q3 ended June 30, 2023      | -                   | (15,187)                | (0.0005) | (0.0005)   |
| Q2 ended March 31, 2023     | -                   | (30,223)                | (0.001)  | (0.001)    |
| Q1 ended December 31, 2022  | -                   | (28,959)                | (0.001)  | (0.001)    |
| Q4 ended September 30, 2022 | -                   | 306,700                 | 0.011    | 0.011      |

## FINANCIAL POSITION

At June 30, 2024, the Company had working capital deficit of \$293,436 (September 30, 2023 – \$281,525) comprised of cash or cash equivalents, accounts payable and accrued liabilities, loan payable, short term payable and due to related party.

### *Liquidity*

The Company's working capital deficiency consists largely of unpaid salaries and professional fees. The parties involved have all agreed to forebear and work with the Company over time towards their settlement.

The immediate capital requirements that the Company faces in the near term is for accounting, audit and regulatory fees. The Company will continue to complete equity offering to cover these obligations. There is a risk related to capital market conditions that could prevent this from occurring.

### *Capital Resources*

The Company has capital expenditure requirements presently on several mineral properties option agreements. The Company currently no longer owns any oil & gas interests but own certain mineral properties recently acquired from Record Gold and properties optioned from other companies. The Company is continuously seeking other opportunities in acquiring properties or interests and/or optioning other properties in the mineral resource sectors.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet transactions as at June 30, 2024.

## RELATED PARTIES TRANSACTIONS

The Company's related parties include the CEO, CFO, the directors and family members of these parties. Unless otherwise stated, none of the transactions incorporates special terms and conditions and no guarantees were given or received. Transactions with related parties for the six-month periods ended June 30, 2024 and June 30, 2023 were as illustrated in the table below.

Remuneration of Directors and key management of the Corporation:

|                                   | 2024 | 2023      |
|-----------------------------------|------|-----------|
| Share-based payment               | \$ - | \$ -      |
| Key management compensation – CEO | \$ - | \$ 15,500 |

As at June 30, 2024, there was \$Nil (September 30, 2023 - \$Nil) included as accounts payable and accruals to prior management. However, \$125,000 (2022 - \$125,000) was included as short term and long term payable to prior management respectively. On June 6, 2022, two former directors of the Company agreed to settle the accounts payable and accruals owing to them with the old liability balance of \$500,355 being extinguished and replaced with a new liability of \$125,000. As a result of the settlement, the Company recorded a debt settlement gain of \$375,355 in the year ended September 30, 2022. The \$125,000 is interest free and repayable in 18 months from June 6, 2022, the settlement date.

As at June 30, 2024, there was \$19,802 (September 30, 2023 - \$9,564) included as due to related parties to current management.

The Company also received advance from a company related by common directors in the amount of \$215 during the period ended June 30, 2024 (September 30, 2023 – repaid advances of \$420). A loan in the amount of \$ 64,578 owing to this related party was waived by this company on June 20, 2022 as part of the acquisition of the Kirkland property claims. As of June 30, 2024, the total amount outstanding owing to this company was \$7,813 (September 30, 2023 - \$7,598). This is a non-interest bearing, non-secured loan with no fixed terms of repayment.

## **STOCK OPTION PLAN**

The purpose of the Stock Option Plan (the “Plan”) is to serve as an incentive for the directors, officers, employees, and service providers who will be motivated by the Company’s success, as well as to promote ownership of common shares of the Company by these people. There is no objective attached to the Plan and no relationship to manage the Company’s risks. A description of Record’s stock option transactions can be found in Note 6 of Record’s unaudited condensed interim financial statements for the nine-month period ended June 30, 2024.

At June 30, 2024, the Company had nil options issued and outstanding.

## **SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The preparation of the unaudited condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in unaudited condensed interim financial statements and accompanying notes. There is a full description and a detailed presentation of the Company’s significant accounting policies, accounting judgements and uncertainties relative to significant estimates in the unaudited condensed interim financial statements as at June 30, 2024 (Note 3).

## **OUTSTANDING SHARE DATA**

As at the date of this MD&A, the Company has 75,425,382 common shares issued and outstanding and no preferred shares outstanding with 1,900,504 warrants outstanding.

## **RISK FACTORS**

For a detailed list of risks and uncertainties related to the business of Record, please consult the Company’s unaudited condensed interim financial statements for the period ended June 30, 2024.

## **CAUTIONARY STATEMENT**

This Management and Discussion Analysis may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Company’s current expectations regarding future events. Forward-looking information is based on several assumptions and is subject to several risks and uncertainties, many of which are beyond the Company’s control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Readers should not place undue reliance on forward- looking statements and forward-looking information and are cautioned that reliance on such information may not be appropriate for other purposes.

The Company does not undertake any obligation to update such forward-looking information, whether because of new information, future events or otherwise, except as expressly required by applicable law. These risks and uncertainties include, but are not limited to, those described under the headings “Financial Instruments & Risk Management” and “Inherent Risk Factors” in this MD&A and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events, or circumstances or otherwise, except if required by applicable law.

#### ADDITIONAL INFORMATION

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

On behalf of the Board of Directors, we thank our shareholders for their continued support.

"Michael C. Judson"

**Michael C. Judson**  
**Chief Executive Officer**

**August 21, 2024**