

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: **57,356,714**

Date: **November 4, 2020 (for the month ended October 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 500,000 hectares. The Issuer's mineral projects include the 100% owned Northern New South Wales Projects, the Carron Project (50% under joint venture) and the Artificial Intelligence Projects.

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

- Continuation of 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).
 - Appointment of Mr. John Wenger, CPA, CA as Chief Financial Officer (see Item 10).
 - Grant of 250,000 stock options exercisable at a price of \$0.47 for a five year term (see Item 14).
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 continued its first-pass drill program on the Northern NSW project to test the portfolio of 20 previously untested gold and gold-copper targets. 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 deposits, the CMOC Northparkes deposits and Evolution Mining's Cowal deposit plus numerous active exploration prospects including the Boda Project, the recent discovery made by Alkane Resources.

On October 19, 2020, the Issuer provided a drilling update and announced that drilling intercepted a new zone of alteration suggesting proximity to a second porphyry centre. Summary highlights are as follows:

- First-pass drilling on the Trangie target has discovered a new zone of highly encouraging alteration, characteristic of that seen in the vicinity of Macquarie Arc porphyry systems.
- Trangie drill hole TRNDH002, hosts the strongest favorable alteration drilled to-date, and suggests Inflection has potentially identified a second porphyry centre. TRNDH002 is located 6.3 kilometres south-southeast of Myallmundi drill hole MYLDH001 (Inflection news release September 2, 2020) where the first potential porphyry centre was identified.

- Plans for priority follow-up, step-out drilling are underway with the intention of vectoring into a potential gold-copper porphyry centre. Applications have been made for a series of new drill platforms in the vicinity of drill hole TRNDH002 along with those stepping out from the previously reported MYLDH001.

Three additional gold-copper porphyry targets having been tested, bringing the total to six. The three additional porphyry targets are Trangie, Mungeribar and Meringo, where nine additional drill holes totalling 1,910 metres have been completed. To-date, a total of fourteen holes comprised of 2,718 metres of drilling have been completed in the northern NSW program. The first-pass drill program on the portfolio of targets continues with the rig moving northwards towards the Moonagee, Boorara and Colossal targets.

Trangie Target

Five initial drill holes have been completed on the Trangie target. Trangie holes TRNDH001 to 005 are broadly aligned over approximately 4.2 kilometres along a northwest trend following the Mitchell Highway. The results from these holes are highly encouraging with all holes showing various alteration assemblages considered indicative of a potential hydrothermal system containing varying degrees of alteration and veins containing quartz, carbonate, biotite, magnetite, albite, chlorite, actinolite, epidote, pyrite and chalcopyrite. In general, the northern and southernmost holes are characteristic of an outer propylitic association with the central hole, TRNDH002, potentially associated with a more proximal part of a hydrothermal system.

Hole TRNDH002 intersected pervasive chlorite-magnetite-albite-epidote alteration throughout the host basalt. This alteration is overprinted by patchy, diffuse orange albite-epidote-pyrite-chalcopyrite +/- actinolite and these appear to become more magnetite and biotite rich towards the end of the hole at 210.30m. The hole also intersected a 2 to 3 metre zone of sericite-pyrite-albite with >5% pyrite. Veining in the hole comprises early biotite-magnetite-pyrite veins with biotite and albite haloes and overprinting magnetite-epidote-pyrite-chlorite-chalcopyrite veins and common pale to red albite-hematite-pyrite-chlorite-epidote veins. In this hole, the nature and intensity of the alteration and veining and enhanced sulphide occurrence of both disseminated and vein-hosted pyrite and chalcopyrite provide strong support for alteration association related to a potential porphyry.

Holes TRNDH001, 003, 004 and 005 are pervasively chloritized and have weak to moderate epidote alteration. Variable and patchy albite (+/- quartz) alteration occurs in holes TRNDH003, 004 and 005, and patchy actinolite in hole TRNDH001. Vein assemblages in the holes are characterised by various combinations of epidote, epidote-quartz-chlorite (+/- magnetite, hematite, and carbonate), albite-pyrite, rare orange albite-quartz-carbonate-chlorite-magnetite-pyrite and common late-stage carbonate veins. Sulphides in the holes comprise low to trace pyrite and chalcopyrite both disseminated and

in veins. The occurrence of low-level sulphides, particularly chalcopyrite is encouraging and provides additional confidence of the initial interpretation of the holes locating within an outer propylitic alteration system.

These results are considered highly encouraging and it is intended to follow up the results with a second round of drilling, with a particular focus in the vicinity of drill hole TRNDH002. The drill core from these holes is currently being prepared for cutting and assaying. The observations regarding the interpreted alteration assemblages will be confirmed by petrological examination.

Mungeribar Target

One hole was completed at Mungeribar which intercepted a sequence of basaltic volcanoclastic conglomerates and sandstones. The drill core is pervasively chloritized and contains abundant magnetite with clasts up to 1cm in diameter. Thin minor epidote, zeolite and calcite veins are the only vein components. The origin of the magnetite is uncertain, and the preliminary interpretation is that the pervasive chlorite is probably a regional metamorphic effect and that the target is likely well removed from any hydrothermal system. No further work is currently planned on this target.

Meringo Target

Three holes were completed on the Meringo target which all intersected a sequence of unaltered limestones. No further work is planned on this target.

New Trangie Target Step-Out Drill Platforms

Due to the favourable initial results at Trangie, the Issuer has applied for permission to complete a series of step-out holes. These additional holes should enable the Issuer to vector towards a potential porphyry centre using the latest alteration and mineral chemistry vector techniques.

Myallmundi Target Step-Out Drill Platform Applications

The applications submitted for additional step-out drill holes described in news release dated September 2, 2020 are pending approval.

Assays and Petrology

Core from the recent drilling has been logged, photographed, and dispatched for cutting and sampling. The samples will be dispatched next week to ALS Laboratories in Orange, NSW for multielement analysis and for spectral analysis which will aid alteration mineralogy identification.

Northern NSW Exploration Plans Going Forward

First-pass drilling will continue to focus on the portfolio of targets which are located in an area spanning over approximately 200 kilometres. The drill will head northwards towards the Moonagee, Boorara and Colossal targets. Once permission from the Resource Regulator for the step out holes at Myallmundi has been fully received, the Issuer anticipates either using a second drill rig, depending on availability, or temporarily using the current

drill rig to focus on vectoring into potential mineralized systems at Myallmundi and Trangie.

Qualified Person

The scientific and technical information contained in this text has been reviewed and approved by Mr. Carl Swensson (FAusIMM), Inflection's Vice President Exploration, and a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Sampling Quality Control

Drilling was conducted by DDH1 Drilling Pty Ltd using a truck-mounted multi-purpose Sandvik drill rig. Mud rotary drilling was utilised to drill through the cover sequence. At the unconformity the drilling method was changed to diamond drilling using NQ – sized core. All materials and core were transported to the Issuer's Trangie field office at the end of each shift.

The core was logged in detail at the Issuer's base, photographed and marked for cutting and sampling. The core was then transported by the Issuer's geologist to Rangott Mineral Exploration Pty Ltd in Orange NSW to a secure environment where the core was cut in half to the Issuer's specified sample intervals. The half core samples were placed in numbered calico bags with internationally certified blanks and standards inserted every 20th sample. The retained half core is currently in locked secure storage at Rangott Mineral Exploration Pty Ltd.

Samples were dispatched to ALS Laboratories in Orange NSW by Rangott Exploration Pty Ltd. ALS Laboratories are an accredited analytical laboratory meeting ISO/IEC 17025:2005 and ISO 9001:2015. Samples were prepared by crushing and grinding via ALS methods CRU-21 and PUL-32 respectively. The pulps were then assayed for 48 elements via ALS method ME-MS61 using a 25g sample after a four acid near total digest with an ICP-MS finish. Gold was assayed by fire assay using ALS method Au-AA23 using a 30g sample charge and AAS finish. Laboratory standards and QA-QC are monitored by the Issuer. Coarse rejects from the sample preparation are subjected to short-wave infrared spectral analysis.

For more information on drill results, refer to the Issuer's news release dated October 19, 2020.

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.

Not applicable.

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.

Not applicable.

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.

Mr. John Wenger, CPA, CA was appointed the Chief Financial Officer of the Company effective October 1, 2020. Mr. Wenger replaces Mr. Alain Voisin, CPA, CGA in this role.

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	1,000	Exercise of 1,000 stock options at \$0.30 per share.	\$200 - General working capital
Stock Options	250,000	Each Option is exercisable to purchase one common share of the Company at a price of \$0.47 until October 1, 2025, such Options to vest six months after the date of grant.	Not applicable.

(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.

Mr. John Wenger, CPA, CGA was appointed Chief Financial Officer on October 1, 2020 to replace Mr. Alain Voisin, CPA, CGA in this role.

The Issuer has formed a Technical Committee to meet on a regular basis to discuss exploration strategy in Northern NSW and to provide guidance to management. The Technical Committee is chaired by Dr. Stuart Smith and is comprised of the Company's geologists and consultants.

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 has fallen off its highs reached during the month of August 2020. Nonetheless, the gold sector remains favourable and factors positively in the Issuer's efforts to raise equity financing and execute its planned exploration programs.**

- **Economic trends – The CSE Composite Index closed October 30, 2020 at 503.99 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 and the comparative year indicator of 415.97 on October 31, 2019, but below the current year high of 524.65 reached on August 17, 2020 and the five year high of 1,436.34 reached on January 31, 2018. Interest in the Canadian small cap market during October 2020 showed improvement over the previous month.**
- **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.

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.

Forward-Looking Statements:

This Report includes certain forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding future capital expenditures, anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward looking information can be identified by words such as "pro forma", "plans", "expects", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, statements as to the anticipated business plans and timing of future activities of the Company, including the Company's exploration plans. the proposed expenditures for exploration work thereon, the ability of the Company to obtain sufficient financing to fund its business activities and plans, delays in obtaining governmental and regulatory approvals (including of the Canadian Securities Exchange), permits or financing, changes in laws, regulations and policies affecting mining operations, the Company's limited operating history, currency fluctuations, title disputes or claims, environmental issues and liabilities, as well as those factors discussed under the heading "Risk Factors" in the Company's prospectus dated June 12, 2020 and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at www.sedar.com.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements in this presentation or incorporated by reference herein, except as otherwise required by law.

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: November 4, 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.	October 31, 2020	20/11/04
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.
Alistair Waddell	President, CEO, Director	604-681-3170
Contact Email Address	Web Site Address	
info@inflectionresources.com	www.inflectionresources.com	