

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: **October 6, 2021 (for the month ended September 30, 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 and the 50% owned Carron Project (continuing to farm-in to an 70% interest).

The Issuer's business development and operational activities over September 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.

In September 2021, the Issuer completed first-pass drilling at the Waratah, Newhaven, Melmiland and Marra targets.

The Issuer is also planning a field program for the Carron project expected to commence in October 2021.

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 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 copper-gold province. Seven additional holes have been completed into the Waratah, Newhaven, Melmiland and Marra targets, totalling 1,603 metres. Results from these drill holes are as follows:

- **Two holes were drilled into the Marra target, both of which intersected felsic volcanics which reported highly anomalous Zirconium and REE's.**

Hole MARDH001 returned 30.0 metres grading >500 ppm Zirconium (Zr) (above upper analytical detection limit), 100 ppm Cerium (Ce), 18 ppm Dysprosium (Dy), 11.7 ppm Erbium (Er), 56.4 ppm Neodymium (Nd), 12.9 ppm Samarium (Sm), and 11.3 ppm Ytterbium (Yb).

Hole MARDH002 intercepted 7.5 metres grading 378 ppm Zr, 127 ppm Ce, 18.7 ppm Dy, 11.1 ppm Er, 66.2 ppm Nd, 14.8 ppm Sm, and 11.2 ppm Yb. These anomalous values imply geochemical similarities to the Jurassic aged Australian Strategic Metals (ASX.ASM) Dubbo (Toongi) Project located approximately 180 kilometres to the southeast. A circular magnetic low evident in the regional data located between the two Inflection drill holes is inferred by the Company's geologists to potentially represent an alkaline intrusion with similarities to the Dubbo (Toongi) Project. Zirconium and REE's are considered highly strategic

and are in high demand for a range of clean energy and different technologies.

- Two holes, which tested part of the Waratah target, intersected a pyroxene bearing andesite which reported elevated copper. An additional untested site remains to be drilled which could not be accessed due to wet ground conditions.
- One hole drilled at Newhaven did not reach basement after cutting a sequence of post-mineral sedimentary cover and will be redrilled.
- Two Melmiland drill holes intersected unmineralized coarse grained gabbro which explained the magnetic anomaly. The target was downgraded.

The Issuer has now completed 52 holes totalling 11,348 metres since the inception of the Northern New South Wales drill program. Drilling was paused for several weeks over the last quarter to reduce costly production delays due to Covid restrictions in NSW and a challenging period of extended wet weather, which impeded drill rig access onto several drill sites. Drilling is currently focusing on new previously untested targets at Trangie.

The Issuer's district-scale land position now comprises twenty-three Exploration Licenses and Applications extending over 8,730 km², all 100% owned by the Company. This highly strategic, district-scale land position principally covers large intrusive volcanic complexes interpreted to be part of the Macquarie Arc, a highly prospective geological terrain for a variety of deposit types including alkalic porphyry-related copper-gold mineralisation and vein-hosted gold mineralisation.

Geophysical Survey – Trangie & Nine Mile Targets:

The Issuer recently completed test Induced Polarisation (IP) surveys over select areas on the Trangie and Nine Mile targets. The test surveys were located over aeromagnetic anomalies interpreted to be prospective for porphyry-related copper-gold mineralisation.

- The Trangie IP survey was designed to test for chargeable sulphides associated with a large magnetic low, stepping out from previously drilled Inflection holes which reported porphyry style hydrothermal alteration. A chargeability feature of interest was identified that coincides with the broad magnetic low and will be drill tested as part of the ongoing drilling program.
- Nine Mile IP survey tested for chargeable sulphides associated with a magnetic low, stepping out from Inflection hole (NMLDH001) which intersected a hydrothermal breccia, and a historic Rolute Limited hole (TD01) which reportedly intersected disseminated chalcopyrite and bornite in K feldspar bearing monzodiorite dykes. This survey did not adequately penetrate the post-mineral sedimentary cover sequence providing no conclusive IP related anomalies.

Initial conclusion of the test IP program is that the post-mineral sedimentary cover variably inhibits penetration using conventional IP.

2021 Drilling Plans Going Forward:

Drilling is ongoing and currently testing the following high priority targets:

- **Trangie:** The Issuer is currently drilling five new target areas, recently cleared for access, coincident with a variety of different magnetic anomalies including an approximate 1.1 x 0.7 kilometre magnetic low located 650 metres north of Inflection drill hole TRNDH013 which returned favourable alteration and low-order geochemistry.
- **Nine Mile:** Three holes are planned to test two discrete magnetic lows and one magnetic high. These holes will step out from an earlier Inflection drillhole (NMLDH001 - September 2, 2020 news release) which intersected a hydrothermal breccia. The breccia is considered significant in potentially representing a hydrothermal fluid zone indicative of the propylitic part of a potential porphyry system. Breccias of this style exist peripheral and within Macquarie Arc systems where they can be mineralized. A historic hole completed by Resolute Limited in 1997 drilled 1,200 metres north from Inflection hole NMLD001 reported traces of disseminated chalcopyrite and bornite.
- **Duck Creek:** Four holes are scheduled to be drilled to test several magnetic and gravity features identified by airborne geophysical surveys which the Issuer interprets to be part of the prospective Macquarie Arc volcanic sequence. The target area comprises a large gravity low embayment within a large regional magnetic high, of which the Company considers the geological setting analogous to the Northparkes mine located to the south. Specifically, the Issuer will test high amplitude, complex, curvilinear magnetic patterns very similar to those typical of the intrusion-related signatures of the Macquarie Arc mineralized districts.
- **Fairholme:** Two holes are planned to be drilled to test a large geologically complex magnetic high in a zone inferred to represent intrusions in the central Macquarie Volcanic Arc.
- **Newhaven:** One hole will be redrilled to test for potential porphyry-related copper-gold mineralisation in the basement Macquarie Volcanic Arc sequence. An earlier hole drilled by Inflection failed to reach basement.
- **Marra:** A follow up drill hole is planned to target a possible felsic intrusion, manifest in aeromagnetic and gravity data for Zirconium and REE mineralisation.
- **Waratah:** One hole is planned to test a distinctive aeromagnetic feature considered prospective for gold mineralisation associated with mafic volcanics. This area was not previously accessible due to wet ground conditions.

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

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.

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⁾
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.

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. 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 September 30, 2021 at 658.40 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 443.07 on September 30, 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 waned during September 2021 compared to the previous month.**
- **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. 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. However, recent and ongoing inter-state travel restrictions within Australia may potentially limit access on the ground for Australian personnel.

The Issuer's exploration activities 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: October 6, 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.	September 30, 2021	21/10/06
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
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