INFLECTION RESOURCES LTD.

An exploration stage company

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2020

The Management's Discussion of Financial Condition and Results of Operations (the "MD&A") is dated March 1, 2021, and provides an analysis of, and should be read in conjunction with the accompanying condensed interim consolidated financial statements and related notes thereto for the three month periods ended December 31, 2020 and 2019 (the "Interim Financial Statements"), and other corporate filings available under the Company's profile on SEDAR at www.sedar.com, including the consolidated financial statements for the year ended September 30, 2020 (the "AFS").

Financial statement information presented herein was prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Inflection's reporting currency is the Canadian dollar ("$"), and all amounts in this MD&A are expressed in Canadian dollars, unless otherwise stated. Amounts in Australian dollars are expressed as "AUD". As at December 31, 2020, the indicative rate of exchange, per $1.00 as published by the Bank of Canada, was AUD 1.0168 (AUD 1.0963 at December 31, 2019). Amounts in United States dollars are expressed as "USD".

NOTES REGARDING 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". These statements are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well an indication of the Company's potential future performance. 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 risks, 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 Australia, 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, and they should not place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. 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; accordingly, readers are advised to consider such forward-looking statements in light of the risks as set forth below.

All of the forward-looking statements made in this MD&A are qualified by these cautionary statements, and 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.

Furthermore, the Company continually seeks to minimize its exposure to business risks, but by the nature of its business, activities, and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, or those described in this MD&A under the heading "*Risks and Uncertainties*" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

USE OF TERMS

Except as otherwise indicated by the context and for the purposes of this report only, references in this MD&A to "we," "us," "our" or "the Company", refer to Inflection Resources Ltd. (the "Company", or "Inflection"), a British Columbia corporation.

OUTLOOK

The Company anticipates continuing first-pass and step-out drilling in Northern New South Wales with a focus on the portfolio of 100%-owned targets located in an area extending over approximately 200 kilometres in Northern NSW.

First-pass drill holes will be completed on the remaining ten targets yet to be tested, as well as completing a series of additional priority step-out, follow-up holes at the Trangie, Myallmundi, Melmiland, and Macquarie targets where initial drilling returned encouraging results suggesting proximity to multiple porphyry centres. Further updates will be provided as additional drill holes are completed.

OVERVIEW

Inflection is a junior resource company engaged in the exploration and evaluation of mineral properties for gold and copper 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.

Inflection completed an initial public offering (the "IPO") to raise gross proceeds of $3,500,000 and list the Company's common shares (the "Common Shares") for trading on the Canadian Securities Exchange (the "CSE") on July 21, 2020 under the symbol "AUCU". The Company's shares are also listed for trading on the OTCQB under symbol "AUCUF".

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

Mineral Properties

The Company's mineral property interests encompass a large portfolio of exploration licenses and applications in New South Wales, and Queensland Australia.

Expenditures directly attributable to the acquisition of mineral property interests have been capitalized; staking costs, related land claims fees paid, and ongoing exploration expenditures, have also been capitalized. Details of exploration and evaluation expenditures incurred by the Company at its mineral property interests are summarized in this MD&A under heading "*Selected Financial Information - Financial position - Assets*".

The Company holds interests in, and has been actively working on, the following mineral resource projects:

a) Northern New South Wales project

The Northern New South Wales ("NNSW") project is the Company's principal property, and consists of a series of 100%-owned non-surveyed non-contiguous exploration licences ("EL") and EL applications located in the Lachlan Fold Belt region of Northern New South Wales, Australia (the "LFB").

Eleven of the ELs were acquired in 2018 (the "Acquired NNSW licences"); a further two ELs (the “Romardo Licenses”) were acquired pursuant to an Asset Purchase and Sale Agreement dated February 26, 2019 that closed on February 11, 2020 (the "Romardo Acquisition"). All other ELs and EL applications were staked by the Company directly. Inflection is the largest landholder in the Macquarie Arc with exploration licenses and applications covering a large portfolio of drill-ready projects.

There is a 2% net smelter return ("NSR") royalty on the Acquired NNSW licences from any future production on the NNSW project, of which the Company may purchase 1% for AUD 3,000,000 at any time. The Romardo Licenses are subject to a 2% NSR royalty of which the Company may purchase 1% for AUD 2,000,000 at any time, and the Company has the right of first refusal to purchase any royalty interest offered for sale by consideration payable in cash.

In addition, the Company has the following contingent payments payable at its discretion upon attainment of certain milestones relating to the Romardo Licences:

i. AUD 500,000 payable in cash or Common Shares upon completion of a pre-feasibility study.
ii. AUD 2,000,000 payable in cash or Common Shares upon completion of a feasibility study.
iii. AUD 6,000,000 payable upon the Company's decision to commence construction of a commercial mine.

Inflection is targeting gold and copper-gold deposits in the interpreted northern extension of the Macquarie Arc, part of the LFB in New South Wales. The Macquarie Arc is considered Australia's premier porphyry gold-copper province, host to Newcrest Mining's Cadia Valley deposits, the CMOC-Northparkes deposits and Evolution Mining's Cowal deposits, and numerous active exploration prospects. This interpreted extension of the Macquarie Arc is covered by post-mineral sediments masking the underlying favorable Paleozoic volcanic rocks.

On July 23, 2020, the Company announced that it had commenced drilling on its NNSW Project. Inflection commissioned DDH1 Drilling Pty Ltd. to complete an initial 38 drill holes testing 20 high priority gold or gold-copper targets. The Company is using what it considers to be cost-effective mud-rotary drilling to cut through the younger post-mineral sedimentary cover, with a transition to diamond core drilling once the interpreted Paleozoic basement is reached. With the exception of one encouraging drill hole in the Macquarie target, none of the individual targets have previously been drill tested.

As of the date of this MD&A, Inflection has completed first pass drilling at the following targets: Blackwater, Nine Mile, Mungeribar, Trangie, Myallmundi, Beleringar, Meringo, Moonagee, Branglebar, Melmiland, and Macquarie.

With effect beginning September 2020, Inflection was awarded three grants from the Government of NSW's New Frontiers Cooperative Drilling Program (the "**NFCDP Grants**"). The grants, which total AUD 139,685 will fund, through reimbursement of eligible expenditures, 50% of the first-pass direct drilling costs on three of the NNSW projects licenses, specifically: 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. As of December 31, 2020, the Company had not yet recovered any amounts pursuant to the NFCDP Grants.

b) Artificial Intelligence Project

The project area encompassed as Inflection's "AI Project" is in the southern part of the Macquarie Arc in New South Wales. The AI Project is the subject of the Lachlan Fold Belt Exploration Alliance Agreement (the "Alliance Agreement"), as amended, in which the Company agreed to acquire the rights to a comprehensive proprietary database from the licensor to use "Artificial Neural Network" and machine learning technology for a specified period to assist in targeting potential projects (each a "Project Area"), in the LFB. The original expiry date of the Alliance Agreement was extended most recently to July 31, 2021 (the "License Period") by an amending agreement dated July 29, 2020.

Pursuant to the Alliance Agreement, the Company paid USD 60,000 in cash and agreed to incur at least USD 250,000 in exploration expenditures within the area covered by the proprietary data (incurred).

The Company has also agreed to pay the Licensor the following consideration, and incur expenditures solely at the discretion of the Company:

i) a fee of USD 10,000 for any Project Area selected by the Company, as defined in the Alliance Agreement, within seven days of the Project Area becoming effective.

ii) a fee equal to 5% of all expenditures incurred on any Project Area, as defined in the Alliance Agreement.

iii) For each mine established within a Project Area, the Licensor will receive a 2.0% NSR, of which the Company may purchase 0.5% for USD 1,000,000 at any time.

Although Inflection had designated 5 Project Areas, the Company subsequently determined to continue with exploration at only one of the ELs, and relinquished rights to the other four during the year ended September 30, 2020. None of AI Project EL's have been designated a Project Area.

Subsequent to the License Period and until May 1, 2023, the Company may acquire an interest in a mineral property within the area covered by the proprietary data by paying a 5% fee on all quarterly exploration expenditures incurred on the specified property; payable at the Company's election in either cash or Common Shares. After May 1, 2023, the Company may acquire an interest in a mineral property within the area covered by the proprietary data with no further compensation to the Licensor.

To date, the Artificial Neural Network study being utilized by Inflection identified 60 areas of interest which have been ranked in terms of priority. Follow-up work by the Company has identified a number of priority targets, with work, including preliminary geological mapping and some wide-spaced soil sampling, actively continuing on the AI Project licences.

c) Carron Project

The Carron property ("Carron") is located approximately 400 kilometres west of Cairns in Northern Queensland. The Company's interest in the Carron Project is held through a farm-in agreement (the "Farm-in Agreement") with Oakland Gold Pty Ltd. (the "Optionor"). The Farm-in Agreement, as amended, provides the Company with an option to earn up to a 100% interest in the Carron Project.

The Company earned an initial 50% interest (the "Initial Earn-in") in the Carron Project further to an amending agreement, dated November 22, 2019 (the "Initial Earn-in Date"), whereby the Company and the Optionor agreed to recognize i) expenditures incurred as of September 30, 2019 of AUD 297,172 (plus GST of AUD 16,293), including the completion of an airborne magnetics survey, and (ii) the reimbursement to the Optionor of an amount of AUD 50,000 for costs incurred by the Optionor, as satisfying the Initial Earn-in.

The Farm-In Agreement also provides for incremental farm-in levels by incurring additional expenditures at the discretion of the Company, as follows:

1. The Company may earn a further 20% interest to bring its participation interest to 70% if it elects within three years of the Initial Earn-in Date to incur a further AUD 1,000,000 in mineral exploration expenditures, with a substantial portion being the cost of drilling (the "Stage 2 Earn-in").

   As at December 31, 2020, the Company continued to incur expenditures toward the Stage 2 Earn-in. All expenses recognized are those incurred by the Company.

2. Following the Stage 2 Earn-in, the Company may elect at its sole discretion to complete a further earn-in (the "Stage 3 Earn-in"), as either:

   i) Acquire a further 30% interest to bring its interest to 100% by issuing a number of Common Shares to the Optionor based on a formula determined by an independent valuator; or

   ii) Acquire a further 20% interest to bring its participation interest to 90% by completing a feasibility study. Where the Company achieves a Stage 3 Earn-in to a 90% interest, the Company shall enter into a royalty agreement with the Optionor.

      Within 60 days of the Stage 3 Earn-in Date, the Optionor may elect to contribute to expenditures in proportion to its 10% participating interest in a bankable feasibility study, and if the Optionor does not make such election, then its 10% interest shall be converted into a 2% NSR royalty.

At Carron, Inflection has identified a series untested orogenic vein and intrusion related targets northwest of and on trend from the Croydon Goldfields, one of Queensland's significant historical gold mining districts.

The Carron targets were generated by analysing data from a regional airborne magnetic survey completed by the Queensland Government. The magnetic data outlined a series of large north-west trending magnetic anomalies under post-mineral sedimentary cover, which intermittently extend for over 30 kilometres. 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 high-resolution magnetic survey with 50-metre line spacing to enable drill hole positioning. The high resolution airborne magnetic data was processed, and 3D magnetisation vector inversion and inversion modelling completed. The magnetics enabled the construction of a 3D geological model and the positioning of the individual drill holes.

On September 4, 2020, the Company received approval for a drilling grant in the value of up to AUD 72,000 from the State of Queensland to be applied towards the drill program (the "QLD Grant"). As of December 31, 2020, the Company had not yet recovered any amounts pursuant to the QLD Grant.

Inflection plans to test a number of additional priority drill targets at Carron. These targets are covered by post-mineral sedimentary cover, masking the potentially prospective geology. None of the Carron targets developed by the Company had previously been drill tested. The Company has completed two drill holes on the Carron Project to date.

SELECTED FINANCIAL INFORMATION

Management is responsible for, and the Board approved, the Interim Financial Statements. Except as noted, the Company followed the significant accounting policies presented in Note 3 - Significant Accounting Policies, contained in the AFS consistently throughout all periods summarized in this MD&A.

The Company operates in one segment – the exploration of mineral property interests. The Company has two geographic segments – the exploration activities occur in Australia, while head office, finance, marketing and administration activities occur in Canada. Management has determined that the parent entity and each of the Australian subsidiaries have a Canadian dollar functional currency.

Selected Statement of Comprehensive Loss data.

Because the Company is in the exploration stage, it did not earn any significant revenue. Furthermore, the early-stage nature of the Company's business, the reliance on capital markets to finance ongoing operations and the risk inherent in exploration means that operating results may vary from period to period.

The following table and discussion provide selected financial information from, and should be read in conjunction with, the Interim Financial Statements.

	Three months ended December 31, 2020	Three months ended December 31, 2019
Loss before income taxes	**$ 365,170**	$ 101,010
Tax	**$ -**	$ -
Other comprehensive (gain) loss	**$ -**	$ -
Comprehensive loss	**$ 365,170**	$ 101,010
Loss per Common Share	**$ 0.01**	$ 0.00

The Company's operating expenses are summarised as follows:

	Three months ended December 31, 2020	Three months ended December 31, 2019
Salaries and benefits	$ 114,409	$ 3,871
Share-based compensation	78,671	-
Investor communication	57,191	203
Professional fees	39,148	12,130
Listing and filing fees	36,499	-
Consulting fees	29,574	49,500
Office and miscellaneous	18,335	32,633
	$ 373,827	$ 101,010

Discussion of results

Salaries and benefits of $114,409 were recorded for the three months ended December 31, 2020 ($3,871 for the comparative period), and reflects amounts earned by individuals employed directly by the Company not attributable to exploration. Following the IPO, the Company entered into employment arrangements with several executives of the Company, transitioning from the previous consulting relationships with each executive. Accordingly, the expense recognized in the current period has increased as compared to the three months ended December 31, 2019.

Share-based compensation of $78,671 was recognized in the consolidated statements of loss and comprehensive loss for the three months ended December 31, 2020 ($nil for the comparative period) for those Options vesting during the period. Refer in this MD&A under section "*Outstanding Securities – Stock-based compensation*" for a summary of cancellations, forfeitures and new awards of Options during the period. The remaining average contractual life of Options outstanding is 3.5 years. In determining the fair market value of stock-based compensation granted to employees and non-employees, management makes significant assumptions and estimates. These assumptions and estimates have an effect on the stock-based compensation expense recognized and on the contributed surplus balance on our statements of financial position. Management has made estimates of the life of the Options, the expected volatility, and the expected dividend yields that could materially affect the fair market value of this type of security. Stock-based compensation expense should be expected to vary from period-to-period depending on several factors, including whether Options are granted in a period, and the timing of vesting or cancellation of such equity instruments.

Investor communication expenses of $57,191 were recorded for the three months ended December 31, 2020 ($203 for the comparative period), and consisted of expenditures on marketing activities and materials. The increase in the quarter ended December 30, 2020 as compared to the preceding period reflects the active start of operations as a publicly traded company in July 2020, and the related requirement to engagement with shareholders and prospective investors.

Professional fees of $39,148 were recognized for the three months ended December 31, 2020 ($12,130 for the comparative period). Professional fees include assistance with tax compliance and the provision of tax advice, for audit and audit related activities, accounting assistance and general legal fees.

Listing and filing fees of $36,499 ($nil for the comparative period) were paid in connection with the Company's ongoing listing on the CSE, and the commencement of trading on the OTCQB.

Consulting fees for the three months ended December 31 2020 include $20,000 payable to Cariboo Sky Consulting Ltd. for the provision of accounting advisory services by the former CFO, and $32,613 to other consultants. For the three months ended December 31, 2019, consulting fees of $49,500 were paid to executive officers, and OCP Holdings Ltd. (formerly, Ore Capital Partners Ltd., "OCP"), a related party to the Company. Following the IPO, the Company began to transition the services of several key personnel from part-time consultant roles to that of paid employees. The OCP arrangement included office and administrative support services and was terminated in February 2020.

Office and administrative expenses of $18,335 were incurred during the three months ended December 31, 2020 ($32,633 for the comparative period). Office and miscellaneous expenses consist of bank charges, computer and internet, office supplies, telephone and rent, and beginning for the current period (with a reclassification for the comparative period), meals and travel costs. In the months leading up to the IPO, the Company marked the start of active business operations, and accordingly the costs to run the Company have increased. Furthermore, prior to the widespread restrictions arising as a result of the Covid-19 coronavirus outbreak ("Covid-19"), corporate travel occurred to develop the business and communicate the Company's activities to potential shareholders, as well as to conduct site visits and for senior management meetings.

A non-cash foreign exchange gain of $1,352 was recognized for the three months ended December 31, 2020 (loss of $2,673 for the comparative period) on transactions denominated primarily in Australian dollars. Depending on the volatility of the exchange rate from period-to-period, the impact on the statement of loss and comprehensive loss could be significant.

Interest income was $7,305 for the three months ended December 31, 2020 ($nil for the comparative period) for interest accrued on GICs purchased in 2020.

Segment information

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, exploration, and evaluation of certain mineral property interests in New South Wales and Queensland Australia. Accordingly, the Company's operations are in one commercial and two geographic segments. The Company is in the exploration stage and accordingly, has no reportable segment revenues. Mineral property interests and refundable security deposits are held in Australia, and cash is predominantly held in Canada.

The Company's assets are distributed by geographic segment, as per the table below:

	December 31, 2020		
	Canada	**Australia**	**Total**
Current assets	$ 2,084,244	$ 207,583	$ 2,291,827
Refundable security deposits	-	307,098	307,098
Exploration and evaluation assets	-	4,642,459	4,652,459
Total assets	**$ 2,084,244**	**$ 5,167,139**	**$ 7,251,384**

	September 30, 2020		
	Canada	**Australia**	**Total**
Current assets	$ 4,056,834	$ 128,668	$ 4,185,502
Refundable security deposits	-	216,671	216,671
Exploration and evaluation assets	-	3,178,558	3,178,558
Total assets	**$ 4,056,834**	**$ 3,523,897**	**$ 7,580,731**

Net loss is distributed by geographic segment per the table below:

	December 31, 2020	December 31, 2019
Canada	$ 341,616	$ 101,010
Australia	13,805	-
	$ 355,421	$ 101,010

Summary of Quarterly Results and Fourth Quarter

The following table sets out selected quarterly financial information derived from the Company's unaudited quarterly financial statements prepared by management.

	Dec 31, 2020	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**
Total revenue	-	-	-	-
Loss and comprehensive loss for the period	$ 373,827	$ 360,450	$ 327,691	$ 248,236
Loss per share, basic and diluted	$ 0.01	$ 0.01	$ 0.01	$ 0.01

	Dec 31, 2019	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**
Total revenue	-	-	-	-
Loss and comprehensive loss for the period	$ 101,010	$ 134,353	$ 98,068	$ 467,441
Loss per share, basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.02

Because the Company is in the exploration stage, it did not earn any significant revenue. The Company's expenditures and cash requirements may fluctuate and lack some degree of comparability from period to period as a result of a number of factors including seasonal fluctuations, the write-off of capitalized amounts, tax recoveries and other factors that may affect the Company's activities. In addition, the non-cashflow related impacts from foreign exchange and share-based payments may give rise to significant variability in results from one period to the next. The recent IPO and the Company's relatively recent commencement of active operations are generally illustrated by an increasing ramp-up in expenditures since July 2020.

The Company's primary source of funding is through the issuance of share capital; accordingly, the Company's activity level and the size and scope of planned exploration projects may also fluctuate depending upon the availability of equity financing with favourable terms. When capital markets strengthen, and the Company is able to secure equity financing with favourable terms, the Company's activity levels and the size and scope of planned exploration may increase.

A discussion of significant expenses is included in the interim management's discussions and analyses for each respective period.

Financial position

The following financial data and discussion is derived from the Interim Financial Statements.

	December 31, 2020	**September 30, 2020**
Current Assets	$ 2,291,827	$ 4,185,502
Total Assets	$ 7,251,384	$ 7,580,731
Total Current Liabilities	$ 452,834	$ 495,882
Total Liabilities	$ 452,834	$ 495,882
Shareholders' Equity	$ 6,798,550	$ 7,084,849
Weighted average number of Common Shares outstanding	57,355,900	42,709,820
Basic and fully diluted loss per weighted average number of Common Shares for the period ended	($0.01)	($0.02)

Assets

The decrease in total assets reflects primarily a decrease of $1,966,931 in cash and equivalents, as the Company began active exploration programs in Australia. The decrease in cash and cash equivalents is offset by a $90,427 increase to the total amount held as refundable security deposits, and an increase of $1,473,901 in the value of the exploration properties, reflective of the capitalization of exploration expenditures.

Mineral Properties

On December 31, 2017, the Company entered into an assignment agreement with OCP whereby the rights and obligations of certain exploration property agreements were assigned to the Company in exchange for 15,895,000 Common Shares ($500,000) (the "Assignment Consideration").

The exploration properties subject to these agreements encompass the AI Project, the NNSW Project, and the interest in the Carron Project. The Assignment Consideration was allocated as follows: $127,413 to refundable security deposits acquired; $157,337 to the AI project; $120,036 to the NNSW Project; and $95,214 to the Carron Project.

The value of the Company's exploration and evaluation assets including cumulative expenditures incurred, net of impairment charges, is comprised of the acquisition costs paid to secure the assets, and those exploration expenditures capitalized in subsequent periods, as follows:

	Northern NSW Project	**Carron Project**	**AI Project**	**Total**
Acquisition costs:				
Balance, October 1, 2019	424,869	95,214	217,337	737,420
Additions:	100,544	-	-	100,544
Balance, September 30, 2020	525,413	95,214	217,337	837,964
Additions:	-	-	-	-
Balance, December 31, 2020	**525,413**	**95,214**	**217,337**	**837,964**

	Northern NSW Project	**Carron Project**	**AI Project**	**Total**
Deferred exploration costs:				
Balance, October 1, 2019	$ 785,087	$ 149,785	$ 292,844	1,227,716
Additions for the year:				
Geological services (Note 9)	358,122	58,502	51,285	467,909
Drilling	295,337	-	18,731	314,068
Claim management fees	129,863	10,424	17,014	157,301
Administration and maintenance	136,221	1,484	3,549	141,254
Equipment	91,759	-	-	91,759
Geophysics	8,527	1,103	-	9,631
Total additions	1,019,830	75,513	90,579	1,185,922
Write-down of exploration assets	-	-	(69,044)	(69,044)
Total additions, net of write-down	1,019,830	75,513	21,535	1,116,878
Balance, September 30, 2020	$ 1,804,917	$ 221,298	$ 314,379	2,340,594
Additions for the period:				
Geological services (Note 9)	157,183	60,159	-	217,342
Drilling & assays	924,492	183,075	-	1,107,567
Claim management fees	58,935	-	-	58,935
Administration and maintenance	56,187	26,036	-	82,223
Geophysics	7,834	-	-	7,834
Total additions:	1,204,631	269,270	-	1,473,901
Balance, December 31, 2020	**$ 3,009,548**	**$ 490,568**	**$ 314,379**	**3,814,495**
Total, September 30, 2020	$ 2,330,330	$ 316,512	$ 531,716	3,178,558
Total, December 31, 2020	**$ 3,534,961**	**$ 585,782**	**$ 531,716**	**4,652,459**

Liabilities

The balances of payables and accruals are unsecured and will generally vary dependent upon the level of activity at the Company, and the timing at period end of invoices and amounts we have actually paid. Included in accounts payable and accrued liabilities at December 31, 2020 is $452,834 (September 30, 2020 - $495,882) 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

Going concern, capital management, and contractual obligations

Going Concern

The properties in which Inflection currently holds an interest are in the exploration stage. The Company has not generated significant revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future. As at the date of this MD&A, the Company has approximately $1.3 million available in working capital. Inflection's financial liabilities of payables and accrued liabilities are generally payable within a 90-day period.

The Interim Financial Statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future; and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuation as a going concern depends on its ability to successfully raise financing through the issuance of debt or equity.

Although the Company has been successful in the past in obtaining financing, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company, therefore giving rise to a material uncertainty, which may cast significant doubt as to whether Inflection's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of the Interim Financial Statements. Circumstances that could impair management's ability to raise additional funds, or their ability to undertake transactions, are discussed in this MD&A under heading "*Risks and Uncertainties*". In particular, the Company's access to capital and its liquidity will be impacted by global macroeconomic trends, the significant global impacts from the Covid-19, fluctuating commodity prices, and investor sentiment.

Consequently, management pursues various financing alternatives to fund operations and advance its business plan, the most recent of which include the IPO and those financings undertaken prior to the date on which Inflection became a publicly-traded corporation.

Capital Management

Inflection manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash. To facilitate the management of its capital requirements, management prepare annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. The Company believes that this approach is reasonable, given its relative size and stage.

There may be circumstances where, for sound business reasons, funds may be re-allocated at the Company's discretion. While Inflection remains focused on the continued exploration and development of the Company's mineral property interests, management may (i) conclude to curtail certain operations; or (ii) should management enter into agreements in the future on new properties it may be necessary to make cash payments and complete work expenditure commitments under those agreements, which would change planned expenditures.

There are no known restrictions on the ability of the Company's affiliates to transfer or return funds amongst the group.

Contractual obligations

The Company is party to agreements to acquire mineral properties that are disclosed in the accompanying Interim Financial Statements, and in this MD&A.

Outstanding Securities

Recent financings and issuances of equity

Common Shares

On October 24, 2020, 1,000 Options with an exercise price of $0.20 were exercised, resulting in the issuance of an additional 1,000 Common Shares.

On February 3, 2021, 1,800 Agent Options with an exercise price of $0.25 were exercised resulting in the issuance of 1,800 Common Shares and 900 Warrants with an exercise price of $0.40.

There were 57,356,714 Common Shares issued and outstanding as at December 31, 2020 (57,355,714 at September 30, 2020), and 57,358,514 as of the date of this MD&A. As at December 31, 2020, 19,615,501 Common Shares were held in escrow (unchanged as of the date of this MD&A; and 2019 – nil).

Warrants

There were 22,485,916 Warrants outstanding as at December 31, 2020, and as at the date of this MD&A.

Agent Options

There were 994,970 Agent Options outstanding as at December 31, 2020, and as at the date of this MD&A.

Stock-based compensation

On October 1, 2020, the Company awarded 250,000 Options to an officer of the Company, with an exercise price of $0.47. The Options vest six-months from the date of the award, and expire on October 1, 2025.

An additional award of 100,000 Options was made to an employee on November 24, 2020. The Options have an exercise price of $0.40, vest six-months from the date of the award, and expire on November 24, 2025.

There were 4,639,000 Options outstanding as at December 31, 2020, and as at the date of this MD&A.

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.

a) *Key Management Compensation*

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the President and Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO"), as well as the Vice President, Exploration (the "VPEx"), and the Corporate Secretary. Key management personnel compensation is comprised of the following:

	For the three-month period ended December 31, 2020	December 31, 2019
Consulting	$ 31,000	$ 34,500
Geological consulting capitalized	51,856	52,500
Salaries and benefits	110,608	-
Salaries and benefits capitalized	-	-
Share-based compensation	49,301	-
	$ 242,765	**$ 87,000**

An amount of $39,000 in directors' fees for the three months ended December 31, 2020 (2019 - $nil) is included in "Salaries and benefits", of which $39,000 is payable at December 31, 2020 (September 30, 2020: $nil). As at December 31, 2020, $nil (September 30, 2020: $12,589) in salaries (net of required payroll withholdings) was payable to key management.

The Company and the CEO entered into an employment agreement effective January 1, 2020. The CEO had previously been remunerated pursuant to a consulting agreement with Waddell Consulting Inc. ("Waddell"), a company controlled by the CEO. During the three months ended December 31, 2020, an amount of $nil (2019: $45,000) was paid to Waddell for management and geological consulting services, of which $nil (2019: $22,500) was capitalized to the value of the exploration and evaluation assets as geological services. As at December 31, 2020, $31,500 (September 30, 2019: $31,500) was payable to Waddell.

During the three months ended December 31, 2020, an amount of $20,000 (2019 - $12,000) was due to Cariboo Sky Consulting Ltd. ("Cariboo"), a company controlled by the former CFO of the Company. As at December 31, 2020 an amount of $20,000 (September 30, 2019: $5,775) remained payable to Cariboo.

The Company and the VPEx entered into an employment agreement effective January 1, 2020. The VPEx had previously been remunerated pursuant to a consulting agreement with Swensson Integrated Resource Management ("Swensson"). During the three months ended December 31, 2020, an amount of AUD 54,450 ($51,856) was charged to the Company by Swensson and capitalized to exploration and evaluation assets as geological services (2019 - $30,000). As at December 31, 2020, AUD 18,150 ($17,851) was payable to Swensson (September 30, 2019: AUD 18,150 ($17,324).

The Company and the Corporate Secretary entered into an employment agreement effective September 1, 2020. The Corporate Secretary had previously been remunerated pursuant to a consulting services agreement. During the three months ended December 31, 2020, an amount of $nil (2019 - $2,250, and paid at December 31, 2019) was charged to the Company for services pursuant to that agreement.

b) *Other Related Party Transactions*

The following transactions with related parties not disclosed elsewhere in the financial statements occurred.

The Company was party to a Strategic Consulting Agreement with OCP dated July 1, 2018 that was amended on September 1, 2019, and terminated on February 29, 2020. OCP holds 25.7% of the outstanding Common Shares, and shares a common director. As compensation for the services provided, the Company paid a monthly fee of $10,000 from July 1, 2018 until August 31, 2019, and a monthly fee of $5,000 from September 1, 2019 until February 29, 2020. During the three months ended December 31, 2020, an amount of $nil (2019 - $15,750) was invoiced by OCP to the Company pursuant to the consulting agreement. As at December 31, 2020, $64,771 (September 30, 2019: $140,000) was payable to OCP.

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.

The 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 $ equivalent at the date of each statement of financial position.

Financial Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors is provided with updates from management as to changes in perceived risks, and is responsible for approving and monitoring risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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

The significant market risk to which the Company is exposed is foreign exchange risk. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. The majority of the Company's mineral property expenditures will be incurred in Australian dollars. The fluctuation of the Canadian dollar relation to the AUD will consequently have an impact upon the financial results of the Company.

The Company has not entered into any derivative contracts to manage foreign exchange risk at this time. A significant portion of the Company's cash balance may be held in AUD in any given period.

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. As the only interest-bearing financial instruments held by the Company consist of short-term Government Investment Certificates held with major bank in Canada, the Company is not exposed to interest rate risk.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, and expenses. A detailed presentation of all of Inflection's significant accounting policies and the estimates derived therefrom, along with discussion as to judgments and estimates made by management which might impact the financial information, and a summary of new accounting pronouncements, please refer to our disclosures in the AFS at Note 4.

Additional disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Inflection's general and administrative expenses and mineral exploration property costs are provided in the statements of loss and comprehensive loss and notes to the Interim Financial Statements. These financial statements are available on Inflection's website at https://inflectionresources.com/ or on its SEDAR profile accessed through www.sedar.com.

Proposed Transactions

There are no proposed material transactions. However, as is typical of the mineral exploration and development industry, management of Inflection continually review potential merger, acquisition, investment, and joint venture transactions and opportunities that could enhance shareholder value. The Company also notes that in order to satisfy its capital requirements and undertake a planned exploration program for fiscal 2021 it will be necessary to raise funds, likely through a capital raise. There is no guarantee that any contemplated transaction will be concluded.

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.

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 ongoing extent and impact of the Covid-19 pandemic continues to evolve, 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.

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, including potentially significant delays in receiving assay results; (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 fiscal 2021 and beyond.

On March 20, 2020, the Government of Australia restricted entry into the country to non-Australian residents and citizens. 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 NNSW Project unimpeded by the international travel ban and border closures.

There are currently physical distancing guidelines in place within Australia that restrict gathering and movement. The Company's exploration activities planned for 2021 are expected to continue in an orderly fashion while ensuring the safety of employees. The Company has implemented health, hygiene and physical distancing measures that meet the requirements of the Government of Australia. The Company expect to continue complying with the Government of Australia's announcements and any subsequent orders.

The Company has implemented precautionary measures at its offices, including limiting visits to essential personnel and ensuring proper protocols are followed with respect to health, hygiene and physical distancing.

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 Limited History of Operations

The Company has limited 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.

The Company is subject to substantial environmental requirements which could cause a restriction or suspension of our operations

The current and anticipated future operations and exploration activities of the Company on its projects in Australia require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, State and local laws and regulations governing various elements of the extractive industry. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas.

As the Company is presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require Inflection to provide remedial actions to correct the negative effects. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Disclosure Controls and Procedures

Disclosure Controls and Procedures Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CSE listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a CSE issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation

Scientific and Technical Disclosure

The Company's mineral property interests are all early stage and do not contain any mineral resource estimates as defined by NI 43-101. The potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient exploration to define a mineral resource for the targets disclosed herein.

It is uncertain if further exploration will result in targets on any of Company's mineral property interests being delineated as a mineral resource.

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.

Off Balance Sheet Arrangements and Legal Matters

Inflection has no off-balance sheet arrangements, and there are no material outstanding legal matters of which management is aware.

Subsequent Events Not Otherwise Described Herein

With the exception of transactions and activities described in this MD&A, and in the Interim Financial Statements, there were no subsequent events.

Board of Directors and Officers 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 (Chair), Cecil R. Bond, Tero Kosonen and Stuart Smith. Carl Swensson is Vice President, Exploration, John Wenger is CFO and Sandra Wong is Corporate Secretary.

The Board has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it, and will be posted to the Company's website.

(signed) Alistair Waddell
Alistair Waddell
President and Chief Executive Officer