RUNNING FOX RESOURCE CORP.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2021 and February 29, 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

The Company's independent auditors have not performed an audit or review of these condensed interim consolidated financial statements. The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

RUNNING FOX RESOURCE CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	February 28, 2021 $	November 30, 2020 $
ASSETS		
Current assets		
Cash	519,283	483,228
Marketable securities (Note 4)	324,382	194,752
Amounts receivable	–	2,345
Total current assets	843,665	680,325
Non-current assets		
Property and equipment (Note 5)	6,540	7,070
Total assets	850,205	687,395
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	14,249	7,276
Total liabilities	14,249	7,276
Shareholders' equity		
Share capital	22,816,298	22,816,298
Share-based payment reserve	220,800	220,800
Deficit	(22,201,142)	(22,356,979)
Total shareholders' equity	835,956	680,119
Total liabilities and shareholders' equity	850,205	687,395

Approved and authorized for issuance on behalf of the Board of Directors on April 22, 2021:

/s/ Wayne Waters
Wayne Waters, Director

/s/ Michael Meyers
Michael Meyers, Director

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

RUNNING FOX RESOURCE CORP.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended February 28, 2021 $	Three Months Ended February 29, 2020 $
Operating expenses		
Depreciation	530	794
Management fees (Note 9)	49,500	45,000
Office and administration	1,071	1,370
Professional fees	10,600	11,000
Transfer agent and regulatory fees	2,397	2,154
Travel and automobile	846	2,653
Total operating expenses	64,944	62,971
Loss before other income (expense)	(64,944)	(62,971)
Other income (expense)		
Foreign exchange gain (loss)	(6,687)	4,108
Interest and other income	251	57
Realized gain on sale of marketable securities (Note 4)	184,831	27,272
Unrealized gain (loss) on marketable securities (Note 4)	42,386	(125,909)
Total other income (expense)	220,781	(94,472)
Net income (loss) and comprehensive income (loss)	155,837	(157,443)
Basic and diluted loss per share	–	–
Weighted average shares outstanding, basic and diluted	54,770,548	54,770,548

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

RUNNING FOX RESOURCE CORP.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$
Balance, November 30, 2020	54,770,548	22,816,298	220,800	(22,356,979)	680,119
Net income for the period	–	–	–	155,837	155,837
Balance, February 28, 2021	54,770,548	22,816,298	220,800	(22,201,142)	835,956

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$
Balance, November 30, 2019	54,770,548	22,816,298	220,800	(22,143,223)	893,875
Net loss for the period	–	–	–	(157,443)	(157,443)
Balance, February 29, 2020	54,770,548	22,816,298	220,800	(22,300,666)	736,432

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

RUNNING FOX RESOURCE CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended February 28, 2021 $	Three Months Ended February 29, 2020 $
Operating activities		
Net income (loss)	155,837	(157,443)
Items not involving cash:		
Depreciation	530	794
Effects of foreign exchange	(1,012)	(4,078)
Realized loss (gain) on sale of marketable securities	(184,831)	(27,272)
Unrealized loss (gain) on marketable securities	(42,386)	125,909
Changes in non-cash operating working capital items:		
Amounts receivable	2,345	(50)
Accounts payable and accrued liabilities	6,973	10,619
Net cash used in operating activities	(62,544)	(51,521)
Investing activities		
Proceeds from sale of marketable securities	1,797,171	841,211
Purchase of marketable securities	(1,698,572)	(1,091,608)
Net cash provided by (used in) investing activities	98,599	(250,397)
Increase (decrease) in cash	36,055	(301,918)
Cash, beginning of period	483,228	760,612
Cash, end of period	519,283	458,694

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

1. Nature of Operations

Running Fox Resource Corp. (the "Company") was incorporated under the laws of the province of British Columbia on September 1, 1981. The Company is in the business of reviewing, optioning or acquiring suitable projects, businesses and technologies. The Company's head office is located at 8148 Carr Crescent, Arvada, Colorado, USA.

2. Basis of Presentation

(a) Statement of Compliance and Basis of Presentation

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting.

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company in its audited consolidated financial statements for the year ended November 30, 2020. These condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. Results for the period ended February 28, 2021 are not necessarily indicative of future results.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value. These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(b) Principles of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Running Fox (US) Inc.

The Company's condensed interim consolidated financial statements include the accounts of all subsidiaries subject to control by the Company. Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions, and unrealized intercompany gains and losses are eliminated upon consolidation.

(c) Use of Estimates and Judgments

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the period. These estimates are, by their nature, 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting 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 impairment of marketable securities and unrecognized deferred income tax assets.

(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(c) Use of Estimates and Judgments (continued)

The Company's policy for property and equipment requires judgment in determining whether the present value of future expected economic benefits exceeds capitalized costs. The policy requires management to make certain estimates and assumptions about future economic benefits related to its oil and gas property. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of capitalized cost is unlikely, the capitalized costs are written off to the consolidated statement of operations.

3. Accounting Standards Issued but Not Yet Effective

A number of new standards and amendments to standards and interpretations are not yet effective for the three months ended February 28, 2021 and have not been applied in preparing these consolidated financial statements. These accounting standards or amendments are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

4. Marketable Securities

Marketable securities are comprised of common shares of publicly-traded companies, and are classified as fair value through profit or loss and measured at fair value with unrealized gains and losses recognized through the consolidated statement of operations. The fair value of the marketable securities has been determined directly by reference to public price quotations in an active market.

	February 28, 2021 $
Opening Balance	194,752
Acquisitions	1,698,572
Proceeds from disposition	(1,797,171)
Realized gain on sale of marketable securities	184,831
Unrealized gain and effects of foreign exchange	43,398
Ending Balance	324,382

5. Property and Equipment

	Equipment $	Vehicles $	Computer hardware $	Oil and gas project $	Total $
Cost:					
Balance, November 30, 2019, 2020, and February 28, 2021	1,534	55,841	3,585	3,699,496	3,760,456
Accumulated Depreciation, Depletion, and Impairment:					
Balance, November 30, 2019	1,534	45,741	3,259	3,699,496	3,750,030
Additions	–	3,030	326	–	3,356
Balance, November 30, 2020	1,534	48,771	3,585	3,699,496	3,753,386
Additions	–	530	–	–	530
Balance, February 28, 2021	1,534	49,301	3,585	3,699,496	3,753,916

(Expressed in Canadian dollars)

5. Property and Equipment (continued)

Carrying Amounts:					
Balance, November 30, 2020	–	7,070	–	–	7,070
Balance, February 28, 2021	–	6,540	–	–	6,540

Oil and Gas Project – Alberta, Canada

The Company had a 5 ~ 15% non-operated option interest in certain oil and gas leasehold lands located in southwestern Alberta, Canada, with no interest in the area infrastructure. There are no reserves or proven technically and economically recoverable resources connected with this property.

The project's carrying value was reduced to $nil during the year ended November 30, 2015.

6. Share Capital

Authorized capital: unlimited common shares without par value

7. Stock Options

The Company's shareholders have approved a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares. As the board of directors has not formally approved the plan, the Company has not enacted the stock option plan. As at February 28, 2021 and November 30, 2020, the Company had no outstanding stock options.

8. Segmented Information

The Company is currently identifying new business opportunities. All assets are located in Canada.

9. Related Party Transactions

During the three months ended February 28, 2021, the Company incurred $45,000 (2020 – $45,000) of management fees to the Chief Executive Officer of the Company. The Company also incurred $4,500 (2020 - $0) of GST expense associated with these management fees.

10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash, marketable securities, and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended November 30, 2020.

11. Financial Instruments and Risk Management

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at February 28, 2021 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Carrying Amount $
Marketable securities	324,382	–	–	324,382

The fair values of other financial instruments, which include cash, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company has entities in Canada and United States, but operates primarily in Canada. Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in foreign currencies.

As at February 28, 2021, the Company had approximately US$101,000 of cash held in US dollars. A fluctuation of 5% in the foreign exchange rate between the US dollar and the Canadian dollar would result in an increase or decrease in the Company's net loss of approximately $6,000. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Market Risk

The Company is also exposed to market risk with respect to its portfolio of marketable securities. The Company's investments are in the form of publicly traded shares of publicly listed companies, of which the market values may fluctuate. At February 28, 2021, a 10% increase or decrease in the price of the Company's marketable securities would increase or decrease the Company's net income by approximately $32,000.

12. COVID-19 Impact

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has adversely impacted the Canadian and global economies, caused disruptions to financial markets, and created significant uncertainty. In response to the outbreak, governments worldwide have enacted various measures, including the implementation of travel restrictions, mandatory quarantine periods, and social distancing, among others, to contain the spread of the virus. The Company's activity levels have been reduced due to the pandemic, and the Company's ability to explore and evaluate potential projects has been curtailed.

The Company is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future; therefore, the Company cannot reasonably estimate the impact of the pandemic at this time on our business, liquidity, capital resources, and financial results.