

Running Fox Resource Corp.
Management Discussion and Analysis
For the Three Months Ended May 31, 2023

Running Fox Resource Corp. (the “Company” or “Running Fox”) has adopted the format prescribed by the Canadian Securities Regulators for the Company’s Management Discussion and Analysis (“MD&A”). The following MD&A has been prepared as of July 25, 2023 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended May 31, 2023 and the related notes, together with the audited consolidated financial statements for the year ended November 30, 2022 and the related notes.

Our fiscal year end is November 30. References to a fiscal year refer to the calendar year in which such fiscal year ends. Our quarter ends are the three-month periods that end on the last day of February, May, August, and November. For instance, “Q1 2023” refers to the three months ended February 28, 2023.

The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts are expressed in Canadian dollars, which is the Company’s functional currency, unless otherwise indicated.

FORWARD-LOOKING INFORMATION

By its nature, this MD&A may contain certain information of a forward-looking nature. Such forward-looking information involves substantial known and unknown risks and uncertainties. Most of these are beyond the control of the Company and may include: the impact of unpredictable swings in government policies and requirements, general economic conditions, industry conditions, currency fluctuations, environmental risks, and volatility of commodity prices.

Readers are cautioned that the assumptions used, while considered reasonable by the Company at the time, could subsequently prove to be incorrect to various degrees. As such, readers are cautioned not to place undue reliance on forward looking statements.

1. Description of Business

The Company was incorporated under the laws of Province of British Columbia on September 1, 1981. The Company is in the business of reviewing, optioning or acquiring suitable projects and developing those projects for eventual cash flow.

2. Overall Performance

For the three months ended May 31, 2023, the Company reported a net and comprehensive loss of \$81,104, compared to net and comprehensive loss of \$54,651 for the three months ended May 31, 2022. Total operating expenses during the three months ended May 31, 2023 was \$62,375, which remained relatively stable compare to \$59,986 during the three months ended May 31, 2022. The Company did not report any revenues during both periods.

The Company’s working capital decreased from \$331,822 at November 30, 2022 to \$157,521 at May 31, 2023. The decrease in working capital was primarily caused by a decrease in cash as the Company did not raise any financing during the current period and continued to utilize cash on hand

to fund its operations.

No significant trends have caused large variations in the Company's business model of reviewing, optioning or acquiring suitable projects and developing those projects for eventual cash flow. During the three months ended May 31, 2023, the Company has continued its search for suitable investment opportunities.

3. Results of Operations

Three Months Ended May 31, 2023

During the three months ended May 31, 2023, the Company recorded operating expenses of \$62,375, which remained comparable to the operating expenses of \$59,986 recorded during the three months ended May 31, 2022. There were no significant variances observed in the individual expense categories between the two periods.

For the three months ended May 28, 2023, the Company recorded a net and comprehensive loss of \$81,104, compared to net and comprehensive loss of \$54,651 for the three months ended May 31, 2022. The increase in net and comprehensive loss was primarily driven by the Company's trading and holding of marketable securities.

In Q2 2023, the trading and holding of marketable securities had resulted in a realized loss on sale of marketable securities of \$38,016, offset by unrealized gain on marketable securities of \$20,184, resulting in a combined loss of \$17,832. In comparison, in Q2 2022, the Company recorded a realized loss on sale of marketable securities of \$88,703 and unrealized gain on marketable securities of \$51, for a combined loss of \$88,652 relating to the trading and holding of marketable securities. Notably, in Q2 2022, the Company also recorded interest and other income of \$95,549, primarily generated from dividends received on the Company's holdings of marketable securities. In Q2 2023, no such income was generated.

In summary, despite operating expenses remaining relatively stable between Q2 2022 and Q2 2023, the absence of dividend income in Q2 2023 contributed to the higher net and comprehensive loss in that period.

Six Months Ended May 31, 2023

During the six months ended May 31, 2023 the Company recorded operating expenses of \$130,565, as compared to \$124,849 during the six months ended May 31, 2022. No significant variations were observed among the different component categories of operating expenses in both periods.

The Company recorded a net and comprehensive loss of \$174,821 for the six months ended May 31, 2023, compared to a net and comprehensive loss of \$253,099 for the six months ended May 31, 2022. The variance in results can be attributed to the Company's trading and holding of marketable securities.

In the six months ended May 31, 2023, the Company recorded \$68,232 of realized loss on sale of marketable securities, partially offset by \$21,626 of unrealized gain on marketable securities, resulting in a combined loss of \$46,606. In comparison, in the six months ended May 31, 2022, the Company recorded \$169,873 of realized loss and \$49,657 of unrealized loss on marketable securities, leading

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to a combined loss of \$219,530. This loss was reduced by interest and other income of \$95,549, primarily generated from dividends received on the Company's holdings of marketable securities.

4. Summary of Quarterly Results

For the three months ended	2023		2022				2021	
	31-May	28-Feb	30-Nov	31-Aug	31-May	28-Feb	30-Nov	31-Aug
Revenue	-	-	-	-	-	-	-	-
Net (loss) income	(81,104)	(93,717)	(224,368)	(129,442)	(54,651)	(198,448)	(27,023)	234,465
Net (loss) income per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00
Total assets	216,436	274,653	345,455	569,742	696,407	761,192	947,348	977,452
Total long-term liabilities	-	-	-	-	-	-	-	-
Weighted average shares outstanding	54,770,548	54,770,548	54,770,548	54,770,548	54,770,548	54,770,548	54,770,548	54,770,548

All financial information is prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars, which is the Company's functional currency, unless otherwise indicated.

5. Liquidity

The following table contains selected financial information of the Company's liquidity from continuing operations:

	2023		2022				2021	
	31-May	28-Feb	30-Nov	31-Aug	31-May	28-Feb	30-Nov	31-Aug
Cash	22,889	94,746	341,837	368,258	691,775	756,240	727,135	784,388
Working capital	157,521	238,365	331,822	555,819	684,890	739,170	937,247	963,740

At May 31, 2023, the Company had cash of \$22,889, as compared to \$341,837 at November 30, 2022. The decrease cash balance decreased as the Company did not raise any financing during the current period and solely relied on its existing cash resources to fund its operations.

During the six months ended May 31, 2023, the Company had a cash outflow of \$318,948, compared to cash outflow of \$35,360 during the six months ended May 31, 2022. Operating activities utilized \$81,893 of cash for the six months ended May 31, 2023, as compared to \$34,330 for the for the six months ended May 31, 2022. The Company did not raise any financing and solely relied on its available cash during the period to support its operations.

Investing activities resulted in a cash outflow of \$237,055 during the six months ended May 31, 2023, in contrast to a cash outflow of \$1,030 during the six months ended May 31, 2022. The cash flows for investing activities were primarily associated with the trading of marketable securities.

At May 31, 2023, the Company's working capital amounted to \$157,521, which represents a decrease of \$174,301 from working capital of \$331,822 as of November 30, 2022. The decline in working capital was mainly due to a decrease in cash.

6. Segmented Information

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

7. Capital Resources

The Company's capital resources primarily rely on potential financings through brokered and non-brokered private placements and potential debt financing if favorable fiscal terms are available.

Although it currently has sufficient capital to satisfy existing operating and administrative expenses in the short term, the Company will depend primarily upon equity to finance its future projects. There can be no assurance that capital requirements will be met by this means of financing as inherent risks are attached therein, including commodity prices, financial market conditions, and general economic factors.

There were no financing activities during the three and six months ended May 31, 2023.

8. Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements for the three and six months ended May 31, 2023.

9. Related Party Transactions

During the three and six months ended May 31, 2023, the Company incurred \$45,000 and \$90,000 (2022 – \$45,000 and \$90,000) in management fees to the Chief Executive Officer of the Company. As at May 31, 2023, the Company owed \$47,250 (November 30, 2022 - \$nil) in accounts payable and accrued liabilities to the Chief Executive Officer of the Company.

All of the above compensation paid was equal to fair value or market rates and approved by audit committee.

Other than as listed above, there were no payments to directors or officers by virtue of their holding directorship or officer positions. No payments were made for serving on audit committee or for serving on special assignments.

10. Use of Estimates and Judgments

The preparation of the Company's 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 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.

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 interest. 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.

The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period.

11. 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 and six months ended May 31, 2023, and have not been applied in preparing the Company's condensed interim consolidated financial statements. These accounting standards or amendments are either not applicable or not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

12. Financial Instruments and Other Instruments

The Company's financial assets and liabilities consist of cash, marketable securities, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. See Note 10 of the Company's unaudited condensed interim consolidated financial statements for the three and six months ended May 31, 2023 for further information.

13. Outstanding Share Data

Common Shares

Authorized: unlimited common shares without par value

As at May 31, 2023 and the date of this MD&A, the Company had 54,770,548 common shares outstanding, and had no share transactions occurred during the three and six months ended, and subsequent to, May 31, 2023.

Share Purchase Warrants

As at May 31, 2023 and the date of this MD&A, the Company had no outstanding share purchase warrants.

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 May 31, 2023 and the date of this MD&A, the Company has not granted any stock options.

14. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements for the three and six months ended May 31 2023 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at www.sedar.com.

15. Termination of Employment, Change in Responsibilities and Employment or Management Contracts

The Company has no compensatory plans or arrangements in effect with its CEO, CFO, and each of the three most highly compensated executive officers other than the CEO and CFO with respect to the resignation, retirement or any other termination of their services, or with respect to a change in their responsibilities following a change in the control of the Company, other than a management agreement with its President including, but not limited to the following terms: a monthly fee of \$15,000, exclusive of GST/HST/PST, for a five year term, a payout provision in the event of termination without cause by the Company, and a provision for severance of three weeks per year for each year of service to the Company.

16. Additional Corporate Governance Information

Board of Directors

The Board of Directors currently consists of three directors. D. E. Brodie is considered independent. Michael Meyers, currently interim CEO and President, and Steven Schurman, CFO, are considered not independent.

Board Constitution

The operations of the Company do not support a large board of directors and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Similarly, given the size of the Company, all the Company's operations are conducted by a small management team which is also represented on the Board.

Compensation of Directors

The directors receive no cash compensation for acting in their capacity as directors of the Company. The compensation for senior management of the Company is determined by and at the discretion of the Board and the compensation of the Chief Executive Officer is determined by the Board as a whole.

Directorships

The directors of the Company do not hold directorship positions in any other publicly listed entities.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, and industry. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics which applies to the directors, officers and employees of the Company. The Board expects that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as provisions under corporate legislation for required disclosures by directors and senior officers to the Company of transactions with the Company in which they may have an interest and of any other conflicts of duties and interests, will also ensure that these persons conduct themselves in the best interests of the Company.

Nomination of Directors

Any director is free to nominate individuals for election or appointment to the Board; however, the Corporate Governance Committee has the principal responsibility with respect to selection and nomination of director nominees. The Committee is also responsible for developing qualification criteria for new Board members for recommendation to the Board in accordance with National Policy 58-201 – *Corporate Governance Guidelines*. The Committee also has the sole authority to retain and terminate any search firm to be used to identify director candidates and has the authority to approve the search firm's fees and other retention terms.

In making its recommendations to the Board regarding director nominees, the Committee shall consider:

- (a) the appropriate size of the Board;
- (b) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (c) the competencies and skills that the Board considers each existing director to possess;
- (d) the competencies and skills each new nominee will bring to the Board, and

- (e) whether or not each new nominee can devote sufficient time and resources to the nominee's duties as a director of the Company.

Compensation

The Audit Committee reviews annually the adequacy and form of compensation of the directors and executive officers of the Company to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director or executive officer.

In evaluating (or making recommendations to the Board of Directors with respect to) the level of compensation for the executive officers, the Audit Committee reviews and considers the Company's corporate goals and objectives relevant to compensation for its executive officers and evaluates the performance of each executive officer in light of those corporate goals and objectives. In considering the compensation for executive officers other than the President, the Committee takes into account the recommendation of the President.

All compensation arrangements between the Company and any director or executive officer of the Company or between any subsidiary of the Company and any director or executive officer of the Company must be approved by the Committee.

There are no standard or other arrangements under which Directors of the Company were compensated by the Company during the most recently completed financial year for acting in their capacity as Directors.

Other Board Committees

The Board of Directors of the Company has no standing committees other than the Audit Committee.

Assessments

The effectiveness of the Board of Directors as a whole, any committee of the Board and individual directors is assessed on an ongoing basis by the Board and senior management.

Policy on Purchase of Financial Interests

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

Securities Authorized for Issuance Under Equity Compensation Plans

The Company's standard TSX-V "Rolling 10 %" Share Option Plan (the "Plan") is approved annually by shareholders at the annual general meetings of the Company. The Plan incorporates the TSXV policies that are effective and was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board.

The Plan provides that options will be issued to directors, officers, employees, or consultants of the Company or a subsidiary of the Company. The Plan also provides that the number of Common Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than 10 years after the date of grant of such options. As the board of directors has not formally approved the plan, the Company has not enacted the stock option plan. There are currently no options outstanding.

17. Additional Audit Committee Information

Pursuant to the *Business Corporations Act* (British Columbia) and National Instrument 52-110 – *Audit Committees* ("NI 52-110"), the Company is required to have an audit committee.

Audit Committee Charter

Pursuant to NI 52-110, the Company's audit committee is required to have a charter. A copy of the Company's Audit Committee Charter is set out in Schedule "B" to its 2012 Information Circular.

Composition of the Audit Committee

As at the date of this MD&A, the following is information on the members of the Company's Audit Committee:

Names:

Steven Schurman, Chair of the Audit Committee
Michael Meyers, Member of Audit Committee
D. E. Brodie, Member of Audit Committee

Relevant Education and Experience: Yes as to all

Independent: Yes as to D. E. Brodie

Financial Literacy: Yes as to all

The following describes the relevant education and experience of the members of the Audit Committee:

Steven Schurman, Audit Committee Chair, CPG

Mr. Schurman has over 40 years of experience in public markets, and is a licensed Professional Geologist. He also contracts to a remediation services company, where he is an Area Manager with oversight of several employees. He is knowledgeable in financial matters pertaining to the junior resource industry and understands the principles of estimates, accruals and reserves, as well as internal controls and financial reporting pertinent to the Company.

Michael Meyers, Audit Committee Member, BA, JD, is a corporate and securities lawyer who has been involved with and counsel to private and public resource issuers in Canada. He has been actively involved with the resource markets for many years. Mr. Meyers owns and/or has dealt with resource properties, assets, claims and grants in British Columbia and in the Yukon Territories. He also holds two diplomas from the British Columbia Institute of Technology. He is knowledgeable in financial

matters pertaining to the junior resource industry and understands the principles of estimates, accruals and reserves, as well as internal controls and financial reporting pertinent to the Company.

D. E. Brodie, Audit Committee Member

Mr. Brodie has been actively involved in the investment arena for many years, including real estate. He is knowledgeable in financial matters pertaining to the capital markets and understands principles of estimates, accruals, and reserves, as well as internal controls and financial reporting pertinent to the Company.

Reliance on Certain Exemptions

At no time since January 1, 2011 has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 by a securities regulatory authority or regulator.

Audit Committee Oversight

At no time since January 1, 2011 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

Pre-approval Policies and Procedures for Non-Audit Services

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

18. Other MD&A Requirements

Additional information relating to the Company is available online on SEDAR at www.sedar.com including the annual audited financial statements.