

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to the acquisition of 1,340,000 units (the “Units”) of Inflection Resources Ltd. (CSE: AUCU) (the “Company” or “Inflection”) by RCF Opportunities Fund L.P. (“RCF”) on July 17, 2020 in connection with Inflection’s Initial Public Offering on the Canadian Securities Exchange (the “CSE”). Each Unit consists of one common share of the Company (each, a “Common Share”) and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “Warrant”). Each Warrant entitles RCF to acquire, subject to adjustment in certain circumstances, one Common Share of the Company at an exercise price of \$0.40 for a period of 18 months following July 17, 2020. If, during the term of the Warrants, the closing price of the Common Shares on the CSE is equal to or greater than \$0.80 for any 10 consecutive trading days, the Company may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the day that is 30 days following the date of such written notice.

Inflection’s address is:

1100 - 595 Howe Street
Vancouver, British Columbia
V6C 2T5

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. Ownership and control of the Units was acquired pursuant to the Initial Public Offering of Inflection.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

The Inflection Units were acquired by RCF Opportunities Fund L.P., a private investment fund. The address of RCF is as follows:

1400 Sixteenth Street, Suite 200
Denver, CO, 80202

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

RCF acquired ownership and control of the Inflection Units through the Company’s Initial Public Offering on the CSE that was completed on July 17, 2020. The aggregate purchase price of the Units acquired by RCF was \$335,000 (\$0.25 per Unit).

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

See Item 1.1 above.

Prior to the acquisition of the Inflection Units, RCF owned and controlled a total of (i) 4,090,909 Common Shares, representing approximately 9.5% of the then issued and outstanding Common Shares and (ii) 4,090,909 Warrants, representing 26.4% of the then issued and outstanding Warrants. Assuming the exercise of all of the Warrants held by RCF prior to the acquisition of the Inflection Units, an aggregate of 8,181,818 Common Shares would have been owned and controlled by RCF, representing approximately 17.3% of the then issued and outstanding Common Shares. Prior to the completion of its Initial Public Offering of Inflection, Inflection was not a reporting issuer under applicable Canadian securities laws and, as such, RCF was not subject to insider reporting requirements under applicable Canadian securities laws in respect of its investment in Inflection.

Immediately following the acquisition of the Inflection Units, RCF owned and controlled a total of (i) 5,430,909 Common Shares, representing approximately 9.5% of the issued and outstanding Common Shares after the Initial Public Offering of Inflection and (ii) 4,760,909 Warrants, representing 20.65% of the issued and outstanding Warrants after the Initial Public Offering of Inflection. Assuming the exercise of all of the Warrants held by RCF immediately following the acquisition of the Inflection Units, an aggregate of 10,191,818 Common Shares would be owned and controlled by RCF, representing approximately 16.5% of the issued and outstanding Common Shares after the Initial Public Offering of Inflection.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

RCF acquired ownership and control of the Inflection Units.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Items 2.3 and 3.1 above.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2 above.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 2.2 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer’s business or corporate structure;**
- (g) a change in the reporting issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

RCF acquired the Inflection Units for investment purposes. RCF may, from time to time, acquire additional securities of Inflection, dispose of some or all of the existing or additional securities of Inflection or may continue to hold the securities of Inflection.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

Certificate

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED this 20th day of July 2020.

RCF Opportunities Fund L.P.

By: RCA Opportunities L.P., General Partner

By: RCFM GP L.L.C., General Partner

By: (signed) “*Mason G. Hills*”

Name: Mason G. Hills

Title: General Counsel