

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Inflection Resources Ltd.** (the “Issuer” or the “Company” or “Inflection”).

Trading Symbol: **AUCU**

Number of Outstanding Listed Securities: **57,163,184**

Date: **August 6, 2020 (for the month ended July 31, 2020)**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer is a junior mining exploration and development company focused on the exploration and discovery of gold and copper deposits in Eastern Australia. The Issuer is comprised of a highly accomplished team of explorationists and capital market experts with extensive global experience.

Inflection has a large portfolio of exploration licenses and applications in New South Wales and Queensland, Australia, totalling in excess of 600,000 hectares. The Issuer's mineral projects include the 100% owned Northern New South Wales Project, the Carron Project (50% under joint venture) and the Artificial Intelligence Project.

The Issuer's business development and operational activities over July 2020 include the following:

- **Listed on the CSE on July 16, 2020 under the symbol "AUCU".**
- **Completed an Initial Public Offering on July 17, 2020 to raise gross proceeds of \$3,500,000 through the sale of 14,000,000 units priced at \$0.25 per unit (see Item 14).**
- **Commenced a first-pass drill program on the Northern NSW project to test the portfolio of 20 previously untested gold and gold-copper targets (see Item 3).**

2. Provide a general overview and discussion of the activities of management.

Management has been overseeing and managing the progress of the business and operations described in Item 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

The Issuer commenced a first-pass drill program on the Northern NSW project to test the portfolio of 20 previously untested gold and gold-copper targets. The Issuer plans to systematically drill test the following first five targets: Myallmundi, Trangie, Mungeribar, Nine Mile and Blackwater. The Issuer is exploring for large gold and copper-gold deposits in the northern interpreted extension of the Junee-Narromine Belt within the Macquarie Arc, part of the Lachlan Fold Belt in New South Wales. The Macquarie Arc is Australia's premier porphyry gold-copper province being host to Newcrest Mining's Cadia Valley deposits, the CMOC Northparkes deposits and Evolution Mining's Cowal deposits plus numerous active exploration prospects including the Boda Project, the recent discovery made by Alkane Resources.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Issuer and BWG are in discussions to extend the license period under which the Issuer may designate Project Areas pursuant to the Exploration Alliance Agreement dated May 1, 2017 between the Issuer and BWG, and its subsequent amendment.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

See Item 5.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
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Common Shares	14,000,000	IPO Unit issued on July 17, 2020 at \$0.25 per Unit.	Drill program on NNSW and Carron properties, property payments, administrative costs and general working capital.
Common Share Purchase Warrants	7,000,000	IPO Unit issued on July 17, 2020 at \$0.25 per Unit. Each warrant is exercisable at \$0.40 per common share until January 17, 2022, subject to an acceleration clause should the stock trade at or above \$0.80 for 10 consecutive trading days.	Drill program on NNSW and Carron properties, property payments, administrative costs and general working capital.
Agent Compensation Options	1,120,000	Each Option is exercisable at \$0.25 until January 17, 2022 to acquire one common share and one-half of one warrant. Each whole warrant is exercisable to purchase one common share at \$0.40 until January 17, 2022, subject to the same acceleration clause as the unit warrants.	Drill program on NNSW and Carron properties, property payments, administrative costs and general working capital.

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

- **Operating trends** – The Issuer has no history of earnings, has limited cash reserves, a limited business history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Issuer is in the “start-up” phase of its business. As the Issuer is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.
- **Commodity trends** – The price of gold is in a strong market rally and traded at new all-time record highs during the month of July 2020. The most active December 2020 Comex gold futures contract closed at a new all-time record high of USD \$1,994.00 on July 31, 2020 and spot gold closed at USD \$1,976.10. The current favourability of the gold sector factors positively in the Issuer’s efforts to raise equity financing and execute its planned exploration programs.
- **Economic trends** – The CSE Composite Index closed July 31, 2020 at 476.56 which is a recovery from its five year low of 218.31 on March 18, 2020 during the early days of the COVID-19 pandemic, but still below the comparative year indicator of 597.75 on July 31, 2019 and five year high of 1,436.34 reached on January 31, 2018. Nevertheless, the index is trending upwards since March 2020 and reflects renewed interest in the Canadian small cap market.
- **Competition trends** – The success and recent discoveries of certain other gold exploration companies in Australia have generated attention and interest to the Lachlan Fold Belt where the Issuer’s Northern NSW project is strategically situated.
- **Pandemic trends** – On March 11, 2020, the World Health Organization declared the outbreak and spread of a novel coronavirus, COVID-19, a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including implementing travel restrictions, border closures, non-essential business closures, quarantines, self-isolation and physical distancing.

The outbreak of COVID-19 may cause disruptions to the Issuer’s business and operational plans, which may include: (i) restriction of travel by management to and from Australia; (ii) unavailability of contractors and subcontractors; (iii) interruption of supplies from third parties upon which the Issuer relies; (iv) restrictions imposed by governments to address the COVID-19 pandemic; and (v) restrictions

that the Issuer and its contractors and subcontractors impose to ensure the safety of employees and others. It is not currently possible to predict the extent or duration of these potential disruptions, which may have a material adverse effect on the Issuer's business, financial condition and results of operations. These disruptions may severely impact the Issuer's ability to carry out its business plans for 2020.

The Issuer has implemented precautionary measures at its corporate office, including limiting visits to essential personnel and ensuring proper protocols are followed with respect to health, hygiene and physical distancing.

On March 20, 2020, the Government of Australia banned entry into the country to non-Australian residents and citizens. Government officials have said the COVID-19 outbreak and related disruptions in Australia could last at least six months. Officials say the travel ban will remain in effect until it is safe to lift but have not given a specific date for its termination. As a consequence of this border closure, management in Canada is unable to visit the Issuer's properties in Australia. However, the Issuer's Vice President of Exploration and other technical personnel are residents of Australia and will be able to manage the planned exploration program on the Property unimpeded by the international travel ban.

There are currently physical distancing guidelines in place within Australia that restrict gathering and movement. However, the situation is evolving, and the New South Wales Government has announced an easing of restrictions effective May 15, 2020 that will allow more businesses to open up, more people to work and more personal freedoms. The Issuer's exploration activities planned for 2020 are expected to continue in an orderly fashion while ensuring the safety of employees. The Issuer will implement health, hygiene and physical distancing measures that meet any requirements of the Government of Australia. The Issuer will ensure ongoing compliance with the Government of Australia's announcements and any subsequent orders.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 6, 2020.

Alistair Waddell
Name of Director or Senior
Officer

"Alistair Waddell"
Signature

President, CEO and Director
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/D
Inflection Resources Ltd.	July 31, 2020	20/08/06
Issuer Address		
1100 – 595 Howe Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC, V6C 2T5	(604) 681-3552	(604) 681-3170
Contact Name	Contact Position	Contact Telephone No.
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