INFLECTION RESOURCES LTD.

An exploration stage company

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, *Continuous Disclosure Obligations*, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Inflection Resources Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

Inflection Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Notes		**June 30, 2022**		**September 30, 2021**
ASSETS					
Current assets					
Cash and cash equivalents		$	945,531	$	3,538,297
Receivables	6(a)		81,855		62,203
Prepaid expenses and deposits			18,639		75,834
Total current assets			**1,046,025**		**3,676,334**
Non-current assets					
Refundable security deposits	5		354,569		323,419
Exploration and evaluation assets	6, 9		7,958,390		5,986,879
TOTAL ASSETS		**$**	**9,358,984**	**$**	**9,986,632**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	7, 9	$	386,159	$	233,463
Total liabilities			**386,159**		**233,463**
SHAREHOLDERS' EQUITY					
Share capital	8		12,375,454		12,375,454
Reserve	8		1,295,678		1,213,265
Deficit			(4,698,307)		(3,835,550)
Total shareholders' equity			**8,972,825**		**9,753,169**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**9,358,984**	**$**	**9,986,632**

Nature of operations and going concern – Note 1
Subsequent events – Note 12

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS (the "Board") on August 29, 2022:

"Alistair Waddell"	*"Cecil R. Bond"*
DIRECTOR	DIRECTOR

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Inflection Resources Ltd.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended June 30,		Nine months ended June 30,	
		2022	**2021**	**2022**	**2021**
Expenses					
Salaries and benefits	9	$ 140,158	$ 126,651	$ 415,940	$ 367,016
Investor communication		48,677	85,250	152,058	237,746
Office and administrative		32,862	12,926	106,546	57,583
Share-based compensation	8, 9	60,541	67,374	82,413	248,155
Professional fees		9,044	10,303	60,270	62,458
Listing and filing fees		3,506	167	32,172	65,854
Consulting fees	9	-	33,758	4,500	63,332
Project generation		730	10,282	730	10,282
Total expenses		$ **295,518**	**$ 346,711**	**$ 854,629**	**$ 1,112,426**
Other items					
Foreign exchange (gain) loss		19,644	(27,813)	12,041	(40,274)
Interest income		(1,236)	(637)	(3,913)	(10,870)
Net loss and comprehensive loss		**$ 313,926**	**$ 318,261**	**$ 862,757**	**$ 1,061,282**
Loss per share – basic and diluted		**$ 0.00**	**$ 0.00**	**$ 0.01**	**$ 0.02**
Weighted average number of common shares outstanding – basic and diluted		**71,270,670**	**64,557,759**	**71,270,670**	**59,760,133**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Inflection Resources Ltd.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars, except share amounts)

	Number of Shares		Share Capital		Reserve		Deficit		Total
Balance, September 30, 2020	57,355,714	$	8,118,449	$	875,697	$	(1,909,297)	$	7,084,849
Shares issued for private placement	13,867,156		4,437,490		-		-		4,437,490
Share issue costs	-		(138,053)		-		-		(138,053)
Shares issued for Option exercises	46,000		16,945		(7,760)		-		9,185
Shares issued for exercise of Agent Options	1,800		700		(250)		-		450
Share-based compensation	-		-		248,155		-		248,155
Net loss for the period	-		-		-		(1,061,282)		(1,061,282)
Balance, June 30, 2021	71,270,670	$	12,435,532	$	1,115,841	$	(2,970,579)	$	10,580,794
Balance, September 30, 2021	71,270,670	$	12,375,454	$	1,213,265	$	(3,835,550)	$	9,753,169
Share-based compensation	-		-		82,413		-		82,413
Net loss for the period	-		-		-		(862,757)		(862,757)
Balance, June 30, 2022	**71,270,670**	**$**	**12,375,454**	**$**	**1,295,678**	**$**	**(4,698,307)**	**$**	**8,972,825**

Share capital – Notes 8, 12

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Inflection Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

		For the nine months ended		
		June 30, 2022		**June 30, 2021**
Operating activities				
Net loss for the period	$	(862,757)	$	(1,061,282)
Non-cash items:				
Share-based compensation		82,413		248,155
Changes in non-cash working capital items:				
Receivables		(19,652)		(61,887)
Prepaid expenses and deposits		57,195		(37,881)
Accounts payable and accrued liabilities		152,696		(124,694)
Net cash flows used in operating activities	$	**(590,105)**	$	**1,037,589**
Investing activities				
Additions to exploration and evaluation assets		(2,006,966)		(2,960,217)
Receipt of exploration grant		(35,455)		(23,321)
Payment of refundable security deposits, net		(40,828)		(71,706)
Net cash flows used in investing activities	$	**2,012,339**	$	**(3,008,602)**
Financing activities				
Proceeds on issuance of Common Shares		-		4,437,490
Share issue costs		-		(138,053)
Exercise of Agent Options		-		450
Exercise of Options		-		9,000
Net cash flows provided by financing activities	$	**-**	$	**4,308,887**
Effect of foreign exchange		9,678		185
Change in cash and cash equivalents		(2,592,766)		262,881
Cash and cash equivalents, beginning of period		3,538,297		4,054,221
Cash and cash equivalents, end of period	**$**	**945,531**	**$**	**4,317,102**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Inflection Resources Ltd. ("Inflection" or the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on May 9, 2017, and its principal business activity is the exploration and evaluation of mineral properties located in New South Wales and Queensland, Australia. The Company's head office and registered and records office address is Suite 1210 – 1130 West Pender Street, Vancouver, British Columbia, Canada, V6E 4A4. The Company's common shares ("Common Shares") were listed for trading on the Canadian Securities Exchange (the "CSE") on July 21, 2020.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead, pay its debts and liabilities, and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets may not reflect current or future values.

In March 2020 the World Health Organization declared coronavirus COVID-19 ("COVID-19") a global pandemic. The evolving response of public health policy administrators to this contagious disease outbreak, and the virus itself, which has continued to mutate and spread, has adversely affected workforces, economies, and financial markets globally, and has raised the prospect of a global recession. As of the date these interim financial statements are issued, COVID-19 has not had a significant impact on the Company's ability to access and explore its property interests. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Recent events in Europe prompted by the conflict in Ukraine, and the response from multiple countries, corporations, and governmental agencies may have far reaching impacts on commodity prices, foreign currency exchange rates, and the price of publicly traded companies. The uncertainty and volatility of the situation in Europe, and consequentially in the capital markets may impact the Company's business and the ability to raise new capital.

These unaudited condensed interim consolidated financial statements for the three- and nine-month periods ended June 30, 2022 and 2021 (the "Interim Financial Statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at June 30, 2022, the Company has not yet achieved profitable operations, had incurred a net loss of $862,757, and has an accumulated deficit of $4,698,307. 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; consequently, management continues to pursue various financing alternatives to fund operations and advance its business plan (Note 12(b)).

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. If the going concern assumption was not appropriate for the Interim Financial Statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

The Interim Financial Statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. The Interim Financial Statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2021 (the "Annual Financial Statements"), which were prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

Basis of consolidation and presentation

These Interim Financial Statements incorporate the financial statements of the Company and its wholly-owned subsidiaries, Australian Consolidated Gold Holdings Pty Ltd, ACGH II Pty Ltd, and Romardo Copper (NSW) Pty Ltd ("Romardo Copper"), each of which is incorporated in Australia. All significant intercompany transactions and balances have been eliminated.

2. BASIS OF PRESENTATION (continued)

Basis of consolidation and presentation (continued)

These Interim Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. The accounting policies set out below have been applied consistently to all periods presented in these Interim Financial Statements.

3. SIGNIFICANT ACCOUNTING POLICIES

These Interim Financial Statements have been prepared using accounting policies consistent with those used in, and described at Note 3 to, the Annual Financial Statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these Interim Financial Statements requires management to make certain estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period.

The Company bases its assumptions and estimates on parameters available when the financial statements were prepared, and to the extent possible, bases its estimates on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur; uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which has the most significant effect on the amounts recognized in the Interim Financial Statements.

i) Going concern assumption: In determining whether it is appropriate for the Company to be reported as a going concern, management exercises judgement, having undertaken appropriate enquiries and having considered the business activities, principal risks and uncertainties.

ii) Functional currency: Determination of functional currency involves certain judgements to determine the primary economic environment, and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

iii) Accounting for mineral property interests: The Company capitalizes mineral property acquisition and exploration costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The type and amount of exploration property acquisition and transaction costs eligible for capitalization can involve judgement to determine whether or not particular expenditures benefit, and enhance the mineral property interests.

The carrying value of the Company's exploration and evaluation assets is then also reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, include: (i) provision for environmental rehabilitation; (ii) inputs used in the valuation of share-based payments and Common Share purchase Warrants ("Warrants"); and (iii) the recognition of deferred tax assets.

Further information on management's judgments, estimates and assumptions and how they impact the various accounting policies are described in the relevant notes to these Interim Financial Statements.

(Unaudited - Expressed in Canadian dollars)

5. REFUNDABLE SECURITY DEPOSITS

As at June 30, 2022, and September 30, 2021, the Company held refundable security deposits as follows:

		AI Project		NSW Project		Total
October 1, 2020	$	47,725	$	168,946	$	216,671
Additions/(recovery)		(37,428)		151,724		114,296
Foreign exchange		(1,135)		(6,413)		(7,548)
September 30, 2021	$	9,162	$	314,257	$	323,419
Additions/(recovery)		(9,015)		30,781		21,766
Foreign exchange		(147)		(9,531)		(9,678)
June 30, 2022	**$**	-	**$**	354,569	**$**	354,569

Refundable security deposits consist of the basic security deposit required on issuance of each exploration license ("EL"), as well as additional deposits for environmental related bonding amounts. Basic security deposits are each valued at AUD 10,000 ($8,892) per claim held. Environmental related bonding amounts are based on the respective EL size and levels of disturbance contemplated under the specific exploration permit. Funds are held with either the Government of New South Wales, or the Government of Queensland.

Pursuant to the determination to relinquish the rights to certain licenses (Note 6(c)), the Company recovered four of the AI Project deposits during the year ended September 30, 2021; with recovery of the final Artificial Intelligence ("AI") Project deposit received in July 2022.

6. EXPLORATION AND EVALUATION ASSETS

The Company's exploration properties encompass the New South Wales ("NSW") Project, and an optioned interest in the Carron Project in north Queensland.

As at June 30, 2022, and September 30, 2021, the carrying values of the Company's exploration and evaluation assets including cumulative expenditures incurred, net of impairment charges, are as follows:

		NSW Project (a)		Carron Project (b)		AI Project (c)		Total
Acquisition costs:								
Balance, October 1, 2020	$	525,413	$	95,214	$	217,337	$	837,964
Write-down of exploration assets:		-		-		(217,337)		(217,337)
Balance, September 30, 2021		525,413		95,214		-		620,627
Balance, June 30, 2022	**$**	**525,413**	**$**	**95,214**	**$**	**-**	**$**	**620,627**

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

		NSW Project (a)		Carron Project (b)		AI Project (c)	Total
Deferred exploration costs:							
Balance, October 1, 2020	$	1,804,917	$	221,298	$	314,379	$ 2,340,594
Additions for the year:							
Drilling & assays		1,823,314		208,532		-	2,031,846
Geological services (Note 9)		647,424		93,519		1,427	742,370
Administration and maintenance		280,647		27,172		-	307,819
Claim management fees		252,230		19,734		5,476	277,440
Geophysics		73,556		20,653		-	94,209
Total additions		3,077,171		369,610		6,903	3,453,684
Write-down of exploration assets		-		-		(321,282)	(321,282)
Recovery of exploration grant		(38,312)		(68,432)		-	(106,744)
Balance, September 30, 2021	$	4,843,776	$	522,476	$	-	$ 5,366,252
Additions:							
Drilling & assays		815,866		171,168		-	987,034
Geological services (Note 9)		307,145		223,738		-	530,883
Administration and maintenance		149,369		75,178		-	224,547
Claim management fees		183,430		7,209		-	190,639
Geophysics		68,398		5,466		-	73,864
Total additions:		1,524,207		482,759		-	2,006,966
Recovery of exploration grant		(29,208)		(6,247)		-	(35,454)
Balance, June 30, 2022	**$**	**6,338,775**	**$**	**998,988**	**$**	**-**	**$ 7,337,764**
Total, September 30, 2021	$	5,369,189	$	617,690	$	-	$ 5,986,879
Total, June 30, 2022	**$**	**6,864,188**	**$**	**1,094,202**	**$**	**-**	**$ 7,958,390**

a) New South Wales Project (NSW Project)

The Company holds 100% interest in the NSW Project located in the Lachlan Fold Belt region of New South Wales, Australia (the "LF Belt"). The NSW Project includes multiple non-surveyed, non-contiguous ELs acquired by the Company in 2018 (the "Acquired NSW licenses"), two ELs (the “Romardo Licenses”) acquired in February 2020, and additional ELs staked by the Company directly.

There is a 2% net smelter return royalty ("NSR") on the Acquired NSW licenses from any future production on the NSW 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 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, in cash or Common Shares, upon attainment of certain milestones at the Romardo Licenses:

i. AUD 500,000 upon completion of a pre-feasibility study;
ii. AUD 2,000,000 upon completion of a feasibility study; and
iii. AUD 6,000,000 upon the Company’s decision to commence construction of a commercial mine.

With effect beginning September 2020, Inflection has been approved for multiple grants from the Government of NSW’s New Frontiers Cooperative Drilling Program (the "NFCDP Grants"), administered by the Geological Survey of NSW. As at June 30, 2022, the aggregate value of funding allocated to the Company under the NFCDP Grants was AUD 141,120 (September 30, 2021: AUD 40,309). Receipt of NFCDP grant funds is made by reimbursement of eligible expenditures, specifically, 50% of the first-pass direct drilling costs on specified NSW project licenses. Through to June 30, 2022, the Company has been awarded an aggregate of AUD 71,711 ($67,519) pursuant to the NFCDP Grants (year ended September 30, 2021: AUD 40,309 ($38,312)); reducing the carrying value of the NSW Project. There was no amount receivable at June 30, 2022.

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

b) Carron Project (Queensland)

On December 31, 2017, the Company took assignment of an Exploration Farm-In Agreement dated March 15, 2017, as subsequently amended (the "Farm-In Agreement"). Pursuant to the Farm-In Agreement, the Company may earn up to a 100% participating interest to acquire, explore and develop an EL known as the Carron Project in Queensland, Australia.

The Company earned an initial 50% participating interest (the "Stage 1 Earn-in") in the Carron Project further to an amending agreement, dated November 22, 2019 (the "Initial Earn-in Date").

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

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").

   Through June 30, 2022, the Company continued to incur expenditures toward the Stage 2 Earn-in.

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

During the year ended September 30, 2021, the Company recovered AUD 72,000 ($68,432) pursuant to a drilling grant from the State of Queensland. The amount received reduced the carrying value of the Carron Project. There was an additional amount of $6,247 (AUD 7,200) recovered in the nine-months ended June 30, 2022.

c) AI Project (New South Wales)

On December 31, 2017, the Company took assignment of an Exploration Alliance Agreement (the "Alliance Agreement"), whereby the Company acquired the rights from the licensing counterparty (the "Licensor") to use an artificial intelligence model to develop exploration targets on a land package in the LF Belt during a specified multi-year period.

During the year ended September 30, 2020, the Company relinquished rights to four of the five ELs further to a decision not to continue with exploration thereon, resulting in a write-down in that year of $69,044. During the year ended September 30, 2021, the Company determined to abandon the one remaining EL; resulting in the write-off of the remaining carrying value of the AI Project.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2022		September 30, 2021
Accounts payable	$	386,159	$	214,865
Accrued liabilities		-		18,598
	$	**386,159**	$	**233,463**

Included in accounts payable and accrued liabilities at June 30, 2022 is $29,975 (September 30, 2021 - $29,861) due to related parties (Note 9).

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL

a) Authorized:

Unlimited number of Common Shares without par value.

b) Share Issuances

Issued: as at June 30, 2022: 71,270,670 Common Shares (September 30, 2021: 71,270,670)

Nine months ended June 30, 2022

There were no issuances of Common Shares during the nine-month period June 30, 2022 (Note 12(b)).

Nine months ended June 30, 2021

i. *Private Placement Financing:* On May 14, 2021, the Company closed a non-brokered private placement (the "2021 Financing") raising gross proceeds of $4,437,490 through the sale of 13,867,156 units (the "2021 Units") priced at $0.32 per 2021 Unit. Each 2021 Unit consists of one Common Share and one half of one Warrant, with each whole Warrant exercisable into one further Common Share at a price of $0.50 for a term of two years.

   The Company paid cash finders' fees of $158,832, and issued 468,225 broker warrants ("Broker Warrants") exercisable at $0.32 per Common Share for a one-year term relating to a portion of the 2021 Financing (Note 12(a).

   In connection with the 2021 Financing, the Company agreed to provide Crescat Portfolio Management LLC ("Crescat") the right to purchase additional Inflection securities (the "Participation Right") up to its proportional percentage on subsequent financings. The Participation Right terminates on the date on which Crescat's ownership of Common Shares falls below 1% of the then outstanding Common Shares (Note 12(b)).

ii. *Exercise of Options:*

   - On October 27, 2020, the Company issued 1,000 Common Shares pursuant to the exercise of Options for gross proceeds of $200 (Note 8(c)).
   - Pursuant to the exercise of 45,000 options to purchase Common Shares ("Options") at an exercise price of $0.20, the Company issued 45,000 Common Shares on April 16, 2021 for gross proceeds of $9,000 (Note 8(c)).

iii. *Exercise of Agent Options:* 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 for proceeds of $450 (Note 8(e)). The Warrants subsequently expired unexercised.

c) Options

The Company has a stock option plan under which it is authorized to grant Options of up to a maximum of 10% of the number of issued and outstanding Common Shares to executive officers, directors, employees and consultants enabling the holder to acquire Common Shares. Vesting is at the discretion of the Board of Directors. In the absence of a vesting schedule, such Options shall vest immediately.

The Company had outstanding Options enabling the holders to acquire Common Shares as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding, September 30, 2020	4,290,000	$	0.27
Granted	550,000		0.40
Exercised	(46,000)		0.20
Outstanding, September 30, 2021	4,794,000	$	0.29
Granted	2,075,000		0.12
Forfeit[2]	(195,000)		0.27
Outstanding, June 30, 2022	**6,674,000**	**$**	**0.24**
Exercisable, June 30, 2022	**4,524,000**	**$**	**0.28**

[1] Weighted average share price on dates of exercise: $0.33
[2] Forfeit on January 31, 2022 pursuant to the termination of a consulting agreement

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

c) Options (continued)

The following Options are outstanding at June 30, 2022:

Expiry Date	Number of Options	Weighted Average Exercise Price	Weighted Average Exercise Period
August 26, 2022	300,000	$ 0.55	0.16
March 21, 2024	1,909,000	$ 0.20	1.73
March 10, 2025	1,840,000	$ 0.30	2.70
October 1, 2025	250,000	$ 0.47	3.26
November 24, 2025	100,000	$ 0.40	3.41
March 8, 2026	200,000	$ 0.34	3.69
March 2, 2027 [3]	2,075,000	$ 0.12	4.67
	6,674,000	**$ 0.24**	**2.98**

[3] During the nine months ended June 30, 2022, the Company awarded 2,075,000 Options to directors, officers, employees and certain contractors to the Company with an exercise price of $0.12, vesting six-months from the date of the award, expiring on March 2, 2027.

The Company applies the fair value method in accounting for its Options applying the Black-Scholes Option Pricing Model using the following estimates:

	June 30, 2022	June 30, 2021
Weighted average risk-free rate	0.98%	0.52%
Weighted average expected life of Options	4.82	4.68
Weighted average expected annualized volatility	110.04%	125%
Weighted average expected dividend rate	-	-

For the purposes of estimating the fair value of Options using Black-Scholes, certain assumptions are made such as expected dividend yield, volatility of the market price of the Common Shares, risk-free interest rates and expected average life of the Options. The Company bases its expectation of volatility on the volatility of similar publicly-listed companies, as the expected life of the Options exceeds the trading history of the Common Shares.

During the three- and nine-months ended June 30, 2022, the Company recognized $79,834 and $82,413, respectively, in share-based compensation for the Options vested during the period (2021 - $67,374, and $248,155). The value of which is captured in the equity reserves account until such time as the Options are exercised, upon which the corresponding amount will be transferred to share capital.

d) Warrants

The number of Warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding, October 1, 2020	22,485,016	$	0.33
Issued on exercise of Agent Options (Note 8(b)(iii))	900		0.40
Issued in 2021 Financing (Note 8(b)(i))	7,311,803		0.49
Outstanding, September 30, 2021	29,797,719	$	0.37
Expired[1]	(16,599,596)		0.34
Outstanding, June 30, 2022	**13,198,123**	**$**	**0.41**

[1] On January 17, 2022, 6,995,915 Warrants with an exercise price of $0.40 expired unexercised, on May 14, 2022, 378,225 finders' Warrants with an exercise price of $0.30 issued in connection with 2021 Financing expired unexercised, and on June 19, 2022, 9,225,456 Warrants with an exercise price of $0.30 expired unexercised.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

d) Warrants (continued)

As at June 30, 2022, the following Warrants were outstanding (Note 12(a)):

Expiry Date	Number of Warrants	Weighted Average Exercise Price $	Weighted Average Exercise Period (Years)
July 31, 2022	6,264,545	0.30	0.08
May 14, 2023	6,933,578	0.50	0.87
	13,198,123	**0.41**	**0.50**

e) Agent Options

In connection with the closing of the Company's initial public offering and listing on the CSE on July 17, 2020, the Company issued 1,120,000 non-transferable "Agent Options", each exercisable to acquire one Common Share and one-half of one Warrant.

	Number of Agent Options		Weighted Average Exercise Price
Outstanding, October 1, 2020	994,970	$	0.25
Exercised[1]	(1,800)		0.25
Outstanding, September 30, 2021	993,170	$	0.25
Expired[2]	(993,170)		0.25
Outstanding, June 30, 2022	**-**	**$**	**-**

1 On February 3, 2021, 1,800 Agent Options were exercised resulting in the issuance of 1,800 Common Shares and 900 Warrants (Note 8(b)(iii)

2 The remaining 993,170 Agent Options expired unexercised on January 17, 2022.

f) Reserve

The reserves account consists of amounts recognized as share-based compensation expense until such time as the Options and Warrants are exercised, upon which the corresponding amount will be transferred to share capital.

g) Escrowed Shares

As at June 30, 2022, the Company held 9,828,001 (September 30, 2021 – 13,104,001) Common Shares in escrow.

9. RELATED PARTY TRANSACTIONS

In addition to the officers and directors of the Company ("Key management personnel"), Inflection's related parties include (i) its subsidiaries; (ii) OCP Holdings Ltd. ("OCP") as a reflection of its approximate 20.7% ownership interest in the Company at June 30, 2022; and (iii) those legal entities noted below.

Key management personnel compensation is comprised of the following:

	For the nine months ended			
		June 30, 2022		June 30, 2021
Salaries, benefits, and director fees	$	321,105	$	459,168
Geological consulting capitalized (Note 6)		169,471		142,368
Share-based compensation (Note 8(c))		40,398		98,602
Salaries and benefits capitalized (Note 6)		19,800		-
Consulting		9,139		5,500
	$	**559,913**	**$**	**705,638**

(Unaudited - Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS (continued)

An amount of $119,460 in directors' fees for the nine months ended June 30, 2022 (2021 - $117,000) is included in "salaries and benefits". A total of $19,800 (2021 - $nil) in salaries and benefits was capitalized to the value of the exploration and evaluation assets (Carron Project) as geological services.

The Company's Vice President – Exploration ("VPEx") is remunerated pursuant to an agreement with GeoInsite Pty Ltd ("GeoInsite") beginning with effect of February 1, 2022. Pursuant to the GeoInsite agreement, Mr. Menzies is paid AUD 17,000 on a monthly basis. During the nine months ended June 30, 2022, an amount of AUD 85,000 ($77,679) was charged to the Company by GeoInsite and capitalized to exploration and evaluation assets as geological services (2021 - $nil).

The Company's former VPEx (through January 2022) was remunerated pursuant to an agreement with Swensson Integrated Resource Management ("Swensson"). During the nine months ended June 30, 2022, an amount of AUD 66,000 ($60,594) was charged to the Company by Swensson and capitalized to exploration and evaluation assets as geological services (2021 - AUD 148,500 ($142,368)). Mr. Swensson continues to serve as a director of the Australian entities and is remunerated at a monthly rate of AUD 2,000.

At June 30, 2022, $29,975 (September 30, 2021 - $29,861), was payable to directors and officers of the Company, and included in accounts payable and accrued liabilities, for unpaid services, including salaries and director fees. These amounts are non-interest bearing and payable on demand (Note 7).

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

10. SEGMENTED INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief operating decision maker, being the individual(s) at Inflection making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

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 two geographic and only one commercial 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 net loss is distributed by geographic segment per the table below:

	For the nine months ended June 30,			
		2022		2021
Canada	$	835,846	$	1,038,425
Australia		26,911		22,857
	$	**862,757**	**$**	**1,061,282**

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

	June 30, 2022					
		Canada		Australia		Total
Current assets	$	855,037	$	190,988	$	1,046,025
Refundable security deposits (Note 5)		-		354,569		354,569
Exploration and evaluation assets (Note 6)		-		7,958,390		7,958,390
Total assets	**$**	**855,037**	**$**	**8,503,947**	**$**	**9,358,984**

	September 30, 2021					
		Canada		Australia		Total
Current assets	$	3,409,456	$	266,878	$	3,676,334
Refundable security deposits (Note 5)		-		323,419		323,419
Exploration and evaluation assets (Note 6)		-		5,986,879		5,986,879
Total assets	$	3,409,456	$	6,577,176	$	9,986,632

11. FINANCIAL RISKS AND CAPITAL MANAGEMENT

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 cash balances (and in comparative periods, short-term Government Investment Certificates) held with a major bank in Canada, the Company is not exposed to interest rate risk.

Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

a. Expiry of Warrants

On July 31, 2022, 6,264,545 Warrants with an exercise price of $0.30 issued in connection with 2021 Financing expired unexercised.

b. 2022 Private Placement financing

On August 10, 2022, the Company closed a non-brokered private placement financing (the "2022 Financing"), issuing 16,475,000 units of the Company at a price of $0.10 per unit, with each unit comprised of one Common Share and one Warrant. The Warrants issued in the 2022 Financing are exercisable at a price of $0.15 per Common Share, and valid for a period of 24-months from the date of issuance. Inflection raised gross proceeds of $1,647,500 in the 2022 Private Placement. All securities issued are subject to a hold period expiring December 11, 2022.

Crescat exercised its Participation Right described in Note 8(b) and, increased its proforma shareholding of the Company through its participation in the 2022 Financing.