

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: **57,355,714**

Date: **October 6, 2020 (for the month ended September 30, 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 Project, the Carron Project (50% under joint venture) and the Artificial Intelligence Project.

The Issuer's business development and operational activities over September 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).
 - Issuance of 19,430 common shares and 9,715 share purchase warrants from the exercise of 19,430 agent compensation options priced at \$0.25 (see Item 14).
 - Issuance of 67,500 common shares from the exercise of 67,500 share purchase warrants priced at \$0.40 (see Item 14).
 - Completion of a listing on the Frankfurt Stock Exchange and commencement trading under the symbol "5VJ". The listing of the Issuer's shares on the Frankfurt Stock Exchange will broaden the Issuer's shareholder base in Europe and increase trading activity in its shares, while at the same time facilitating investment in the Issuer by the European investing community.
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 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 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 September 2, 2020, the Issuer announced that initial drilling returned highly encouraging results and new follow-up drilling was planned with the addition of a second drill rig once additional environmental permits are

received. As of September 2, 2020, two gold-copper porphyry targets and one mesothermal vein target had been tested. Five holes were completed by the Issuer totalling 808.98 meters. The two porphyry targets are Myallmundi, over which two of the four first pass planned holes had been drilled and Nine Mile with the proposed initial, single hole completed. Two holes tested the mesothermal vein and intrusion associated target at Blackwater.

Drilling on the Myallmundi target intercepted highly encouraging alteration consisting of several generations of vein stockwork comprising chlorite-magnetite, quartz-carbonate and epidote-quartz carbonate, with traces of chalcopyrite and bornite.

Drilling at Nine Mile intercepted 9.90 meters (to the end of hole) of chlorite-quartz-carbonate cemented hydrothermal breccia. Breccias of this style often exist both peripheral and internal to the Macquarie Arc porphyry systems.

A series of new drill platforms are in process of permitting in the vicinity of the Myallmundi and Nine Mile holes. Plans for priority follow-up, step-out drilling is underway with the intention of vectoring into a potential mineralized gold-copper porphyry center.

Myallmundi Target

Results from the first two of the planned four drill holes at Myallmundi are considered highly encouraging, with favourable alteration intersected in both holes MYLDH001 (198.30m) and MYLDH002 (210.40m) and which are comparable with typical Macquarie Arc porphyry systems.

Hole MYLDH002 exhibits strong chlorite-carbonate alteration throughout with veining characterised by weakly banded quartz veins and epidote-quartz-chlorite veins. Veining and alteration is consistent with a location in the propylitic part of an intrusion related system as is MYLDH001. The observations of the alteration styles from both holes are consistent with those seen in Macquarie Arc porphyry systems.

Nine Mile Target

A single drill hole NMLDH001 has been completed over the Nine Mile target to a total depth of 189.90 meters. Nine Mile is a porphyry target interpreted to be a zoned intrusive stock-like system that hosts the Myallmundi target 21 kilometers to the north. The hole intersected a hornblende phryic basalt, with strong pervasive clay alteration immediately below the unconformity with the post-mineral cover sequence prior to transitioning to a strong pervasive chlorite-sericite alteration. From approximately 180.00 meters to the end of hole at 189.90 meters, a hydrothermal breccia was intersected showing both clast-supported and matrix supported angular to sub-angular clasts. The breccia contains chlorite-carbonate cement and lesser areas of quartz cement. Chlorite-filled fractures occur above the breccia and may be indicative of fluid escape above the breccia.

New Myallmundi and Nine Mile drill platforms applied for: As a result of the favourable initial results at Myallmundi and Nine Mile, the Issuer is in the process of applying for a series of new drill platforms to follow up on the targets. These additional drill holes will enable the Issuer to vector towards a potential porphyry center using the latest alteration and mineral chemistry vector techniques. Once the permits have been received a second drill rig will be secured to specifically follow up on these targets.

Blackwater Target

Two holes (BLKDH001 and BLKDH002) totalling 210.7 meters were completed on the Blackwater target. Both holes intersected foliated metasediments with white quartz veins and show no signs of any mesothermal vein or intrusive related mineralisation or alteration. No assays for the holes have yet been received although no results of significance are expected. No further work is planned at Blackwater pending assay results.

Exploration Plans Going Forward

Drilling progress was slightly delayed due to unusually high rainfall in NSW, which impeded access to various drill sites in the Trangie area

Recommencement of drilling initially focused on the remaining two holes on the Myallmundi target planned as part of the Phase I drill program while recently designed step-out holes described above are approved. Drilling will then continue onto the Trangie target as described in the Company's news release dated July 23, 2020. Once permission for the new step out holes at Myallmundi and Nine Mile have been received, one rig will continue to test the portfolio of targets while the second will focus on vectoring into a potential mineralized system at Myallmundi and Nine Mile.

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

For more information on drill results, refer to the Issuer's news release dated September 2, 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.

The Issuer has reached an agreement with BWG Mining, an arm's length party, to extend the license period for the NSW Data Mining Study until July

31, 2021. Several other minor provisions in the agreement have also been modified, mostly to provide additional clarity.

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.

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⁾
Common Shares	67,500	Exercise of 67,500 common share	\$27,000 - General working capital

		purchase warrants at \$0.40 per share.	
Common Shares	19,430	Exercise of agent compensation options at \$0.25 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.	\$4,857.50 - General working capital
Common Share Purchase Warrants	9,715	Exercise of agent compensation options at \$0.25 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.	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 has fallen off its all-time record 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 September 30, 2020 at 443.07 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 is on par with the comparative year indicator of 445.71 on September 30, 2019 and 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 waned during the month of September 2020.
- 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 announced an easing of restrictions effective May 15, 2020 that allowed 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.

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 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: October 6, 2020.

Alistair Waddell

Name of Director or Senior Officer

"Alistair Waddell"

Signature

President, CEO and Director

Official Capacity

Issuer Details Name of Issuer Inflection Resources Ltd.	For Month End September 30, 2020	Date of Report YY/MM/D 20/10/06
Issuer Address 1100 – 595 Howe Street		
City/Province/Postal Code Vancouver, BC, V6C 2T5	Issuer Fax No. (604) 681-3552	Issuer Telephone No. (604) 681-3170
Contact Name Alistair Waddell	Contact Position President, CEO, Director	Contact Telephone No. 604-681-3170
Contact Email Address info@inflectionresources.com	Web Site Address www.inflectionresources.com	