

Record Resources Inc.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsequent 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

Record Resources Inc.**UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION***(Expressed in Canadian Dollars)*

	December 31, 2025	September 30, 2025
ASSETS		
Current assets		
Cash	\$ 1,301,400	\$ 5,487
	1,301,400	5,487
Mineral properties and exploration and evaluation expenditures (Note 9)	1,498,437	1,498,437
Total assets	\$ 2,799,837	\$ 1,503,924
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	\$ 898,544	\$ 926,473
Due to related parties (Note 7)	17,909	18,909
Loan payable (Note 10)	17,734	17,734
Short term payable (Note 7)	125,000	125,000
Total current liabilities	1,059,187	1,088,116
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 5)	7,498,167	5,992,542
Contributed surplus	695,269	548,938
Deficit	(6,452,786)	(6,125,672)
Total shareholders' equity (deficiency)	1,740,650	415,808
Total liabilities and shareholders' equity	\$ 2,799,837	\$ 1,503,924

Going concern (Note 1)
Subsequent events (Note 14)

On Behalf of the Board of Directors

"Signed Michael Judson"

Director

"Signed Nathalie Kavanagh"

Director

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Record Resources Inc.

UNAUDITED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

For the three months ended December 31

	2025	2024
Expenses		
General and administrative (Note 14)	\$ 576,594	\$ 145,143
Loss before other items	(576,594)	(145,143)
Other items		
Consulting revenue received from Reconnaissance Energy Africa Ltd.	249,480	-
Interest expense on loans	-	(796)
Loss and comprehensive loss	\$ (327,114)	\$ (145,939)
(Loss) income per share		
Basic and diluted	\$ (0.003)	\$ (0.002)
Weighted average number of common shares outstanding – Basic and diluted	116,948,477	78,389,226

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Record Resources Inc.

UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital (\$)	Subscription Received (\$)	Subscription Receivable (\$)	Contributed Surplus (\$)	Deficit (\$)	Total (\$)
Balance at September 30, 2024	75,425,382	4,219,283	-		196,284	(4,748,538)	(332,971)
Issuance of common shares to acquire mineral properties	1,000,000	50,000	-	-	-	-	50,000
Issuance of common shares for cash, net of issuance cost	15,139,472	403,590	-	-	-	-	403,590
Subscription receivable	-	-	-	(5,900)	-	-	(5,900)
Net loss for the period	-	-	-	-	-	(145,939)	(145,939)
Balance at December 31, 2024	91,564,854	4,672,873	-	(5,900)	196,284	(4,894,477)	(31,220)
Issuance of common shares to acquire mineral properties	21,500,000	1,387,500	-	-	-	-	1,387,500
Issuance of common shares for cash, net of issuance cost	227,194	29,002	-	-	-	-	29,002
Issuance of common shares as finders' fees	572,806	-	-	-	-	-	-
Fair value of warrants from unit private placements	-	(96,833)	-	-	96,833	-	-
Subscription receivable	-	-	-	5,900	-	-	5,900
Share-based compensation	-	-	-	-	255,821	-	255,821
Net loss for the period	-	-	-	-	-	(1,231,195)	(1,231,195)
Balance at September 30, 2025	113,864,854	5,992,542	-	-	548,938	(6,125,672)	415,808
Issuance of common shares for cash, net of issuance cost	31,666,664	1,633,706	-	-	-	-	1,633,706
Issuance of common shares for cash as exercise of warrants	365,000	18,250	-	-	-	-	18,250
Fair value of brokers and advisory warrants	-	(146,331)	-	-	146,331	-	-
Net loss for the period	-	-	-	-	-	(327,114)	(327,114)
Balance at December 31, 2025	145,896,518	7,498,167	-	-	695,269	(6,452,786)	1,740,650

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Record Resources Inc.**UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS***(Expressed in Canadian Dollars)****For the three months ended December 31,***

	2025		2024
OPERATING ACTIVITIES			
Net loss for the period	\$ (327,114)	\$	(145,939)
Change in working capital accounts:			
Accounts payable and accrued liabilities	(27,929)		18,056
Cash used in operating activities	(355,043)		(127,883)
INVESTING ACTIVITIES			
Addition to mineral properties	-		(51,000)
Cash used in investing activities	-		(51,000)
FINANCING ACTIVITIES			
Issuance of common shares, net of issuance costs and subscription receivable	1,651,956		397,690
Loan payable	-		3,796
Due to related party	(1,000)		43,501
Cash provided by financing activities	1,650,956		444,987
Increase in cash	1,295,913		266,104
Cash, beginning of period	5,487		2,435
Cash, end of period	\$ 1,301,400	\$	268,539
Supplementary Information			
Shares issued to acquire mineral properties	\$	-	\$ 1,000,000

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

1. Nature of Operations and Going Concern

Record Resources Inc. (the "Company") was incorporated under the laws of the Province of Alberta on November 9, 2010. The Company's principal business activity was the exploration, development and production of petroleum and natural gas assets in Alberta. Since 2021, the Company is in the process of expanding into the business of exploration and development of mineral resource properties. The address of the registered head office is Suite 1900, 520 3rd Avenue SW, Calgary, AB T2P 0R3. The Company has changed its name to Record Resources Inc. since April 4, 2023 and its trading symbol has been changed to "REC" under the TSXV.

a) Going concern

During the period ended December 31, 2025, the Company incurred net loss of \$327,144 (2024 – \$145,939), had an accumulated deficit of \$6,452,786 (September 30, 2025 - \$6,125,672) and no current sources of cash inflows. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Management has been and continues to be active in seeking alternative sources of funding to finance the expanded business of exploration and development of mineral resource properties. The Company is also looking for potential asset acquisitions that will generate future positive cash flows.

The Company's ability to continue as a going concern is dependent upon its ability to complete asset acquisitions, attain profitable operations, generate sufficient funds to commence its future operations to repay its debts as they come due, and continue to obtain sufficient capital from investors or other sources of financing to meet its current and future obligations. However, there is no assurance that these initiatives will close as anticipated, and the Company may require additional sources of financing.

These unaudited condensed interim financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realize its assets and liabilities in other than the normal course of business and potentially at amounts significantly different from those recorded in these unaudited condensed interim financial statements.

2. Basis of Preparation

a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), in accordance with IAS 34 Interim Financial Reporting and in effect at October 1, 2025

The unaudited condensed interim financial statements were authorized for issue by the Board of Directors on February 26, 2026.

b) Basis of measurement

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for cash transactions which are measured at fair value.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

2. Basis of Preparation (continued)

c) Functional and presentation currency

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Use of estimates and judgments

The preparation of the Company's unaudited condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the unaudited condensed interim financial statements and reported amounts of revenues and expenses during the reporting year. By their nature, these estimates are subject to measurement uncertainty and effect on unaudited condensed interim financial statements or changes in such estimates in future years could be material. The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to estimates are recognized in the year in which the estimate is revised.

In the process of applying the Company's accounting policies, management has made the following judgments, estimates, and assumptions which have the most significant effect on the amounts recognized in the unaudited condensed interim financial statements.

Impairment assessment of exploration and evaluation assets

All capitalized exploration and evaluation assets are monitored for indications of impairment at each reporting period. Management considers both external and internal sources of information in assessing whether there are any indications that the Company's mining properties and exploration and evaluation assets are impaired.

External sources of information management consider include changes in the market, economic and legal environments, in which the Company operates, that are not within its control and that affect the recoverable amount of its mining properties.

Internal sources of information that management considers include (i) the manner in which mining properties are being used, or are expected to be used and the period for which the Company has the right to explore in the specific area; (ii) indications of economic performance of the assets; (iii) whether substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; and (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

As at December 31, 2025, the Company has assessed that there is no impairment indicator with respect to its exploration and evaluation assets recognized on the unaudited condensed interim statements of financial position.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

2. Basis of Preparation *(continued)*

d) Use of estimates and judgments *(continued)*

Share based payments

The fair value of stock options granted is recognized using the Black-Scholes option pricing model. Measurement inputs include the Company's share price on the measurement date, the exercise price of the options, the expected volatility of the Company's shares, expected life of the options, expected dividends, and the risk-free rate of return. The Company estimates volatility based on the Company's historical volatility. The expected life of the options is based on historical experience and estimates of the holder's behaviour. Dividends are not factored in as the Company does not expect to pay dividends in the foreseeable future. Management also makes an estimate of the number of options that will be forfeited, and the rate is adjusted to reflect the number of options that actually vest.

Deferred taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable earnings will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable earnings together with future tax planning strategies.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

3. Material Accounting Policy Information

a) Financial instruments

i) The classification of financial assets is based on the Company's assessment of its business model for holding financial assets and the contractual terms of the cash flows. The classification categories are as follows:

- Financial assets measured at amortized cost: assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at fair value through other comprehensive income ("FVOCI"): assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at fair value through profit or loss ("FVTPL"): assets that do not meet the criteria for amortized cost or FVOCI.

Financial assets measured at amortized cost are measured at cost using the effective interest method. The amortized cost is reduced by impairment losses at an amount equal to the lifetime expected credit losses that result from all possible default events over the expected life of the financial instrument. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets and the loss is recognized in the unaudited condensed interim statements of loss and comprehensive loss. When a trade receivable is uncollectible, it is written off against the provision for expected credit losses.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

Cash has been classified as FVTPL.

ii) Financial liabilities - The classification of financial liabilities is determined by the Company at initial recognition. The classification categories are as follows:

- Financial liabilities measured at amortized cost: financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in unaudited condensed interim statements of loss and comprehensive loss.
- Financial liabilities measured at fair value through profit or loss: financial liabilities measured at fair value with changes in fair value and interest expense recognized in the unaudited condensed interim statements of loss and comprehensive loss.

Financial liabilities are derecognized when the obligation is discharged, cancelled or expired.

Accounts payable and accrued liabilities, short term payable, loans payable and due to related party have been classified as amortized cost.

b) Mineral properties

Pre-exploration costs or property investigation costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditures, in excess of estimated recoveries, are written off to income or loss.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

3. Material Accounting Policy Information *(continued)*

b) Mineral properties *(continued)*

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

When the Company’s exploration and development activities are conducted jointly with others, the unaudited condensed interim financial statements include only the Company’s proportionate interests in these arrangements.

c) Taxation

Tax expense is comprised of current and deferred tax expenses. Tax expense is recognized in net loss except to the extent that the tax expense related to items recognized in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized using the liability method. Under this method, deferred tax assets and liabilities are recognized in relation to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

d) Per share amounts

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that proceeds received from the exercise of “in-the-money” stock options and warrants would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Shares held in escrow that are only released upon contingent events are not included in the calculation of the weighted average number of common shares.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

3. Material Accounting Policy Information *(continued)*

e) Contingencies

When a contingency is substantiated by confirming events, can be reliably measured and will likely result in an economic outflow, a liability is recognized in the unaudited condensed interim financial statements as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the unaudited condensed interim financial statements.

f) Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in net loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

g) Equity instruments

Common shares and preferred shares are presented in share capital within shareholders' equity. Incremental costs directly attributable to the issue of common shares and preferred shares are recognized as a deduction from share capital.

The company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market of shares issued, no value is assigned to the warrants. Any value attributed to the warrants is recorded as reserves. Warrants that are issued as payment to a finder or other transaction costs are accounted for as share-based payments. The Company does not measure the impact of modification to the terms of warrants previously issued.

4. Accounting Pronouncements

Future accounting pronouncements issued but not yet applied

The International Accounting Standards Board (IASB) has issued a number of new standards to come into effect in future periods. The Company has determined that there is no update that is materially applicable or is consequential to the Company's unaudited condensed interim financial statements for its period ended December 31, 2025.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

5. Share Capital

a) Authorized

Unlimited number of common shares without par value.

Unlimited number of Class A preferred shares without par value.

b) Issued – Common shares

	<i>Number of shares</i>	<i>Amount</i>
Balance, September 30, 2024	75,425,382	4,219,283
Issuance of common shares to acquire mineral properties	22,500,000	1,437,500
Issuance of common shares for cash	15,366,666	432,592
Issuance of common shares as finders' fees	572,806	-
Fair value of warrants from unit private placements	-	(96,833)
Balance, September 30, 2025	113,864,854	5,992,542
Issuance of common shares for cash from private placements	31,666,664	1,633,706
Issuance of common shares for cash from exercise of warrants	365,000	18,250
Fair value of broker and advisory warrants	-	(146,331)
Balance, December 31, 2025	145,896,518	7,498,167
c) Issued – Preferred shares		
Balance, September 30, 2025 and December 31, 2025	-	\$ -

During the year ended September 30, 2025, the Company issued 14,566,666 at \$0.03 per unit for total proceeds of \$392,592, net of cash finders' fee and corporate finance fee of \$44,408. Each unit consisted of one common share and one-half share purchase warrant of the Company. Each whole warrant is exercisable at a price of \$0.05 per share for a period of 36 months following the closing of the offering. Fair value of 728,333 warrants from the unit financings of \$72,833 was recognized in contributed surplus. 572,806 finders' shares with fair value of \$17,184 and 572,806 finders' warrants were also issued. Each finders' warrant is exercisable at \$0.05 per share for a period of 36 months following the closing of the offering. Subscription receivable of \$5,900 has been written off as of September 30, 2025.

During the year ended September 30, 2025, the Company issued 800,000 units at \$0.05 per unit for total proceeds of \$40,000. Each unit consisted of one common share and one share purchase warrant of the Company. Each whole warrant is exercisable at a price of \$0.07 per share for a period of 24 months following the closing of the offering. No finders' fee was paid on this private placement. Fair value of 800,000 warrants of \$24,000 was recognized in contributed surplus.

During the year ended September 30, 2025, the Company issued 1,000,000 shares at total fair value of \$5,000 to complete the 1st instalment of shares in paying for the Paradis Bay optioned hydrogen property. The Company also issued 12,500,000 shares at total fair value of \$937,500 to complete the acquisition of the Beauchamp hydrogen properties and issued 9,000,000 shares at total fair value of \$495,000 to pay for the acquisition of the Lorraine-Bucke optioned hydrogen properties.

During the period ended December 31, 2025, the Company issued 23,333,332 units at \$0.06 per unit in accordance with the Listed Issuer Financing Exemptions ("LIFE") offering for gross proceeds of \$1,400,000. The Company also issued 8,333,332 units at \$0.06 per unit as private placements for gross proceeds of \$500,000. Each unit consist of one common share and one-half warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.09 per common share prior to June 23, 2028. Cash finders' fees and related corporate finance and legal fees of \$255,294 were paid and 2,225,467 broker warrants were also issued. Each broker warrant entitles the holder to purchase one unit at an exercise price at \$0.06 per unit prior to June 23, 2028. The Company also paid an advisory fee of \$11,000 and issued 307,866 advisory warrants at the same term as the broker warrants. Fair value of \$146,331 were assigned to these warrants and recognized in contributed surplus. The fair values of these warrants were determined on the date of the grant using the Black-Scholes option pricing model with the assumptions of risk-free rate of 2.66%, expected life of 2.5 years, annualized volatility of 262% and dividend rate of nil.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

5. Share Capital (continued)

d) Warrants

	<i>Number of warrants</i>	<i>Weighted average exercise price (\$)</i>	<i>Weighted average expiry date (years)</i>
Balance, September 30, 2024	1,900,504	0.07	1.14
Warrants issued pursuant to private placement	8,083,333	0.05	2.12
Broker warrants issued	572,806	0.05	2.12
Warrants expired	(411,790)	(0.10)	(0.26)
Balance, September 30, 2025	10,144,853	0.07	2.73
Warrants issued pursuant to private placement	15,833,332	0.09	2.48
Broker warrants issued	2,533,333	0.06	2.48
Warrants exercised	(365,000)	0.05	(1.97)
Balance, December 31, 2025	28,146,518	0.07	2.19

e) Share-based Compensation

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares.

During the year ended September 30, 2025, the Company has recognized \$255,821 (2024 – \$nil) in share-based compensation upon issuance of 6,500,000 (2024 – nil) stock options. These options vested 100% after the approval by the shareholders. The fair values of these options were determined on the date of the grant using the Black-Scholes option pricing model with the assumptions of risk-free rate of 2.73%, expected life of 4 years, annualized volatility of 243% and dividend rate of nil.

The following table summarizes the stock options granted and outstanding as at September 30, 2025:

	<i>Number of Options</i>	<i>Weighted average exercise price (\$)</i>	<i>Weighted average expiry date (years)</i>
Balance, September 30, 2023, 2024	-	-	-
Options granted	6,500,000	0.05	3.63
Balance, September 30, 2025 and December 31, 2025	6,500,000	0.05	3.38

The 6,500,000 stock options outstanding as at December 31, 2025 are to be expired on May 16, 2029.

6. Financial Instruments and Risk Management

The Company's financial instruments are comprised of cash, accounts payable and accrued liabilities, due to related party, loan payable and short term payable. Fair values of financial instruments and discussion of risks associated with financial instruments are presented as follows:

Fair value of financial instruments

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

6. Financial Instruments and Risk Management (continued)

financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – inputs to the valuation methodology are not based on observable market data.

Level 1 assumptions are used to value cash. The carrying value for cash, accounts payable and accrued liabilities, due to related party and loan payable approximate their fair value due to the short-term nature of these financial instruments. Short-term payable has an original term of 18 months and is approximately less than 1 year remained from maturity date as of December 31, 2025. Therefore, its carrying value is not significantly different than its fair value as at December 31, 2025.

The Company manages risk through establishing policies that provide management oversight related to the risks of operations, including ensuring that risks are identified and assessed, and appropriate policies are in place and effective.

Financial instruments present a number of specific risks. Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, market risk is segregated into three categories: interest rate risk, commodity price risk and foreign currency risk. Other risks associated with financial instruments include credit risk and liquidity risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no financial instruments that create interest rate risk exposure. Loan payable is non-interest bearing and is not subject to interest rate risk.

Commodity risk

The nature of the Company's operations results in exposure to commodity price fluctuations. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company does not hedge commodity price risk and has no physical forward price or financial derivative sales contracts as at or during the period ended December 31, 2025.

Foreign Currency risk

The Company's exploration and evaluation activities are substantially denominated in Canadian dollars. The Company does not subject to significant foreign currency risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any accounts receivable as at December 31, 2025 and is not subject to any credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company manages its cash inflows from operations and capital expenditures to ensure it will have sufficient liquidity to meet its liabilities when due. The Company's ongoing liquidity is impacted by various external events and conditions, including commodity price fluctuations and the global economic environment.

The Company's financial liabilities consist of accounts payable and accrued liabilities, due to related party, loan payable and short term payable. Accounts payable consist of invoices payable to trade suppliers for general, administrative, and capital expenditures and are usually payable in 30 to 90 days.

7. Related party transactions

During the period ended December 31, 2025, cash management compensation of \$53,000 was paid (2024 - \$Nil) to the CEO. All these transactions were entered into in the normal course of operations. Key management include all officers and directors of the Company.

		<u>2025</u>		<u>2024</u>
Cash compensation to key management	\$	53,000	\$	Nil
Shares based compensation to key management		-		-
Total compensation to key management	\$	53,000	\$	-

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

7. Related party transactions (continued)

As at December 31, 2025, \$125,000 (September 30, 2025 - \$125,000) was included as short term payable to prior management. 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. This \$125,000 short term payable is non-secured, non-interest bearing and due on demand as at December 31, 2025.

As at December 31, 2025, there was \$10,096 (September 30, 2025 - \$11,096) included as due to related parties to current management. During the period ended December 31, 2025, the Company also incurred legal fees of \$Nil (2024 - \$Nil) to a law firm of which a former director is also a partner and the Company still owed \$30,652 to this law firm as of December 31, 2025. These due to related party are non-interest bearing, non-secured with no fixed terms of repayment.

The Company also received advance from a company related by common directors in the amount of \$Nil during the period ended December 31, 2025 (Year ended September 30, 2025 – \$Nil). As of December 31, 2025, the total amount outstanding owing to this company was \$7,813 included in the account of due to related parties (September 30, 2025 - \$7,813). This is a non-interest bearing, non-secured loan with no fixed terms of repayment.

8. Capital Management

The Company's policy is to maintain a strong and stable capital base for the objectives of maintaining financial flexibility, to sustain the development of the Company's current capital projects and for future development of the Company. The Company manages its capital structures and makes adjustments to it in light of changes in economic condition and risk characteristics of the underlying assets. The Company monitors its working capital and expected capital spending and issues share capital to manage its development plans. The Company is not subject to any externally imposed capital requirements. The Company considers its capital structure to include shareholders' equity.

9. Mineral Properties and exploration and evaluation expenditures

The evaluation and exploration expenses for the Company are segregated as follows:

	September 30, 2025	September 30, 2024
Opening balance, Kirkland properties	\$ 1	\$ 1
Addition to Kirkland properties claims	936	935
Acquisition of Paradis Bay Hydrogen Option Property	5,000	-
Acquisition of Beauchamp Hydrogen Property	976,500	-
Acquisition of Lorrain-Bucke Hydrogen Option Property	516,000	-
Impairment on various mineral properties	-	(935)
Total	\$ 1,498,437	\$ 1

Kirkland Properties

In December 2021, the Company entered into an agreement to acquire from Record Gold Corp. ("Record Gold"), a company related by common directors, 100% ownership of two mining concessions of gold and other precious metals claims located in the Kirkland Lake region of Ontario in return for 9 million shares of the Company at a price of \$0.05 per share. On June 21, 2022, the Company completed the acquisition of these claims and issued 8,999,983 common shares to the shareholders of the seller company at a fair value of \$0.05 per shares for total value of \$449,999. In relation to the acquisition of these claims, this seller company also waived the loan owing by the Company in the amount of \$64,578 and the value of the mineral property has been reduced by this same amount. In addition, the Company also assumed accounts payable in relation to the previously exploration work done on these properties in the amount of \$27,835. During the year ended September 30, 2023, claims renewal fee of \$2,137 was incurred on this property. During the year ended September 30, 2024, further claims renewal fee of \$935 was incurred on this property. During the year ended and as of September 30, 2023, due to the limited availability of market capital to budget substantive expenditures on the further exploration for and evaluation of the mineral property, the carrying value of this Kirkland Properties was at \$1 after the impairment. During the period ended December 31, 2025, further claims renewal fee of \$Nil (September 30, 2025 - \$936) was incurred on this property.

The property claims acquired is subject to a 2% NSR from the previous owner upon commencement of production of these claims and the Company has the right to purchase the NSR from the previous owner for \$2,000,000.

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

9. Mineral Properties and exploration and evaluation expenditures (continued)

Paradis Bay Hydrogen Property

The Company entered into an agreement with a private party dated October 28, 2024 to acquire a 100-per-cent interest in 27 mineral claims known as the Paradis Bay claims in the Timiskaming area of Ontario seeking potential hydrogen discoveries. The vendor will receive 2,000,000 common shares of the Company over two-year period and a one-time cash payment of \$50,000 payable in six months. The vendor holds a 1% NSR on the properties with half of the NSR can be purchased by paying \$1,000,000. During the year ended September 30, 2025, the Company issued its 1st instalment of 1,000,000 common shares (Note 5) in pursuance to the option agreement and made the required cash payment subsequent to the year end. This option agreement is thus in good standing. The Company issued its 2nd instalment of 1,000,000 common shares in pursuance to the option agreement subsequent to the period ended December 31, 2025. The Company also agreed and paid \$65,000 in January 2026 towards the option cash payment and has since earned in this option agreement (Note 14).

Lorrain-Bucke Hydrogen Property

The Company entered into an option agreement dated February 22, 2025 to acquire a 100-per-cent interest in the Lorrain-Bucke property in Ontario seeking potential hydrogen discoveries. The optionors will receive 9,000,000 common shares of the Company and cash payment of \$90,000 payable in 4 instalments over a four-year period. The optionors and the owners together holds a 2% gross revenue royalty (GRR) on the properties with half of the GRR can be purchased by paying \$2,000,000. This acquisition has been closed and 9,000,000 common shares (Note 5) have been issued on March 20, 2025 and cash payments of \$21,000 have been made with remaining 3 payments of \$23,000 each to be due on February 22, 2026, February 22, 2027 and February 22, 2028. This option agreement is thus in good standing.

Beauchamp Hydrogen Property

The Company entered into an agreement with a private party dated January 31, 2025 to acquire a 100-per-cent interest in 300 mineral claims known as the Beauchamp property in Ontario seeking potential hydrogen discoveries. Two groups of vendors will receive total of 12,500,000 common shares of the Company and a one-time cash payment of \$39,000. The vendor holds a 1% NSR on the properties with half of the NSR can be purchased by paying \$1,000,000. This acquisition has been closed and 12,500,000 common shares (Note 5) have been issued on February 20, 2025 and cash payments of \$39,000 have been made.

10. Loan payable

During the year ended September 30, 2024, the Company obtained four unsecured loans payable in the amount of \$25,591 from an arms-length party. These loans are due within 24 months with annual interest rate at prime plus 5%. Interest expense of \$3,834 have been accrued on these loans as of September 30, 2025. During the year ended September 30, 2025, the Company repaid principle and interest of \$15,000 and the Company still owed \$14,424 to this party as of September 30, 2025. The Company repaid this loan subsequent to the period ended December 31, 2025 by repaying the principal plus interest of \$14,424 to this arms-length party.

The Company also obtained another loan of \$3,000 from another arms-length party. This loan is due within 24 months with annual interest rate at prime plus 5%. Interest expense of \$Nil (September 30, 2025 - \$310) has been accrued on these loans as of December 31, 2025.

11. Commitment

On April 1, 2025, the Company entered into a consulting agreement with a company from Quebec ("Consultant") in assisting the Company in developing its oil & gas business in West Africa and particularly in Gabon and Congo-B. The consulting agreement is for three months and the Company shall pay the Consultant a total fee of \$300,000. The Company has recognized this fee as account payable as of September 30, 2025. The Company also entered into a debt settlement agreement with this Consultant to settle an amount of \$300,000 in outstanding debt obligations through the issuance of six million common shares of the Company at a deemed price of five cents per common share. These shares were issued subsequent to the period end in January of 2026 (Note 14).

11. Commitment (continued)

Record Resources Inc.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2025

The Company entered into a service agreement with a company from South Africa in assisting the Company to develop its oil & gas business in Africa and particularly in Gabon. Subject to its completion of signing a definitive agreement in acquiring a significant development oil & gas project in Gabon and the Company has raised a minimum financing of US\$8,000,000, the Company shall pay a service fee of US\$2,000,000 over a two years period as below:

- at the end of the 4th quarter of 2025, two equal payments amounting to US\$400,000 each (not yet paid);
- at the end of 2nd quarter of 2026, a payment of US\$600,000; and
- at the end of 1st quarter of 2027, a payment of US\$600,000.

As the Company has not yet signed a definitive agreement and raised a minimum financing of US\$8,000,000, these service fees are not yet due and has not been recognized as accounts payable.

12. General and administrative expenses

	2025	2024
Consulting fees	\$ 564,515	\$ 42,747
Filing fees	-	20,793
Foreign exchange	2,070	-
Interest & bank charges & office	389	1,238
Marketing	8,505	-
Meals & entertainment	1,103	-
Professional fees	-	62,311
Travel	12	18,054
Total general and administrative expenses	\$ 576,594	\$ 145,143

13. Oil & Gas Interest

In September 2025, the Company signed an agreement with Reconnaissance Energy Africa Ltd. ("Recon") that the consortium will enter into a production sharing contract (the "PSC") with the Gabonese Republic and Gabon Oil Company ("GOC"), the national oil and gas company. The PSC is for the exploration, appraisal, development and production of oil and gas on Gabon offshore Block C-7, renamed Ngulu ("Ngulu"). Under the terms of the agreement, the Company and Recon have agreed to form a joint venture whereby each party will acquire a working interest of 20% and 55%, respectively. Recon is designated as the operator under the PSC and fully carries and funds the Company through the commitments on the Ngulu block for the initial four-year concession period, including the drilling of a well to total depth. The remaining working interests are held by the GOC with a 15% working interest and the Republic of Gabon with a 10% carried working interest.

14. Subsequent events

In January 2026, the Company issued 6,000,000 common shares of the Company at a deemed price of \$0.05 per common share to settle debts of \$300,000 owed to a consultant, as previously announced in July 2025, who had taken the role as COO of the Company in September 2025.

960,714 warrants at an exercise price of \$0.06 per share were expired without exercise.

In January 2026, the Company granted 6,150,000 stock options to officers, directors and consultants at an exercise price of \$0.10 per share for a period of 5 years from the date of the grant.

In January 2026, the Company issued 1,000,000 commons shares as the 2nd instalment to complete the acquisition of the Paradis Bay Property under the option agreement. The Company also agreed and paid \$65,000 in January 2026 towards the option cash payment and has since earned in this option agreement.