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INFLECTION RESOURCES LTD.

INTERIM MD&A – QUARTERLY HIGHLIGHTS

FOR THE NINE MONTHS ENDED JUNE 30, 2020

The following interim MD&A – Quarterly Highlights of the financial position of Inflection Resources Ltd. (“the Company” or “Inflection”) and results of operations of the Company should be read in conjunction with the unaudited condensed consolidated interim financial statements including the notes thereto for the period ending June 30, 2020 and the audited financial statements for the year ending September 30, 2019.

The accompanying unaudited condensed consolidated interim financial statements and related notes are presented in accordance with International Financial Reporting Standards for interim financial statements and accordingly do not include all disclosures required for annual financial statements. These statements, together with the following interim MD&A – Quarterly Highlights dated August 28, 2020 (“Report Date”), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance. The information in the interim MD&A – quarterly highlights may contain forward-looking statements.

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

Economic and industry factors are substantially unchanged with respect to a comparison of the Company’s interim financial condition to the financial condition as at the most recently completed financial year end.

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

1. CORE BUSINESS

Inflection Resources Ltd. (formerly 1118192 B.C. Ltd.) is a junior resource company engaged in the exploration and evaluation of mineral properties hosting gold, copper and base metals in New South Wales and Queensland, Australia.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on May 9, 2017 and is currently a reporting issuer in British Columbia, Alberta and Ontario. The Company’s common shares were approved for listing on the Canadian Securities Exchange (“CSE”) and commenced trading on July 21, 2020 under the symbol “AUCU”.

The consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiaries in Australia: Australian Consolidated Gold Holdings Pty Ltd ACN 619 975 405, ACGH II Pty Ltd ACN 623 704 898, and Romardo Copper (NSW) Pty Ltd ACN 605 976 565 (“Romardo Copper”). Inter-company balances and transactions are eliminated on consolidation.

The Company holds interests in the following mineral resource projects:

- **Northern New South Wales** project that consists of seventeen 100% owned exploration licences in the Lachlan Fold Belt region of New South Wales and three additional exploration licences under application. Inflection is targeting gold and copper-gold deposits in the interpreted northern extension of the Macquarie Arc, part of the Lachlan Fold Belt (LFB) in New South Wales. The Macquarie Arc is Australia's premier porphyry gold-copper province being host to Newcrest Mining's Cadia Valley deposits, the CMOC Northparkes deposits and Evolution Mining's Cowal deposits plus numerous active exploration prospects including the Boda Project, the recent discovery made by Alkane Resources. This interpreted extension of the Macquarie Arc is covered by post-mineral sediments masking the underlying favorable Paleozoic volcanic rocks. Inflection is the largest landholder in the Macquarie Arc with 549,000 ha of exploration licenses and applications covering a portfolio of drill-ready projects, which are 100% owned by the Company.
- **Artificial Intelligence** project in which the Company holds license to use a comprehensive database of targets in the southern part of the Macquarie Arc in NSW, generated using Artificial Neural Network technology. The Neural Network technology is used for predictive modeling where algorithms identify and predict hidden patterns and trends in verified, complex and seemingly unrelated data to identify new mineral deposits in the data rich southern Macquarie Arc.
- **Carron** project in which the Company has entered into a farm-in agreement to earn up to a 100% participating interest in a joint venture exploration licence in Queensland. As of the date of this report, the Company has earned an initial 50% interest in the exploration licence, and the joint venture has applied for an additional exploration license. Inflection is targeting high-grade gold bearing veins along strike from the historic Croydon Goldfields in northern Queensland. The Company controls approximately 30 kilometres of untested NW trending structures identified using high-quality airborne magnetics flown on 50 metre spaced flight lines.

1.1 Initial Public Offering

On July 17, 2020, the Company completed an initial public offering (the "IPO") of 14,000,000 units (each, a "Unit") at a price of \$0.25 per Unit to raise gross proceeds of \$3,500,000. Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company at an exercise price of \$0.40 for a period of 18 months following the closing date. If, following the closing of the IPO, the closing price of the common shares in the capital of the Company 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 date that is 30 days following the date of such written notice.

Haywood Securities Inc. acted as agent (the "Agent") for the IPO. The Agent received an 8% cash commission of \$280,000, a corporate finance fee of \$25,000 and, together with its selling group, an aggregate of 1,120,000 non-transferable compensation options (the "Compensation Options") equal to 8% of the number of Units sold. Each Compensation Option will be exercisable at \$0.25 per Compensation Option for a period of eighteen (18) months following the closing date to acquire one common share and one-half of one non-transferable warrant. Each whole compensation warrant will be exercisable to purchase one common share at \$0.40 for a period of 18 months from the closing date, subject to the same acceleration clause as the unit warrants.

The net proceeds from the IPO will be used to execute the planned drill programs on the Company's Northern NSW Project in northern New South Wales, Australia (see Section 6.4 "Northern NSW Project") and for general working capital.

1.2 COVID-19 Pandemic

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 Company'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 Company relies; (iv) restrictions imposed by governments to address the COVID-19 pandemic; and (v) restrictions that the Company 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 Company's business, financial condition and results of operations. These disruptions may severely impact the Company's ability to carry out its business plans for 2020.

The Company 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. Furthermore, the State of Queensland restricted travel across its borders in August 2020 and Queensland's premier announced that borders will remain closed until there are no cases of community transmission in New South Wales and Victoria. However, the Company's Vice President of Exploration and other technical personnel are residents of New South Wales, Australia and are able to manage the planned exploration program on the Northern NSW Property unimpeded by the international travel ban and border closures.

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 has announced an easing of restrictions effective May 15, 2020 that will allow more businesses to open up, more people to work and more personal freedoms. The Company's exploration activities planned for 2020 are expected to continue in an orderly fashion while ensuring the safety of employees. The Company will implement health, hygiene and physical distancing measures that meet any requirements of the Government of Australia. The Company will ensure ongoing compliance with the Government of Australia's announcements and any subsequent orders.

2. FINANCIAL CONDITION

As at June 30, 2020, the Company incurred a net loss of \$676,937 (June 30, 2019 - \$641,136) in the current period and has an accumulated deficit of \$1,548,847. The ability of the Company to continue as a going concern and meet its commitments as they become due, including exploration of its exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations. As the Company 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.

The Company had a working capital surplus of \$1,457,704 at June 30, 2020 compared to a surplus of \$206,833 at September 30, 2019.

Cash and cash equivalents was \$1,714,174 at June 30, 2020 compared to \$455,290 at September 30, 2019 and include cashable term deposits held at BMO Bank of Montreal with a fair value of \$1,465,000 (September 30, 2019 - \$Nil). The Company's sources and uses of cash are discussed under "Cash Flows" below.

Other receivables of \$43,142 at June 30, 2020 (September 30, 2019 - \$29,699) consist of \$32,955 in GST input tax credits and \$10,187 in accrued interest on term deposits.

Prepaid expenses and deposits of \$112,982 at June 30, 2020 (September 30, 2019 - \$39,915) consist of a \$10,000 term deposit as security on a corporate credit card, \$462 in security deposits, \$1,234 in prepaid office expenses and \$101,286 in deferred charges related to the Company's public listing process.

Refundable security deposits of \$206,404 at June 30, 2020 (September 30, 2019 - \$155,649) were advanced on the Company's mineral exploration licences as follows: Northern New South Wales project for \$159,494 (AUD \$170,000) and AI project for \$46,910 (AUD \$50,000).

Exploration and evaluation assets of \$2,523,770 at June 30, 2020 (September 30, 2019 - \$1,965,136) consist of acquisition costs and expenditures on the Company's Northern New South Wales (\$1,732,940), AI (\$518,177) and Carron (\$272,653) projects, which are discussed under "Major Operating Milestones" below.

Accounts payable and accrued liabilities of \$412,594 at June 30, 2020 (September 30, 2019 - \$318,071) are unsecured amounts. Included in accounts payable and accrued liabilities at June 30, 2020 is \$218,555 (September 30, 2019 - \$246,925) owing to directors, officers, and shareholders who hold greater than a 10% interest in the Company for unpaid services and expenses, which are non-interest bearing and payable on demand.

3. FINANCIAL PERFORMANCE

The Company's corporate and administrative head office is located in Vancouver, Canada and it is primarily engaged in acquisition, exploration and evaluation activities in New South Wales and Queensland, Australia.

Because the Company is in the exploration stage, it did not earn any significant revenue and its expenses relate to the costs of operating a private company of its size. Net and comprehensive loss for the nine months ended June 30, 2020 was \$676,937 (nine months ended June 30, 2019 - \$641,136) or loss per share of \$0.02 (nine months ended June 30, 2019 - \$0.02 loss per share).

The Company's expenses are as follows:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
	\$	\$	\$	\$
Consulting fees	12,600	57,210	120,113	164,354
Investor communication	16,920	19,767	18,799	24,248
Office and miscellaneous	4,944	1,721	19,576	5,052
Professional fees	25,289	2,960	92,285	22,387
Salaries and benefits	28,416	2,377	77,549	2,377
Share-based compensation	176,719	-	219,446	372,827
Travel and meals	6,580	16,315	72,790	47,314
	271,468	100,350	620,558	638,559

Other items are as follows:

	Three months ended June 30, 2020 \$	Three months ended June 30, 2019 \$	Nine months ended June 30, 2020 \$	Nine months ended June 30, 2019 \$
Foreign exchange gain	4,601	2,282	(486)	(2,577)
Interest income	8,220	-	13,151	-
Impairment	(69,044)	-	(69,044)	-
	(56,223)	2,282	(56,379)	(2,577)

3.1 Total Expenses for the Nine Months Ended June 30, 2020

Total expenses for the nine months ended June 30, 2020 were \$620,558 compared to total expenses of \$638,559 recorded for the 2019 comparative period.

Consulting fees were \$120,113 for the nine months ended June 30, 2020 and consisted of \$63,972 paid to executive officers, \$31,141 to other consultants and \$25,000 for the provision of strategic consulting services (including office and administrative support services). See section 11 Related Party Transactions. Consulting fees were \$164,354 for the nine months ended June 30, 2019 and consisted of \$52,350 paid to executive officers, \$90,000 for the provision of strategic consulting services, and \$22,004 paid to other consultants.

Investor communication expenses of \$18,799 were recorded for the nine months ended June 30, 2020 compared to \$24,248 recorded for the 2019 comparative period and consisted of expenditures on marketing activities and materials.

Office and miscellaneous expenses of \$19,576 were recorded for the nine months ended June 30, 2020 compared to \$5,052 recorded for the 2019 comparative period. Office and miscellaneous expenses consist of bank charges, computer and internet, office supplies, telephone and rent. The Company increased its exploration and business development activities throughout 2019 and early 2020 and accordingly office and miscellaneous expenses increased in support thereof.

Professional fees of \$92,285 were recorded for the nine months ended June 30, 2020 and consisted of \$3,200 for tax work, \$58,500 for audit related work, \$10,638 for accounting services and \$19,947 for legal fees. Professional fees of \$22,387 recorded for the 2019 comparative period consisted of \$5,705 for tax work and \$16,682 for legal fees.

Salaries and benefits of \$77,549 were recorded for the nine months ended June 30, 2020 and consisted of \$71,488 in executive salary, \$2,995 in office salary and \$3,066 in group health benefits. Salaries and benefits of \$2,377 recorded for the 2019 comparative period consisted of executive salary.

Share-based compensation was \$219,446 for the vested portion of 1,980,000 stock options granted during the nine months ended June 30, 2020 compared to \$372,827 for the grant of 2,210,000 stock options during the 2019 comparative period. While the number of stock options granted in the period was similar to that granted in 2019, the marked difference in fair value is due to the immediate vesting and expense recognition of the 2019 options whereas the current options will vest and be recognized over a six month period.

Travel and meals expense of \$72,790 was recorded for the nine months ended June 30, 2020 compared to expenses of \$47,314 recorded for the 2019 comparative period. Corporate travel was undertaken to develop the business and communicate the Company's activities to potential shareholders.

3.2 Other Items for the Nine Months ended June 30, 2020

Interest income was \$13,151 for the nine months ended June 30, 2020 for interest accrued on a term deposit purchased on February 10, 2020.

Foreign exchange loss of \$486 for the nine months ended June 30, 2020 was realized on transactions denominated in Australian dollars, the functional currency of the Company's subsidiaries and mitigated by foreign exchange gains made on the Australian dollar denominated refundable security deposits. During the nine months ended June 30, 2019, the Company realized a loss on foreign exchange of \$2,577.

Impairment of exploration and evaluation assets of \$69,044 was recorded for the nine months ended June 30, 2020 when the Company decided to relinquish four exploration licenses of the AI Project.

3.3 Total Expenses for the Three Months Ended June 30, 2020

Total expenses for the three months ended June 30, 2020 were \$271,468 compared to total expenses of \$100,350 recorded for the 2019 comparative period.

Consulting fees were \$12,600 for the three months ended June 30, 2020 and consisted of \$13,000 paid to executive officers, and a recovery of \$400 in tax amounts related to payments to other consultants. See section 11 Related Party Transactions. Consulting fees were \$57,210 for the three months ended June 30, 2019 and consisted of \$11,250 paid to executive officers, \$30,000 for the provision of strategic consulting services, and \$15,960 paid to other consultants.

Investor communication expenses of \$16,920 were recorded for the three months ended June 30, 2020 compared to \$19,767 recorded for the 2019 comparative period and consisted of expenditures on marketing activities and materials.

Office and miscellaneous expenses of \$4,944 were recorded for the three months ended June 30, 2020 compared to \$1,721 recorded for the 2019 comparative period. Office and miscellaneous expenses consist of bank charges, computer and internet, office supplies, telephone and rent. The Company increased its exploration and business development activities throughout 2019 and 2020 to date, and accordingly office and miscellaneous expenses increased in support thereof.

Professional fees of \$25,289 were recorded for the three months ended June 30, 2020 and consisted of \$13,500 for audit related work, \$10,400 for accounting services and \$1,389 for legal fees. Professional fees of \$2,960 recorded for the 2019 comparative period consisted of legal fees.

Salaries and benefits of \$28,416 recorded for the three months ended June 30, 2020 consisted of \$27,050 in executive salary and \$1,366 in group health benefits. Salaries and benefits of \$2,377 recorded for the 2019 comparative period consisted of executive salary.

Share-based compensation for the partial vesting of 1,980,000 stock options granted in March 2020 was \$176,719 during the three months ended June 30, 2020. In the 2019 comparative period, there were no stock options either granted or subject to the expense from time-based vesting.

Travel and meals expense of \$6,580 was recorded for the three months ended June 30, 2020 compared to expenses of \$16,315 recorded for the 2019 comparative period. Corporate travel was undertaken to develop the business and communicate the Company's activities to potential shareholders.

3.4 Other Items for the Three Months Ended June 30, 2020

Interest income was \$8,220 for the three months ended June 30, 2020 for interest accrued on a term deposit purchased on February 10, 2020.

Foreign exchange gain of \$4,601 for the three months ended June 30, 2020 was realized on transactions denominated in Australian dollars, the functional currency of the Company's subsidiaries and foreign exchange gains made on the Australian dollar denominated refundable security deposits. During the three months ended June 30, 2019, the Company realized a gain on foreign exchange of \$2,282.

Impairment of exploration and evaluation assets of \$69,044 was recorded for the three months ended June 30, 2020 when the Company decided to relinquish four exploration licenses of the AI Project.

4. CASH FLOWS

The Company is still in the exploration and development stage and as such does not earn any significant revenue. Total cash used in operating activities was \$424,717 for the nine months ended June 30, 2020 compared to cash used of \$164,901 for the 2019 comparative period. The Company incurred a net loss of \$676,937; deducting the non-cash items consisting of share-based compensation of \$219,446 and impairment of \$69,044, along with changes to working capital items resulted in operating cash used of \$424,717.

Cash used in investing activities was \$628,473 for the nine months ended June 30, 2020 and consisted of advances for refundable security deposits of \$27,230 and mineral property expenditures of \$588,972 as well as cash acquired on acquisition of Romardo Copper of \$18 and cash paid for acquisition of \$12,289. Cash used in investing activities was \$791,340 for the nine months ended June 30, 2019 and consisted of \$763,104 in mineral property expenditures and \$28,236 in advances for refundable security deposits.

Cash provided by financing activities was \$2,317,751 for the nine months ended June 30, 2020 and consisted of \$2,367,100 in proceeds from private placements less \$49,349 in share issuance costs. On December 19, 2019, the Company completed the first tranche of a non-brokered private placement of 5,768,638 units priced at \$0.22 for gross proceeds of \$1,269,100 of which \$280,200 was received during the previous fiscal year. Finder's fees of \$35,152 were paid in connection with this tranche of the private placement. On January 31, 2020 the Company completed the final tranche of the private placement consisting of 6,264,545 units priced at \$0.22 for gross proceeds of \$1,378,200. Finder's fees of \$14,196 were paid in connection with this final tranche. In the 2019 comparative period the Company received cash of \$761,500 on the proceeds from private placements.

The net change in cash for the nine months ended June 30, 2020 was an increase of \$1,258,884 (nine months ended June 30, 2019 – decrease of \$191,698).

5. SELECTED ANNUAL INFORMATION

N/A

6. MAJOR OPERATING MILESTONES

6.1 Nine Months ended June 30, 2020

The Company achieved the following major operating milestones during the nine months ended June 30, 2020.

On November 22, 2019, the Company and the Optionors of the Carron Project amended the minimum expenditures required to earn a 50% participating interest in the Carron Project to the AUD\$297,172 incurred as of September 30, 2019 and the Company has earned a 50% participating interest in the Carron Project as of September 30, 2019.

On December 10, 2019, the Company held an Annual General Meeting of Shareholders where the five directors of the Company were elected to hold office for the ensuing year and Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, was appointed as auditor for the ensuing year. Wendell Zerb was appointed as the Chairman of the Company.

On December 19, 2019, the Company completed the first tranche of a unit private placement of 5,768,638 units at \$0.22 per unit for gross proceeds of \$1,269,100. Each unit consist of one share and one share

purchase warrant exercisable into one share at a price of \$0.30 per share for a 30-month term. A finder's fee of \$35,152 was paid on a portion of the financing.

On December 19, 2019, the Company issued 3,456,818 common share purchase warrants, with each warrant exercisable into one share at a price of \$0.30 per share for a 30-month term, to the subscribers of the private placement which closed on April 5, 2019.

On January 31, 2020, the Company completed the final tranche of a unit private placement of 6,264,545 units at \$0.22 per unit for gross proceeds of \$1,378,200. Each unit consist of one share and one share purchase warrant exercisable into one share at a price of \$0.30 per share for a 30-month term. Finders' fees of \$14,196 were paid on a portion of the financing.

On February 11, 2020, the Company completed the acquisition of Romardo Copper.

On March 10, 2020, the Company granted 1,980,000 incentive stock options exercisable at \$0.30 per share for a five-year term to directors, officers, and employees of the Company. The options will vest six months from the date of grant.

On April 6, 2020, the Company was granted an additional exploration license under the Northern New South Wales Project.

On April 27, 2020, the Company amended the terms of the agreement with the licensor of the Artificial Intelligence Project to extend the license period to July 31, 2020.

On May 22, 2020, the Company reached an agreement with the landowner of the property on which the Carron Project is located, specifying the terms of access.

On June 12, 2020, the Company submitted its Final Long Form Prospectus to the British Columbia Securities Commission to carry out its objective to complete an initial public offering (the "Offering") of a minimum of 8,000,000 and a maximum of 14,000,000 units (the "Units") of the Company at a price of \$0.25 per Unit. Each Unit consists of one common share in the capital of the Company (each, a "Unit Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Unit Warrant"). Each Unit Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (each, a "Warrant Share") at an exercise price of \$0.40 for a period of 18 months following the closing date. If, following the closing of the Offering, the closing price of the common shares in the capital of the Company 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 Unit Warrants, accelerate the expiry date of the Unit Warrants to the date that is 30 days following the date of such written notice. The Unit Warrants will be transferable but will not be listed or quoted on any stock exchange or market.

6.2 Subsequent to June 30, 2020 to the Date of this Report

On July 16, 2020, the Company's common shares were listed on the CSE.

On July 17, 2020, the Company completed the IPO of a maximum offering of 14,000,000 Units at a price of \$0.25 per Unit to raise gross proceeds of \$3,500,000. Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company at an exercise price of \$0.40 for a period of 18 months following the closing date. If, following the closing of the IPO, the closing price of the common shares in the capital of the Company 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 date that is 30 days following the date of such written notice.

On July 21, 2020, the Company's common shares commenced trading on the CSE under the symbol "AUCU".

On July 23, 2020, the Company announced that it has commenced drilling on its Northern NSW Project located in New South Wales, Australia. See Section 6.4 “Northern NSW Project” below.

On July 29, 2020, the Company amended the terms of the agreement with the licensor of the Artificial Intelligence Project to further extend the license period to a term ending July 31, 2021.

In August 2020, the Company commenced application for an additional exploration license in the Northern New South Wales project. The Company currently holds seventeen licenses and three applications.

In August 2020, the Company advised the NSW Department of Planning, Industry that it intends to voluntarily relinquish four AI project exploration licenses.

In August 2020, the Company retained the services of Brisco Capital Partners Corp. (“Brisco”) to perform investor relations activities for a six month term. As compensation, Brisco is to be paid \$7,500 per month and receive a grant of 300,000 incentive stock options exercisable at \$0.55 per share. The stock options have a two-year term and are subject to a 12 month vesting period with 25% of the options vesting every three months.

6.3 Exploration and Evaluation Activities for the Nine Months Ended June 30, 2020

The Company is in the mineral exploration stage and as such has no revenues. Mineral interests in the form of exploration and acquisition costs totalled \$2,523,770 as at June 30, 2020 (September 30, 2019 - \$1,965,136). Total costs incurred on exploration and evaluation assets are summarized as follows:

	AI Project	Northern NSW Project	Carron Project	Total
<i>Acquisition costs:</i>				
Balance, September 30, 2018	\$ 157,337	\$ 424,869	\$ 95,214	\$ 677,420
Additions for the year:	60,000	-	-	60,000
Balance, September 30, 2019	217,337	424,869	95,214	737,420
Additions for the period:	-	26,818	-	26,818
Balance, June 30, 2020	217,337	451,687	95,214	764,238
<i>Deferred exploration costs:</i>				
Balance, September 30, 2018	88,979	297,632	-	386,611
Additions for the year:				
Administration and maintenance	6,027	12,153	-	18,180
Assay costs	4,295	-	-	4,295
Claim management fees	25,429	87,888	-	113,317
Geophysics	-	173,515	145,785	319,300
Geological services	156,496	213,734	4,000	374,230
Travel, food and accommodation	11,618	165	-	11,783
Total additions	203,865	487,455	149,785	841,105
Balance, September 30, 2019	292,844	785,087	149,785	1,227,716
Additions for the period:				
Administration and maintenance	1,300	50,930	1,484	53,714

Assay costs	18,451	-	-	18,451
Claim management fees	15,862	110,506	10,424	136,792
Drilling	-	53,563	-	53,563
Equipment	-	39,547	-	39,547
Geophysics	-	6,541	1,103	7,644
Geological services	41,317	220,487	14,643	276,447
Travel, food and accommodation	110	14,592	-	14,702
Total additions	77,040	496,166	27,654	600,860
Write-down of properties:	(69,044)	-	-	(69,044)
Balance, June 30, 2020	300,840	1,281,253	177,439	1,759,532
Balance, September 30, 2019	\$ 510,181	\$ 1,209,956	\$ 244,999	\$ 1,965,136
Balance, June 30, 2020	\$ 518,177	\$ 1,732,940	\$ 272,653	\$ 2,523,770

6.4 Northern NSW Project

The Northern NSW project is the Company's principal property and as of the date of this report consists of seventeen 100% owned non-surveyed non-contiguous exploration licences ("EL") and three EL applications located in the Lachlan Fold Belt region of New South Wales, Australia. Eleven of the EL were acquired pursuant to a Binding Term Sheet dated June 6, 2017 that was subsequently replaced by a Superseding Agreement dated July 1, 2018. Two of the EL were acquired pursuant to an Asset Purchase and Sale Agreement dated February 26, 2019 that closed on February 11, 2020. Four of the EL and the three EL applications were staked by the Company directly.

Inflection is principally targeting 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. This interpreted extension of the belt is covered by post-mineral sediments masking the underlying favorable, early to Mid-Paleozoic volcanic sequence. See Figure 1 below.

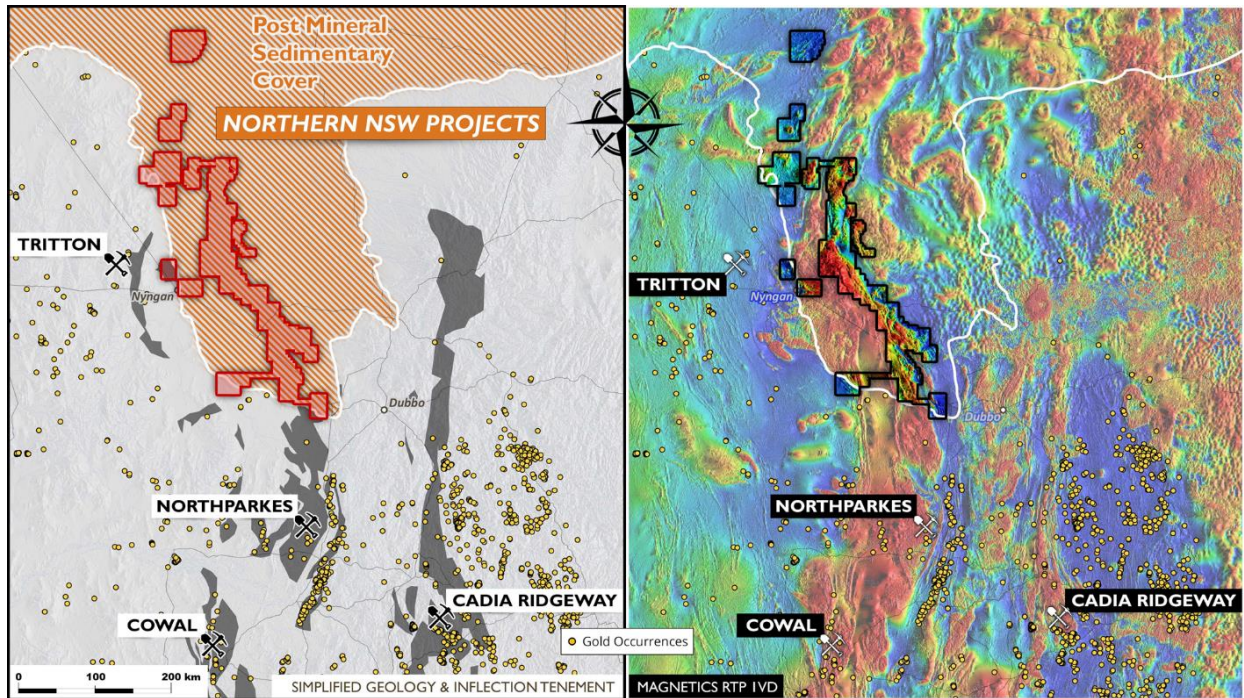


Figure 1 - Northern New South Wales Project – Inflection tenement with interpreted Macquarie Arc geology and regional magnetic data (RTP-1VD)

The nature of the underlying Paleozoic sequence is poorly understood, as there has been only limited drilling through the Mesozoic and Cainozoic sedimentary sequence that overlies it. Most knowledge of this part of the belt comes from limited drill hole information, augmented by the interpretation of 400-metre spaced regional aeromagnetic and select gravity data. The Company interprets the extension of the Junee-Narromine Volcanic Belt to consist of major separate igneous complexes, each consisting of lavas and volcanoclastic sediments intruded by a series of mafic to felsic intrusive porphyries.

Over the last two years, Inflection has applied for nineteen exploration licenses covering twenty drill-ready projects which are 100% owned by the Company. With the exception of one encouraging drill hole in the Macquarie Project, none of the individual targets have previously been drill tested. See Figure 2 below for a target location map with interpreted geological extension of the Junee-Narromine Volcanic Belt.

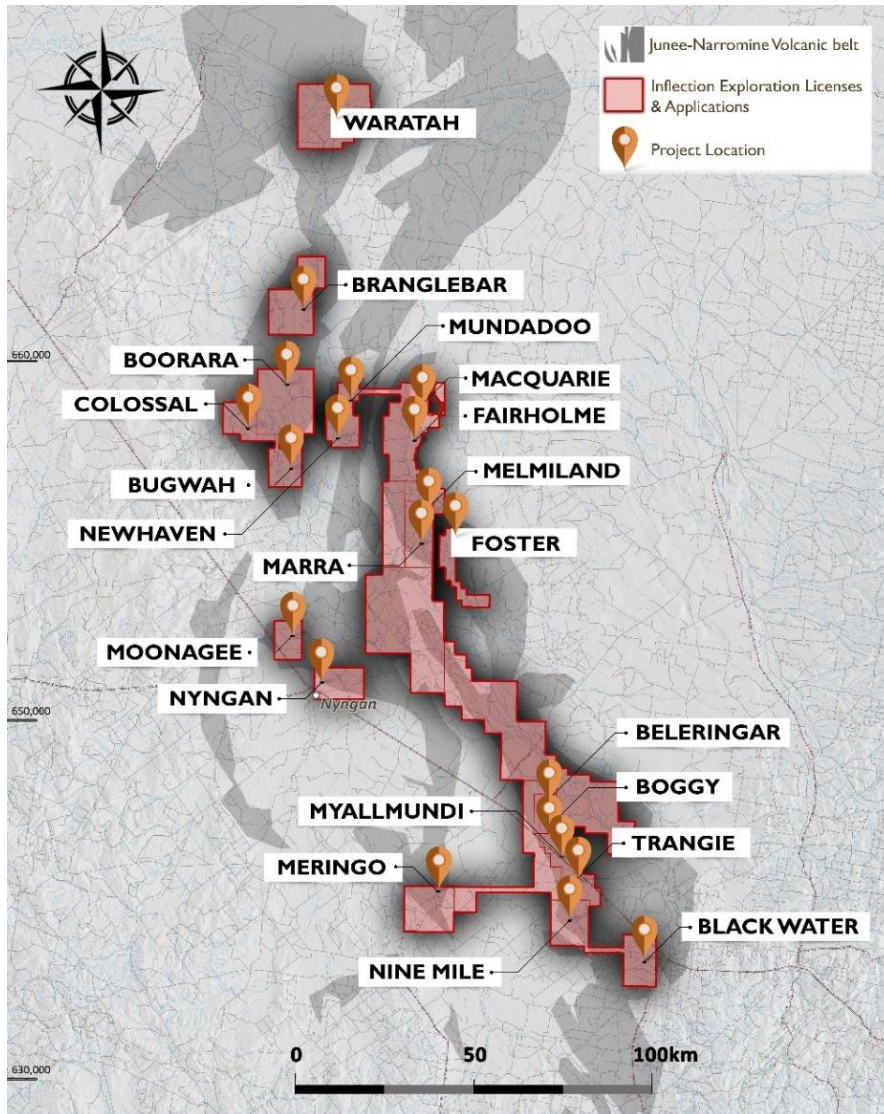


Figure 2 - Northern New South Wales Project – Target location map with interpreted extension of the Junee-Narromine Volcanic Belt

Northern NSW Project - Target Generation

The intrusive associated copper-gold targets are typically located central to the volcanics of the Arc with the vein array targets structurally associated with turbidites on the western margins of the Arc. There is a broad continuum of intrusion-associated targets such as interpreted sheeted veins above cupolas between the back-Arc turbidites and the porphyry systems of the Central Arc volcanics.

This data used for the initial targeting mostly comprised of 400-metre spaced government airborne magnetic data and regional gravity data of variable quality. Geological interpretation focused on the definition of felsic or intermediate intrusive complexes, mafic and ultramafic intrusive complexes, limits of mafic and felsic volcanic units, alteration, major faults, particularly microcraton-bounding faults, and regional scale redox domains.

Inflection has since completed an approximate 15,000-line kilometre high-resolution magnetic survey on 100-metre spaced lines specifically covering the individual targets generated to provide higher definition for

modelling and drilling. The high-resolution magnetic data was interpreted, and 3D Magnetic Vector Inversion (MVI) models built, which were in turn used to construct geological models. A specific exploration program to test each target has been designed using the interpreted technical attributes of each target.

Northern NSW Project - Exploration Strategy and Program

On July 23, 2020, the Company announced that drilling has commenced on its Northern NSW Project. Inflection has commissioned DDH1 Drilling Pty Ltd. to complete an initial thirty-eight (38) drill holes testing twenty (20) high priority gold or gold-copper targets.

Inflection plans to systematically drill test the following first five targets: Myallmundi, Trangie, Mungeribar, Nine Mile and Blackwater. The Company 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 Valley deposits, the CMOC Northparkes deposits and Evolution Mining's Cowal deposits plus numerous active exploration prospects including the Boda Project, the recent discovery made by Alkane Resources.

Exploration Strategy

It is well documented that mineralized bodies elsewhere in the belt, in particular porphyry and intrusive related systems, have large district-scale alteration and geochemical halos or footprints surrounding them. The Company is completing a series of short diamond drill holes into bedrock rather than just one deep and more expensive diamond drill hole. Multiple data points gained from alteration and geochemistry will then be used to vector additional deeper holes in conjunction with geochronological studies. This is a proven exploration strategy in the covered segments of the Macquarie Arc having been directly responsible for the Northparkes and Cowal discoveries.

Inflection will complete a first-pass drill program across the 20 targets comprising of an initial 38 drill holes. The Company will use cost-effective mud-rotary drilling to cut through the younger post-mineral sedimentary cover, then transition to diamond core drilling once the interpreted Paleozoic basement is reached. It is expected this first-pass drill program will take several months.

The Company is taking a portfolio approach to the drill targets and is realistic in its expectations that not all targets will yield successful results. The Company believes by having 20 separate targets, the odds of identifying a new mineralised system are significantly enhanced and is taking a "drill and kill" type approach to the portfolio, testing as many targets as possible for the least amount of capital. If favourable mineralisation or alteration is not intercepted, the Company intends to quickly move on to the next target.

The Company is very much focused on using the best available geoscience and will be using the latest research available including many of the recently published "Green rock" studies used to interpret spatial trends for alteration and geochemistry which will be used to vector and position additional drill holes.

Northern NSW Project – Government Drilling Grants

In April 2020, Inflection was awarded three grants from the Government of NSW New Frontiers Cooperative Drilling Program. The grants which total AUD \$139,685 will fund 50% of the first-pass direct drilling costs on three of our Northern NSW projects: Blackwater, Branglebar and Brewarrina.

This program is managed by the Geological Survey of NSW and is part of the NSW Mineral Strategy commitment to promote investment in mining and exploration. The New Frontiers Cooperative Drilling program provides grants to successful applicants for exploration drilling programs that demonstrate strong prospectivity, sound financial planning and a proven technical base.

6.5 Artificial Intelligence Project – Southern NSW

The AI project is the subject of a Lachlan Fold Belt Exploration Alliance Agreement dated May 1, 2017, as amended on April 27, 2020 and July 29, 2020, in which the Company agreed to acquire the rights from the Licensor to use proprietary database of exploration targets generated in the data rich southern Lachlan Fold Belt region of New South Wales. To date the Company has acquired 5 exploration licences (EL). Following assessment work on the EL's the Company recently advised the NSW Department of Planning, Industry that it intends to voluntarily relinquish four EL's.

During the period some early stage exploration was completed over a number of targets which involved preliminary geological mapping and some wide-spaced soil sampling.

Inflection has a partnership with an expert technical team that uses Artificial Neural Network technology for predictive modeling where algorithms identify and predict hidden patterns in verified, complex and seemingly unrelated geological data to identify new mineral deposits in the data rich southern Macquarie Arc.

The Government of New South Wales, in conjunction with Geoscience Australia, has generated and compiled a massive amount of precompetitive geological data that is available through MinView (<https://minview.geoscience.nsw.gov.au/>), a web mapping application that provides free access to view, search and download a comprehensive range of geoscientific data for NSW. The MinView database has over 50 unique map layers of Geoscientific data including statewide seamless geology maps of different scales, the location of all recorded mineral occurrences, drill hole locations and related sample information, surface sample locations and geochemistry, geochronological data, statewide geophysical imagery and mining title information.

The Neural Network study being utilized by Inflection identified 60 areas of interest which have been ranked in terms of priority.

6.6 Carron Project – Queensland

The Carron project is the subject of an Exploration Farm-in Agreement dated March 15, 2017, as amended on December 20, 2018 and November 22, 2019, in which the Company agreed to earn up to a 100% participating interest in all property and assets of the joint venture established under the Farm-In Agreement (the "Joint Venture Property") to acquire, explore and develop an exploration license in Queensland, Australia. As of the date of this report, the Company has earned an initial 50% interest in the exploration license and has made application for an additional exploration license. The Carron project is comprised of approximately 30 kilometres of untested northwest trending structures consisting of 11 high-priority drill targets.

In Northern Queensland, Inflection is targeting high-grade orogenic gold bearing veins and intrusive related gold systems along strike from the historic Croydon Goldfield. The Croydon Goldfield was one of Queensland's more significant gold-producing districts, with a total output from 1885 to 2015 of reportedly over one million ounces from numerous high-grade quartz-vein lodes with an average of 35 g/t Au.

After reviewing the regional public domain airborne magnetics in the vicinity of Croydon, a series of large north-west trending magnetic anomalies were identified. The anomalies, which extend over approximately 30 kilometres, lie along structural strike to the northwest from the Croydon Goldfield. These structures are interpreted to potentially be the concealed repetition of the gold mineralisation found in the Croydon district, which are completely covered by post-mineral sedimentary cover masking the potentially prospective geology.

The public domain magnetic data used to generate the targets was not detailed enough for accurate drill targeting. Consequently, the Company flew a 3,855-line kilometre airborne magnetic survey at 50-metre line spacing to enable more accurate drill hole positioning. The high resolution airborne magnetic data was processed, and 3D magnetisation vector inversion and conventional susceptibility inversion modelling was completed. The magnetics enabled the construction of a 3D geological model and the positioning of the individual drill holes. See Figure 3 below for a simplified geological map and airborne RTP 1VD magnetic survey data of the Croydon Gold Project.

A number of drill targets have been defined and the Company is planning to drill the initial targets later in the year, once the drilling in northern NSW is underway. None of the Carron targets have previously been drill tested. The Company has received a drilling grant in the value of up to AUD \$72,000 from the State of Queensland to be applied towards the program.

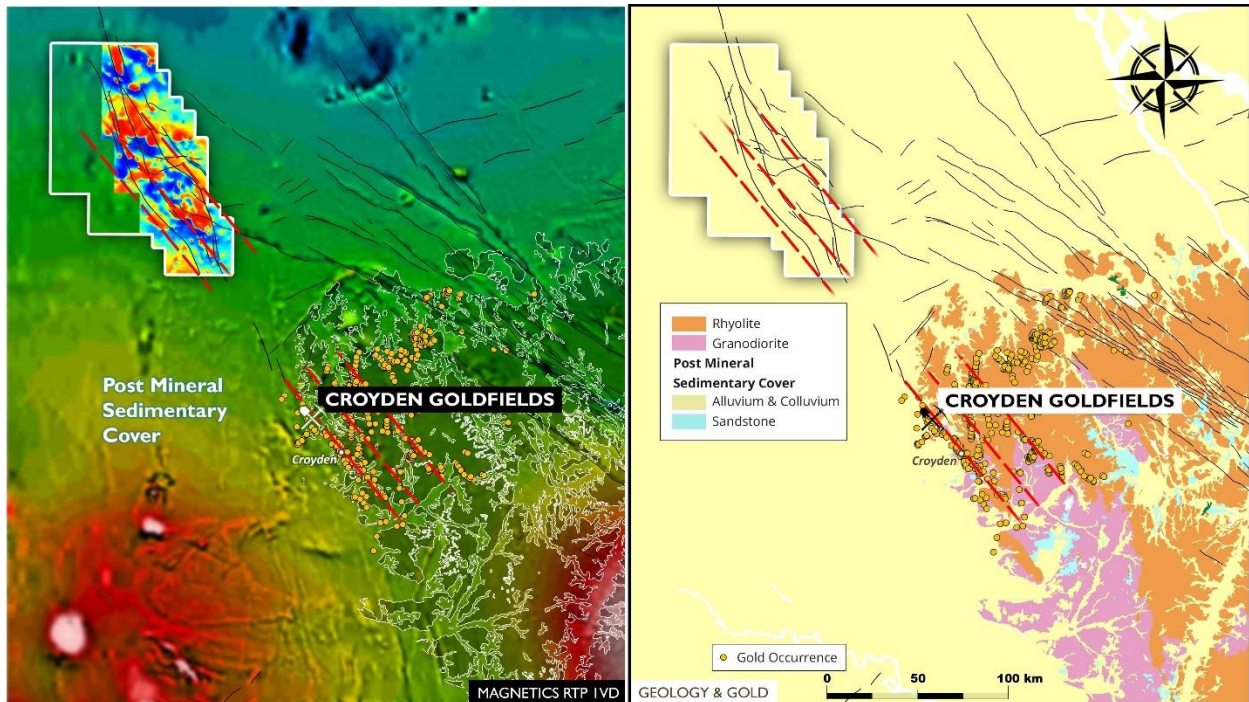


Figure 5 - Croydon Gold Project: Simplified geological map and airborne RTP 1VD magnetic survey data

6.7 Qualified Person

The Company's exploration program is directed by Mr. Carl Swensson (FAusIMM), Inflection's Vice President Exploration, and a "Qualified Person" ("QP") as defined in National Instrument 43-101 and who also reviewed and approved the scientific and technical information contained in this MD&A.

7. SUMMARY OF QUARTERLY RESULTS

N/A

8. LIQUIDITY

The Company's financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. In order for the Company to continue as a going concern and meet its financial obligations over the next twelve months, the Company may need to conclude an equity financing.

Cash and cash equivalents at June 30, 2020 was \$1,714,174 compared to cash and cash equivalents of \$455,290 at September 30, 2019. Working capital surplus was \$1,457,704 at June 30, 2020 compared to a surplus of \$206,833 at September 30, 2019. Factors that could impact on the Company's liquidity are

monitored regularly and include market changes, gold price changes, and economic downturns that affect the market price of the Company's securities for the purposes of raising financing.

Other receivables of \$43,142 at June 30, 2020 consisted of \$32,955 in GST input tax credits and \$10,187 in accrued interest on term deposits that are liquid in the short term.

Prepaid expenses and deposits of \$112,982 at June 30, 2020 consist of a \$10,000 term deposit as security on a corporate credit card, \$462 in security deposits, \$1,234 in prepaid office expenses and \$101,286 in deferred charges related to the Company's public listing process.

Refundable security deposits of \$206,404 at June 30, 2020 represent AUD \$220,000 of deposits paid on exploration licences in Australia. These deposits will only be refunded if the Company drops or divests the tenements.

Accounts payable and accrued liabilities of \$412,594 at June 30, 2020 are unsecured, non-interest bearing and payable on demand.

Based on the above financial condition at June 30, 2020, the Company will need to raise additional financing in order to carry out its planned Phase I exploration program on the Northern New South Wales project and other mineral acquisition and exploration activities in the current fiscal year. This was accomplished with the close of the Company's IPO on July 17, 2020 which raised gross proceeds of \$3,500,000.

9. CAPITAL RESOURCES

The Company has no commitments for capital expenditures. The Company holds various mineral property agreements that will require expenditures in the current fiscal year to maintain the agreements in good standing. However, the Company may negotiate with the Licensors and Optionors to extend the payments or otherwise amend the terms of the agreements.

The Company does not have any capital resources in the form of debt, equity and any other financing arrangements.

10. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

11. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer of the Company, as well as the Vice President, Exploration and Corporate Secretary. Key management personnel compensation is comprised of the following:

	Nine months ended June 30, 2020 \$	Nine months ended June 30, 2019 \$
Consulting fees	63,983	52,350
Salaries and benefits	71,316	3,328

Geological consulting/salary capitalized to E&E assets	190,985	138,750
Share-based compensation	219,446	372,827
	545,730	566,155

During the nine months ended June 30, 2020, the Company entered into the following transactions with related parties:

- a) Incurred \$22,500 (2019 - \$26,250) in consulting fees and \$22,500 (2019 - \$78,750) in geological consulting fees payable to Waddell Consulting Inc., a company controlled by Alistair Waddell, the CEO of the Company;
- b) Incurred \$49,500 (2019 - \$Nil) in salary and \$49,500 (2019 - \$Nil) in salary capitalized to geological services payable to Alistair Waddell, the CEO of the Company, pursuant to a management agreement effective January 2020 as described below;
- c) Incurred \$40,000 (2019 - \$25,000) in consulting fees payable to Cariboo Sky Consulting Ltd., a company controlled by Alain Voisin, the CFO of the Company;
- d) Incurred \$120,468 (2019 - \$60,000) in fees and benefits payable to Swensson Integrated Resource Management, a company controlled by Carl Swensson, the VP Exploration of the Company. Of this amount \$118,985 (2019 - \$60,000) was capitalized to geological services and \$1,483 (2019 - \$Nil) was expensed as consulting fees;
- e) Incurred \$18,750 (2019 - \$3,328) in salaries and fees payable to Sandra Wong, the Corporate Secretary of the Company; and
- f) Incurred \$3,066 in group health benefits.

The Company was party to a Contract for Services dated July 1, 2018, as amended on September 1, 2019, with Ore Capital Partners Ltd. ("Ore Capital"), a shareholder of the Company. Under the amendment, Ore Capital provided strategic consulting, office and administrative support services for a monthly fee of \$10,000 reduced to \$5,000 per month effective September 1, 2019 until terminated on February 29, 2020.

As at June 30, 2020 included in accounts payable and accrued liabilities is \$218,555 (September 30, 2019 - \$246,925) due to related parties.

The Company has executed a management agreement (the "Executive Agreement") with Alistair Waddell (the "Executive") for his services as Chief Executive Officer and President effective January 1, 2020 for no fixed term. As compensation for the services to be provided, the Executive will receive a monthly salary of \$16,500 (the "Monthly Compensation").

The Company has executed a consulting agreement (the "Consulting Agreement") with Swensson Integrated Resource Management (the "Consultant"), a private company beneficially owned by Carl Swensson, effective January 1, 2020 for a two-year term. As compensation for the services to be provided, the Consultant will receive a monthly fee of AUD\$16,500 (the "Monthly Compensation").

12. FOURTH QUARTER

N/A

13. PROPOSED TRANSACTIONS

The Company is engaged in the search for potential mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions. Other than disclosed in this Management's Discussion and Analysis, the Company does not have any proposed transactions.

14. SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

N/A

15. CHANGES IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION

The Company has adopted the following new accounting standard effective October 1, 2019:

IFRS 16, Leases, replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

16. FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using level 1 fair value measurement. The carrying value of receivables and accounts payable approximate their fair value because of the short-term nature of these instruments.

Refundable security deposits are refundable at a fixed amount in \$AUD and are carried at fair value using level 1 fair value measurement, which is based on the \$CDN equivalent at each balance sheet date.

16.1 Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in a bank account held with a major bank in Canada. The risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company has secondary exposure to credit risk on its receivables. This risk is minimal as receivables consist primarily of refundable goods and services taxes.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company is exposed to significant foreign currency risk through its security deposits and the majority of its accounts payables that are denominated in the Australian dollar.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

Interest rate risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

17. RISKS AND UNCERTAINTIES

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has No History of Operations

The Company has no history of operations and is in the early stages of exploration on its mining properties. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including

intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

There is Uncertainty in the Nature and Amount of the Company's Resources

While the Company has carried out, and will carry out on an annual basis, estimates of its mineral resources, this should not be construed as a guarantee that such estimates are accurate. If such estimates prove to be materially inaccurate, that would have a material and adverse effect on the Company's business and results of operations.

Risk of Infectious Disease Outbreaks

Emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, including the COVID-19 outbreak, could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions (including as a result of government regulation and prevention measures), labour shortages and shutdowns, social unrest, breach of material contracts, government or regulatory actions or inactions, changes in tax laws, payment deferrals, increased insurance premiums, declines in the price of precious metals, delays in permitting or approvals, governmental disruptions, capital markets volatility, or other unknown but potentially significant impacts. In addition, governments may impose strict emergency measures in response to the threat or existence of an infectious disease. The full extent and impact of the COVID-19 pandemic is unknown and, to-date, has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including precious metals) and has raised the prospect of a global recession. The international response to COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in global consumer activity. At this time, the Company cannot accurately predict what effects these conditions will have on mining operations or financial results, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by the governments of impacted countries. In addition, a significant outbreak of contagious diseases in the human population, such as COVID-19, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could result in a material adverse effect on commodity prices, demand for metals, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Company's common shares. Accordingly, any outbreak or threat of an outbreak of an epidemic disease or similar public health emergency, including COVID-19, could have a material adverse effect on the Company's business, financial condition and results of operations. As at the date hereof, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how the

Company may be affected if a pandemic, such as the COVID-19 outbreak, persists for an extended period of time.

18. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at August 28, 2020, the Company has 57,268,784 common shares issued and outstanding (June 30, 2020 – 43,163,184).

Details of share purchase warrants outstanding as at August 28, 2020 and June 30, 2020 are as follows:

August 28, 2020	June 30, 2020	Exercise Price	Expiry Date
9,225,456	9,225,456	\$0.30	June 19, 2022
6,264,545	6,264,545	\$0.30	July 31, 2022
7,000,000	-	\$0.40	January 17, 2022
52,800	-	\$0.40	January 17, 2022
22,542,801	15,490,001		

Details of stock options outstanding as at August 28, 2020 and June 30, 2020 are as follows:

August 28, 2020	June 30, 2020	Exercise Price	Expiry Date
2,010,000	2,010,000	\$0.20	March 24, 2024
1,980,000	1,980,000	\$0.30	March 10, 2025
300,000	-	\$0.55	August 26, 2022
4,290,000	3,990,000		

Details of agent compensation options outstanding as at August 28, 2020 and June 30, 2020 are as follows:

August 28, 2020	June 30, 2020	Exercise Price	Expiry Date
1,014,400	-	\$0.25	January 17, 2022
1,014,400	-		

19. COMMITMENTS, EXPECTED OR UNEXPECTED EVENTS, OR UNCERTAINTIES

The Company is party to agreements to acquire mineral properties that are disclosed in the accompanying financial statements.

The Company is party to consulting and employment agreements that are disclosed in the accompanying financial statements.

Other than as disclosed in this MD&A and the accompanying financial statements, the Company does not have any commitments or expected events. The Company discloses various risks associated with its activities; however, future unexpected events or uncertainties may arise and negatively affect the Company's future activities.

20. BOARD OF DIRECTORS AND OFFICERS

On December 10, 2019, Wendell Zerb was appointed as the Chairman of the Company.

As at the date of this report, the directors of the Company are Alistair Waddell (President and Chief Executive Officer), Wendell Zerb (Chairman), Cecil R. Bond, Tero Kosonen and Stuart Smith. Carl Swensson is Vice President, Exploration, Alain Voisin is CFO and Sandra Wong is Corporate Secretary.

21. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of the Company and all the information in this MD&A are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the MD&A and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board, and the majority of its members are independent directors. The Committee meets at least once a year with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the external auditors. The Company's auditors have full and free access to the Audit Committee.

22. FORWARD LOOKING STATEMENTS

Certain information contained or incorporated by reference in this MD&A, including any information as to our future financial or operating performance, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and in other countries; business opportunities that may be presented to, or pursued by, us; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of exploration, development

and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements.

We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

On behalf of the Board,

INFLECTION RESOURCES LTD.

Alistair Waddell

President and Chief Executive Officer