

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: **71,270,670**

Date: **June 4, 2021 (for the month ended May 31, 2021)**

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 May 2021 focused on follow-up drilling in Northern New South Wales and interpretation of the results from work completed in 2020 including obtaining all the necessary permits for the planned drilling. Drilling focused on a number of targets on the Northern New South Wales Project .

The Issuer announced that it completed an oversubscribed private placement to raise gross proceeds of \$4,437,490 through the sale of 13,867,156 units (the "Units") priced at \$0.32 per Unit. Each Unit consists of one common share and one half of one share purchase warrant, with each whole warrant exercisable into one further common share at a price of \$0.50 for a term of two years. All securities issued are restricted from trading until September 15, 2021.

The proceeds from the Offering will be used for further drilling on the Issuer's exploration projects in Northern New South Wales, the Carron Project in Queensland and for general working capital.

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.

On May 27, 2021, the Issuer provided an exploration update on its copper-gold projects in Northern New South Wales.

Summary Highlights

- **First-pass drilling on the Mundadoo target intercepted zones of intense and favourable high temperature potassic-style biotite overprinted by sericite alteration suggesting proximity to a new and additional, previously unrecognised porphyry centre;**
- **Further step-out drilling on the high priority Trangie target has identified the most intense zone of alteration and mineralisation intercepted to date, suggesting a potential porphyry centre located to the northeast, possibly associated with an untested magnetic low;**
- **First-pass drilling on the Foster target intercepted zones of disseminated native copper; and**

- **Drilling continues in New South Wales across the portfolio of 100% owned copper-gold and gold targets. The program is systematically drilling untested regional targets as well as completing a series of step-out vectoring drill holes on high priority targets where favourable alteration and mineralisation has been identified.**

Exploration Update

The Issuer is continuing to explore its large portfolio of 100% owned projects for large alkalic copper-gold and gold deposits in the northern extension of the Macquarie Arc, Australia's premier porphyry gold-copper province. Nine additional holes have been completed across the Mundadoo, Trangie, Myallmundi, Foster and Newhaven targets totalling 2,280 metres. Inflection has now completed forty-six holes totalling 10,097 metres since the inception of the Northern New South Wales drill program.

Drilling was delayed for periods over the last quarter due to extremely wet weather, widely reported in the Australian press as a once in a hundred year event. This rare weather event impacted Eastern Australia and in particular blocked access to a number of key drill targets for a number of weeks.

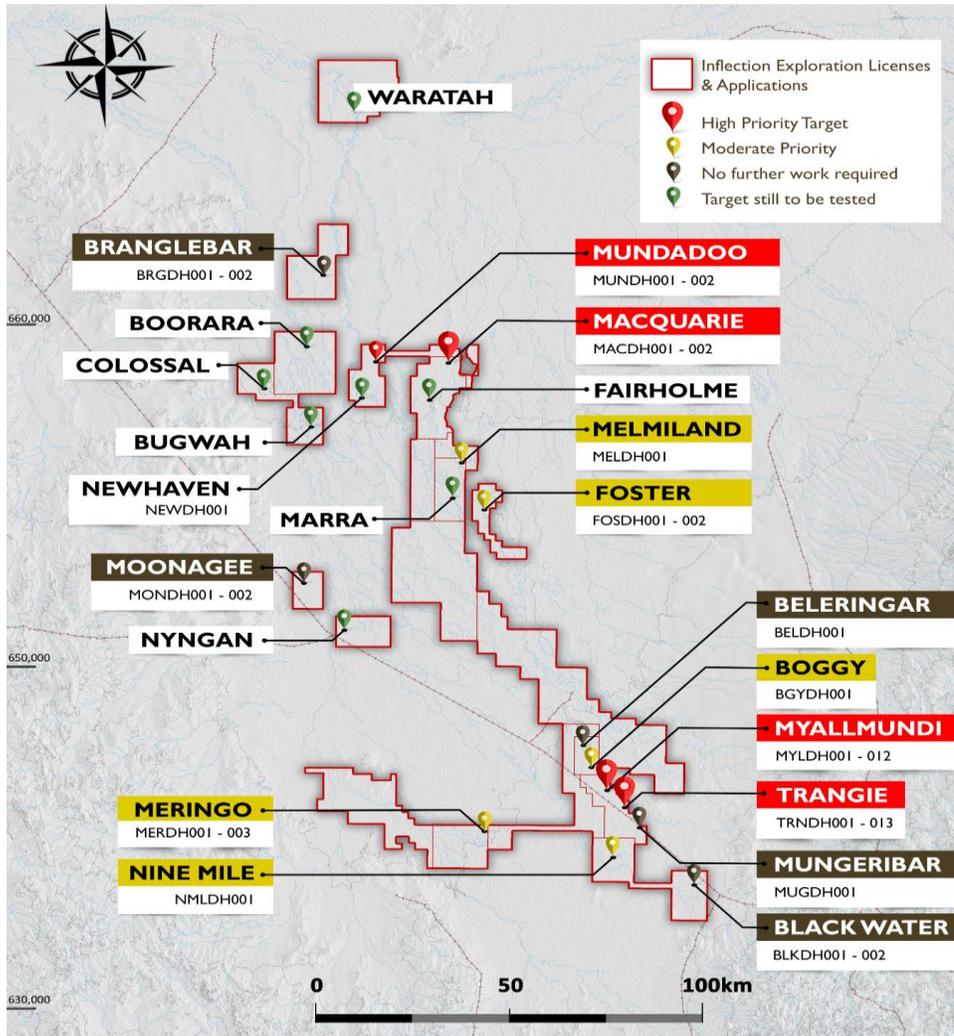


Figure 1: Northern NSW Project – Drill target location and status map.

Further Technical Details

Mundadoo Target – First-Pass Drilling

The previously undrilled Mundadoo target is located within the central part of the inferred Macquarie Arc in the northern sector of Inflection’s tenement holding. The large interpreted magnetic complex displays similar geophysical characteristics to that of the Northparkes district as indicated by the amplitude of the aeromagnetic and Bouguer gravity data. Inflection drilled two initial holes, MUNDH001 and MUNDH002, which are separated by approximately 3.5 kilometres.

Hole MUNDH002 tested the anulus of a discrete magnetic low within the southwest margins of the interpreted magnetic complex. The hole cut a sequence of post-mineral sedimentary cover before intercepting Paleozoic basement at 139.2 metres before being terminated at 180.9 metres.

The basement sequence comprises of volcanoclastic units separated by andesites. The entire core sequence displays strong favourable high-temperature potassic alteration manifested by dense early biotite veins with a later sericite-pyrite vein overprint. Significant pyrite and trace chalcopyrite, occurs throughout the core as disseminations, and within veinlets and various styles of quartz veins. Some veins comprising quartz-pyrite-sericite-chlorite +/-chalcopyrite are interpreted to be “D-style”. Occasional pervasive albite alteration is also apparent.

The degree and style of the potassic alteration intersected in this hole, together with the amount of sulphide, is considered highly encouraging and suggests the hole is located potentially in the vicinity of an additional, previously unrecognised porphyry centre. It is interpreted that the sericite alteration overprint on the potassic alteration is manifest in aeromagnetic data as a low or zone of magnetite depletion. The Issuer considers this hole highly significant and immediately ranks Mundadoo as a high priority target warranting follow-up drilling. Going forward the Issuer is planning a series of step-out drill holes to further test this target.

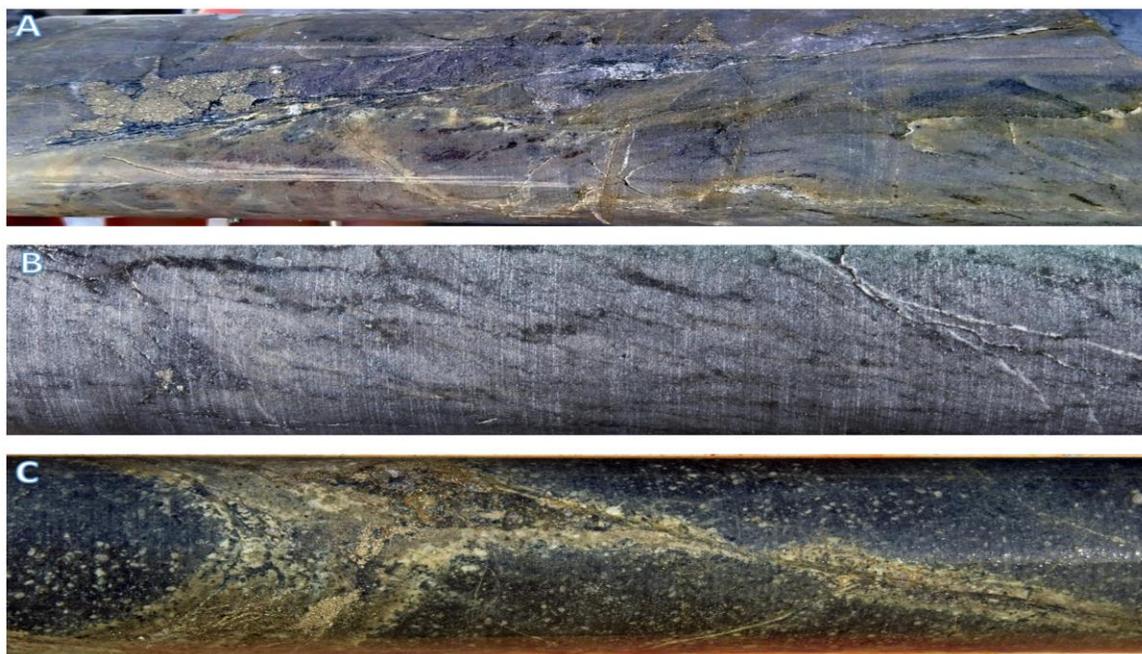


Figure 2: Drill hole MUNDH002: (A) biotite altered andesite with strong sericite-pyrite veining (B) strong biotite altered fine-grained andesite with sericite alteration overprint. (C) biotite altered feldspar porphyritic andesite cut by quartz-pyrite vein with sericite alteration margins (“D-veins”).

Hole MUNDH001 targeted a magnetic high in the northern part of the interpreted intrusive complex and intersected a highly magnetic monzodiorite. Fine disseminated pyrite occurs throughout the core, but no significant alteration other than hematite flooding was encountered. No further work is planned on this specific magnetic feature.

Trangie Target – Step-Out Drilling

Three further holes have been completed to follow up on the significant alteration and mineralisation intersected in drill hole TRNDH007 (Infection News Release February 1, 2021). Drill holes TRNDH011 and TRNDH012 were drilled approximately 250 metres to the northwest and southeast of TRNDH007 and hole TRNDH013 was collared approximately 50 metres east of TRNDH007 and drilled northeastwards at a shallow angle (-38 degrees below the unconformity) towards a coincidental magnetic low and high temperature anomaly as inferred from the “green rock” geochemistry study. “Green rock” geochemistry is a vectoring methodology the Issuer is using to focus exploration towards potential porphyry-related copper-gold mineralisation.

All three Trangie holes intersected strong propylitic alteration (epidote-quartz-chlorite) typically in sequences of andesites and volcanics. Strongly potassically-altered monzonite was intersected in TRNDH013.

In TRNDH011 pervasive albitization has made the host rock very hard, reflected in the shallower unconformity of 161 metres compared with an average of around 180 metres for the target area.

TRNDH013 intersected a much larger lateral intercept area due to the shallow angle of the drill hole resulting in a greater variety of rock types and alteration assemblages. The upper part of the hole shows two high temperature alteration events: a high temperature calcic sodic event typified by albite-epidote-magnetite and a high temperature potassic event represented by biotite – magnetite-pyrite-chalcopyrite, both pervasive and fracture controlled. Pyrite and chalcopyrite were intersected in all three holes, occurring predominantly as disseminations, in sulphide-only fine veinlets, and within quartz-epidote +/-magnetite veins.

The results of the drilling have further confirmed the prospectivity of the Trangie target, particularly the nature of the high temperature alteration. These results together with green rock geochemical results and the airborne magnetic data indicate a vector toward the northeast of holes TRNDH007 and TRNDH013. This area will be tested as part of the on-going drill program. Samples from the three drillholes have been submitted for assay and results are pending.

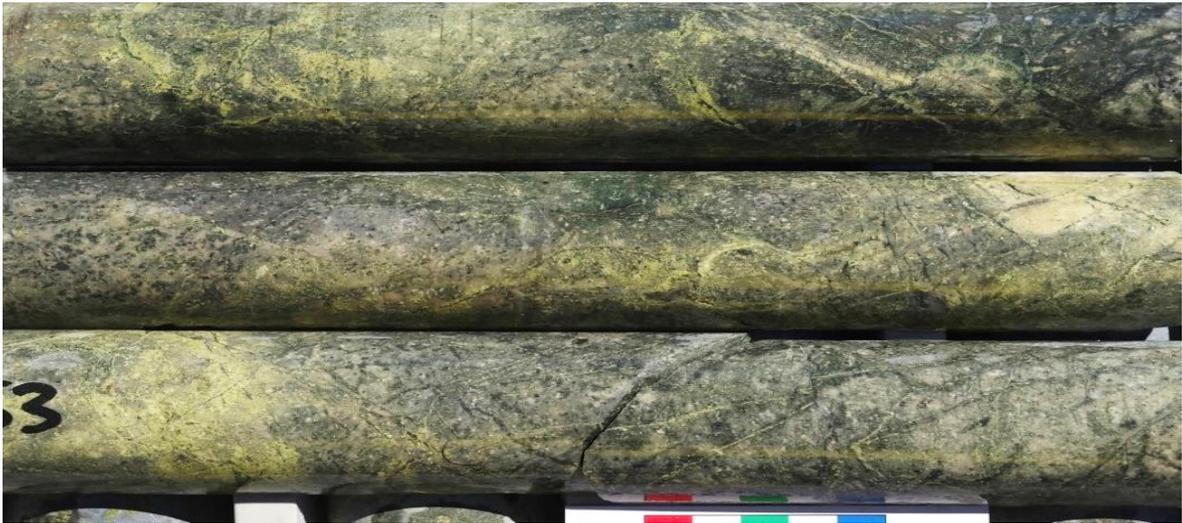


Figure 3: TRNDH013 ~253.0 m. Highly altered porphyritic andesite drill core. Early albite-epidote-chlorite cut by vein selvages and patches of biotite/sericite and magnetite.

Myallmundi Target – Step-Out Drilling

Two drill holes were planned to test favourable geochemical and “heat” vectors determined from analysis of “green rock” geochemistry of epidote and chlorite, undertaken by Dr. Josh Phillips in association with the Centre for Ore Deposits and Earth Sciences (CODES) at the University of Tasmania. Both targets are based on both favourable geochemical trends from the study and inferred “heat trends”.

Drill hole MYLDH012 tested the inferred high-temperature trend and was drilled relatively close to previous drilled holes MYLD001 and MYLDH005 which returned strong propylitic alteration with pyrite and chalcopyrite. Despite proximity to this hole, MYLDH012 intercepted weakly to moderately foliated volcanics of little economic interest. Minor epidote-carbonate-quartz veining occurs throughout the drillhole and is cut by late-stage carbonate quartz veins with rare, disseminated pyrite.

An additional priority target remains to be drilled at Myallmundi but as a result of the extremely wet weather that occurred in April, access has been problematic due to boggy ground.

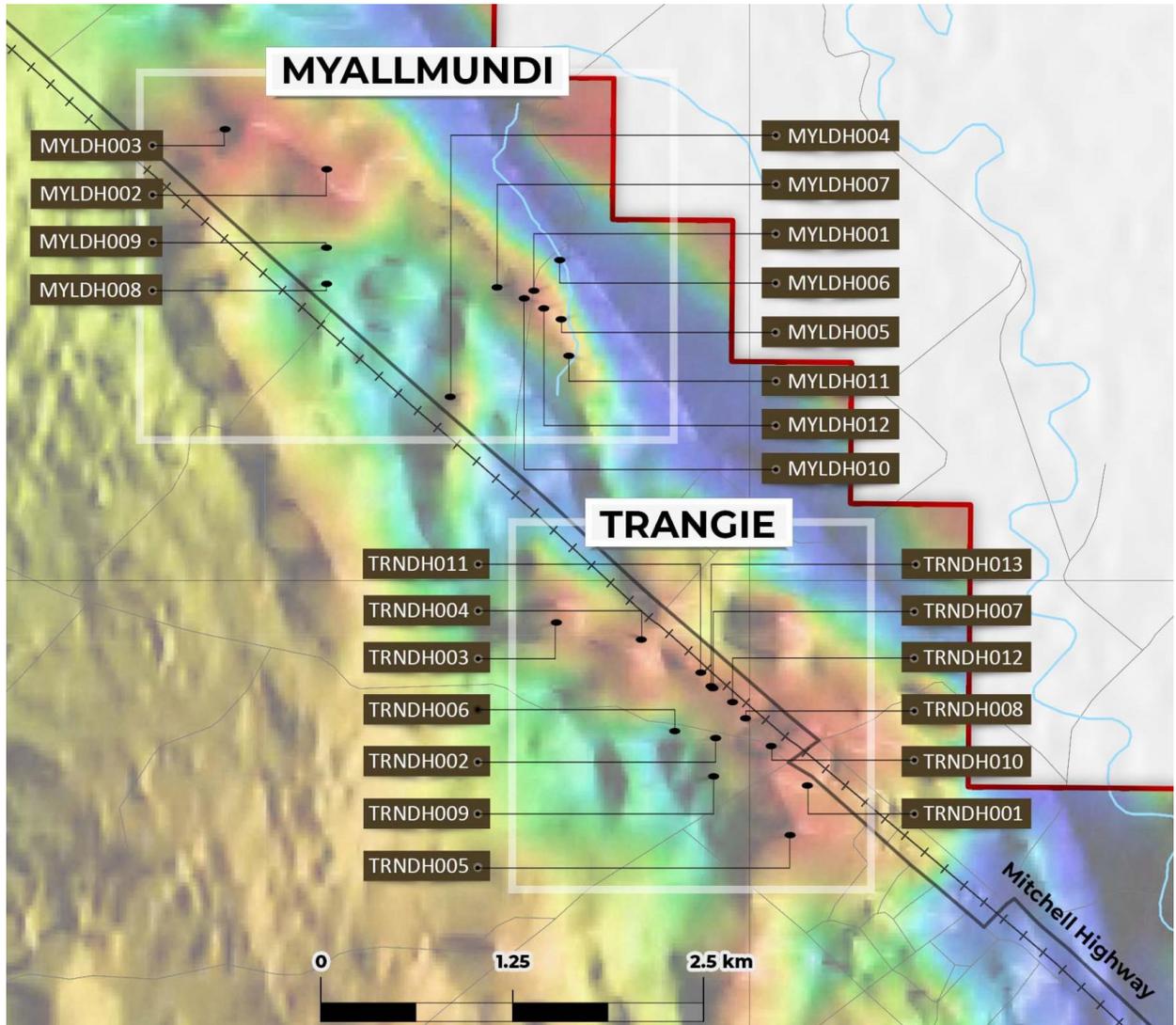


Figure 4: Trangie and Myallmundi targets - Drill hole location map with RTP TMI magnetics

Foster Target – First-Pass Drilling

The Foster target was selected to evaluate the eastern part of a large 3.0 x 1.5 kilometre magnetic feature. Inflection used magnetic inversion processing to better define the magnetic feature.

The Inflection drill hole intersected Paleozoic basement at 285.6 metres and continued to 336.9 metres with the basement interpreted comprising quartz and chlorite veined, clay-hematite altered volcanoclastic sediments grading to chlorite-clay altered. Overall alteration in the basement is limited except for patchy epidote-biotite-magnetite alteration.

Native copper occurs sporadically throughout the hole typically associated with quartz-magnetite veins. No sulphides were observed in the hole which

makes the presence of native copper intriguing. The Issuer is currently reevaluating the target and obtaining petrology to define the next steps.



Figure 5: Drill hole FOSDH002 –290.20 metres - Native copper occurring in within small quartz vein stockwork

Newhaven Target – First-Pass Drilling

One 300 metre deep hole was drilled into the Newhaven target targeting an interpreted zoned intrusive complex. The hole failed to reach the Paleozoic basement and due to the depth of cover no further work is planned on this target.

Qualified Person

The scientific and technical information contained in the above text has been reviewed and approved by Mr. Carl Swensson (FAusIMM), Inflection’s VP 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 using a truck-mounted multi-purpose drill rig. Mud rotary drilling was utilised to drill through the cover sequence before transitioning to diamond drilling using NQ sized core at the unconformity. Core was logged at the Issuer’s field office, photographed and marked before being cut to the Issuer’s specified sample intervals. Half core samples were placed in bags with internationally certified blanks and standards inserted.

Samples were dispatched to ALS Laboratories in Orange NSW 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 spectral analysis.

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.

The Issuer has hired an Exploration Manager specifically to focus on the Northern New South Wales Project.

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	13,867,156	Issued on May 14, 2021 pursuant to a non-brokered private placement of units priced at \$0.32. Each Unit consists of one common share and one half of one share purchase warrant, with each whole warrant exercisable into one further common share at a price of \$0.50 for a term of two years.	Property exploration and general working capital
Share Purchase Warrants	6,933,578	Issued on May 14, 2021 and exercisable at \$0.50 per share until May 14, 2023.	N/A
Broker Warrants	468,225	Issued on May 14, 2021 and exercisable at \$0.32 per common share until May 14, 2022.	N/A

(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 Issuer 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 Issuer 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 gold sector remains volatile but favourable and factors broadly positively in the Issuer's efforts to raise equity financing and execute its planned exploration programs.**
- **Economic trends – The CSE Composite Index closed May 31, 2021 at 790.22 which is on an upswing and 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 383.7 on May 29, 2020 but remains below the five year high of 1,436.34 reached on January 31, 2018 and the current year high of 1030.94 achieved on February 10, 2021. Interest in the Canadian small cap market dropped slightly during May 2021 compared to the previous month but appears to hold steady.**
- **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 majority of 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 impact the Issuer's ability to carry out its business plans for 2021.

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 restricted entry into the country to non-Australian residents and citizens. The COVID-19 outbreak and related disruptions in Australia is ongoing. Officials say the travel restrictions 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 2021 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: June 4, 2021.

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.	May 31, 2021	21/06/04
Issuer Address 1210 – 1130 West Pender Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC, V6E 4A4	(604) 681-9101	(604) 681-9100
Contact Name	Contact Position	Contact Telephone No.
Alistair Waddell	President, CEO, Director	604-681-9100
Contact Email Address	Web Site Address	
info@inflectionresources.com	www.inflectionresources.com	