INFLECTION RESOURCES LTD.

An exploration stage company

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

The Management's Discussion and Analysis of Financial Condition and Results of Operations (the "MD&A"), dated January 30, 2024, provides an analysis of, and should be read in conjunction with the accompanying consolidated financial statements and related notes thereto for the years ended September 30, 2023 and 2022 (the "Financial Statements"), and other corporate filings available under the Company's profile on SEDAR at www.sedar.com.

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 September 30, 2023, the indicative rate of exchange, per $1.00 as published by the Bank of Canada, was AUD 1.1464 (AUD 1.1259 at September 30, 2022). 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 (including measures implemented in response to the Covid-19 coronavirus outbreak ("Covid-19")); 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.

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 a reporting issuer in British Columbia, Alberta, and Ontario. The Company's common shares (the "Common Shares") trade on the Canadian Securities Exchange (the "CSE") under the symbol "AUCU", and are listed on the OTCQB under symbol "AUCUF".

The Financial Statements include the accounts of the Company and its 100% wholly owned subsidiaries in Australia: Australian Consolidated Gold Holdings Pty Ltd ACN 619 975 405 ("ACGH"), 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.

Mr. Carl Swensson (FAusIMM) is the "Qualified Person" ("QP"), as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects, who reviewed and approved any technical information in this MD&A.

Highlights from fiscal 2023 and recent developments

- Signed a Definitive Farm-In Agreement with AngloGold Ashanti Australia Limited ("AngloGold") in June 2023 ("Farm-In Agreement") whereby AngloGold has the right to earn up to 65% interest in five designated projects for cumulative maximum exploration expenditures of AUD135 million. An additional 10% can be earned in each designated project by AngloGold by completing a pre feasibility study and granting 2% or 1% net smelter return ("NSR").
- In July 2023, mobilized a large scale drilling program on its copper-gold projects in New South Wales (Australia) which is financed as part of Phase 1 of the Farm In Agreement with AngloGold which continues into 2024.
- In August 2023, closed an oversubscribed non-brokered private placement for 7.1 million units at $0.25 per unit for gross proceeds of $1.78 million.
- In December 2023, completed a small drill program on the Carron gold project ("Carron"), located in Northern Queensland, Australia, to earn a 70% interest in the project.
- Approved to receive up to AUD 145,500 in exploration grant funding under the Government of NSW's New Frontiers Exploration Program for expenditures at the NSW Project's Duck Creek target. AUD 100,000 was awarded for drilling, and an additional AUD 45,500 was awarded for a geophysical survey.
- Approved to receive up to AUD 182,000 in exploration grant funding from the Government of Queensland for the Carron project.

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. Exploration grants awarded are applied against the carrying value of the particular mineral property. 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) New South Wales ("NSW") Project

The Company is targeting gold and copper-gold deposits in the interpreted northern extension of the Macquarie Arc, part of the Lachlan Fold Belt region of New South Wales, Australia (the "LFB"). The Macquarie Arc is considered Australia's premier porphyry gold-copper province, host to Newmont's Cadia Valley deposits, the Evolution Mining Northparkes and Cowal deposits and numerous active exploration prospects.

The NSW project is the Company's principal project, and as of the date of this MD&A consists of a large portfolio of 100% owned non-surveyed non-contiguous ELs located in the LFB. Eleven of the ELs were acquired in 2018 (the "Acquired NSW licenses"); a further two ELs (the "Romardo Licenses") were acquired pursuant to the February 2020 acquisition of Romardo Copper. All other ELs were staked by the Company.

There is a 2% net smelter return royalty ("NSR") on the Acquired NSW licenses payable on production from these ELs, of which the Company may purchase 1% for AUD 3 million at any time. The two "Romardo Licenses" are subject to a 2% NSR of which the Company may purchase 1% for AUD 2 million 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 two Romardo ELs:

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.

Definitive Farm-In Agreement with AngloGold Ashanti Australia Limited ("AngloGold")

On February 22, 2023, the Company signed a non-binding Heads of Agreement with AngloGold entitled, "Earn-in transactions on New South Wales Exploration Projects" (the "HOA"). The HOA outlined the principal terms under which AngloGold may enter into an earn-in agreement across certain of the ELs that comprise the Company's NSW Project (the "HOA ELs").

In June 2023, the Company signed a Definitive Farm-in Agreement (the "Farm In Agreement") with AngloGold that outlines the terms under which AngloGold may earn into a number of the Company's copper-gold projects in New South Wales, Australia. Summary highlights of the Agreement are as follows:

Phase I:

AngloGold will sole fund up to AUD$10,000,000 on exploration expenditures across a wide range of different intrusive related exploration targets within a 36-month period following the execution of the Farm-in Agreement. AngloGold has committed to fund minimum expenditures of AUD$6,000,000. If Phase I Expenditures of AUD$10,000,000 are not incurred within the required time frame, then the Farm-in Agreement shall terminate and no interest in any of the properties will be earned by AngloGold. The Company will receive a 10% management fee for being the operator of Phase I.

Upon completion of Phase I exploration expenditures of AUD$10,000,000, AngloGold retains the option to convert the expenditures into common shares of Inflection equal to a maximum of 9.9% of the then issued outstanding common shares of the Company, post share issuance, at the time of completion of Phase I. The deemed price of the shares shall be calculated using the 30-day VWAP and the number to be issued shall be capped at the Canadian dollar equivalent of AUD$10,000,000.

If the number of shares issued equals less than 9.9% of Inflection's outstanding shares, then AngloGold shall retain the further option to purchase additional common shares from the treasury of Inflection at a 10% premium to the 30-day VWAP, up to a combined maximum ownership interest of 9.9% of the then-outstanding common shares.

As at September 30, 2023, Phase 1 expenditures totaled AUD 2.34 million comprised of exploration expenditures of AUD 2.12 million and management fees of AUD 212,300.

During the year ended September 30, 2023, funds of AUD 2.57 million were received from AngloGold. Subsequent to the year ended September 30, 2023, funds of AUD 2.39 million were received from AngloGold.

Phase II:

AngloGold may elect to earn an initial 51% interest in up to five Designated Projects individually by sole funding expenditures of AUD 7,000,000 on each project within 36 months. If AngloGold fails to complete the Phase II earn-in expenditure for a given Designated Project, the Company will retain 100% ownership with no interest earned by AngloGold.

Phase III:

AngloGold may elect to earn an additional 14% interest in each Designated Project individually, for a total 65% interest, by sole funding additional expenditures of AUD 20,000,000 per Designated Project within 24 months following completion of Phase II. If AngloGold initiates but does not complete Phase III, then its ownership interest in the Designated Project will revert to 49%, which the Company retains the right to purchase at a mutually agreed price or for fair value if a price cannot be mutually agreed within a specified period.

Phase IV:

AngloGold retains an additional right to earn a further 10% interest in each Designated Project, bringing its potential ownership interest to 75%, by completing the following:

- Delivering to Inflection a Pre-Feasibility Study in accordance with the CIM Definition Standards on Mineral Resources and Ore Reserves based on a minimum 2,000,000 ounces of gold or gold-copper equivalent Measured and Indicated resources within 36 months after AngloGold provides notice to move to Phase IV; and,
- Granting to Inflection a 2% NSR on the applicable Designated Project; provided, however, that if the applicable Designated Project has any existing underlying royalties, Inflection will be granted a 1% NSR. AngloGold will have the right to buy back 0.5% of any 2% NSR and 0.25% of any 1% NSR in respect of all or a portion of the respective Designated Project for fair value at any time.

All expenditure timelines can be accelerated.

The initial drill program on the NSW Project began in July 2020; drilling and fieldwork continued intermittently over several targets since that time.

In July 2023, the Company mobilized a drilling program with a budget of up to AUD$10 million which will be funded by AngloGold for the Phase 1 exploration program pursuant to the Farm In Agreement and which includes a 10% management fee payable to the Company. By December 2023, drilling focused on nine principal target areas: Duck Creek, Myallmundi, Fairholme, Canonba, Nine Mile, Meringo, Nyngan, Trangie and Marra.

Duck Creek:
The Duck Creek project is highly prospective for a large alkalic porphyry-related copper-gold style target. The principal 4.5 x 5.0 kilometre target area covers favourable magnetic and gravity features which the Company interprets to be part of the prospective Macquarie Arc volcanic sequence. The broader target area comprises a large 10 x 15 kilometre gravity low embayment within the large regional magnetic high. The Company considers the geological setting highly analogous to CMOC’s Northparkes mine located approximately 200 kilometres to the south. Specifically, the Company is drill testing high-amplitude, complex, curvilinear magnetic patterns very similar to those typical of the intrusion-related signatures of the Macquarie Arc mineralized districts. Furthermore, drilling has intersected strongly hydrothermally altered rocks distinctly characteristic to those adjacent to mineralized alkalic copper–gold systems.

Two deep drill holes totalling 1,402 m were recently completed. Drill hole DCKDH017 intercepted an extensive zone of inner propylitic hydrothermal alteration dominated by well-developed fracture-controlled to pervasive hematite – epidote – chlorite ± calcite alteration with lesser and variable amounts of magnetite, tourmaline, actinolite, pyrite, chalcopyrite and locally, bornite mineralisation. This style of inter propylitic alteration is often found in proximity to other alkalic porphyry systems in New South Wales and elsewhere. Many assay results are pending including key geochronology samples, green rock analysis, petrographic and spectral studies.

Three separate geophysical surveys have been completed on the Duck Creek exploration license including Ambient Noise Tomography (ANT), an Induced Polarisation/Magnetotellurics (IP/MT) survey and a ground gravity study. All data has now been received and the results of the surveys are currently being interpreted.

Fairholme:

One drillhole (FARDH002) totalling 534.3 metres was completed on the Fairholme target. The hole was designed to test the margin of a distinct magnetic high. Whilst difficult to decipher, these rocks are interpreted by the Company to be fine-grained volcaniclastics with associated biotite, chalcopyrite ± bornite-bearing quartz veins that have experienced upper greenschist facies metamorphism and structural deformation. The Company is still awaiting the assays, several petrographic samples as well as a key geochronology sample.

Nine Mile:

Five drillholes (NMLDH005-009) totalling 1,446 metres were completed on the Nine Mile target. The five holes were drilled to test a variety of different geophysical targets. Holes NMLDH005 and NMLDH009 intersected weak to moderately chlorite-epidote altered and magnetic feldspar 6 porphyritic andesite. Drill hole NMLDH006 intersected well bedded siltstone and holes NMLDH007 and NMLDH008 intersected magnetic, unaltered equigranular diorite. Assays are pending although no values of economic interest are anticipated.

Meringo:

One drillhole (MERDH004) totalling 450 metres was completed on the Meringo target. The hole was drilled to test a large aeromagnetic complex inferred to represent a zone of magnetite enrichment, associated with porphyry-copper-gold mineralisation below unconformable Devonian to Silurian limestones. Beneath the limestones the hole intercepted highly magnetic, unmineralized megacrystic andesites interpreted to be lava flows. Assays are pending although no values of economic interest are anticipated and no further work is planned on the Meringo target.

Trangie:

Four drillholes (TRNDH019, 020, 021, 022) totalling 1,980 metres were completed on the Trangie target to step-out from previous holes which intersected intense epidote-albite alteration and elevated porphyry-related path-finder elements. The four holes all intersected an intercalated sequence of moderate chlorite and weak-moderate epidote altered volcaniclastic sediments and andesites. A full review of these and all previous holes will be completed prior to planning any additional holes into this target. Assays have only been received for drill hole TRNDH019 which returned maximum values of 2 metres at 0.23% Cu and 0.09 g/t Au from 433 metres.

Nyngan:

One drillhole (NYNDH001) totalling 169.9 metres was completed on the Nyngan target. The hole tested the margin of a distinct magnetic high and intercepted a mixed package of epidote and haematite altered andesites and andesitic volcaniclastics with patchy disseminated pyrite and occasional quartz veins.

Canoba:

One drillhole (CANDH001) totalling 474.5 metres was completed on the Canoba target. The hole tested a discreet aeromagnetic high and intersected intercalated chlorite altered siltstone and epidote altered magnetic andesite.

Marra:

One drill hole (MARDH003) was drilled on the Marra target to a depth of 190 metres to test a distinct, circular magnetic low. Drilling intersected a heavily fractured, flow-banded, hematitesericite altered quartz-alkali feldspar trachyte.

In fiscal 2023, the Company was eligible to receive up to AUD 145,500 in exploration grant funding under the

New Frontiers Exploration Program ("2023 Grant Funding"). The 2023 Grant Funding is made by reimbursement of eligible expenditures at the NSW Project's Duck Creek target. AUD 100,000 was awarded for drilling, and an additional AUD 45,500 was awarded for a MIMDAS geophysical survey, both of which was received in December 2023.

b) Carron gold project ("Carron")

Located approximately 400 kilometres west of Cairns in Northern Queensland, Carron comprises approximately 30 kilometres of northwest trending structures with a large number of high-priority drill targets along strike from the adjacent historic Croydon Goldfields ("Croydon"), one of Queensland's significant historical gold mining districts.

The Company's interest in Carron is held through a farm-in agreement (the "Carron Agreement") with Oakland Gold Pty Ltd. (the "Optionor"). The Carron Agreement, as amended, provides the Company with an option to earn up to a 100% interest in the property.

The Company earned an initial 50% interest (the "Initial Earn-in") in Carron 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 Carron 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 participating interest to 70% by March 31, 2024 further to an amending agreement dated to incur a further AUD 1,000,000 in mineral exploration expenditures (the "Stage 2 Earn-in").

   By December 31, 2023, the Company incurred the AUD 1 million in exploration expenditures for the Carron project and has earned a 70% interest in the project.

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.

The exploration program at Carron is targeting a series of previously untested geophysical targets interpreted to represent possible high-grade, orogenic, gold-bearing quartz veins geologically analogous to, on trend from, those at Croydon.

In late 2021, the Company completed an initial four drill holes totalling 1,030 metres at Carron which were successful in intercepting orogenic style quartz veins as modelled by the Company, although only anomalous gold and base metal values were returned.

A four hole, 1,055 metre drilling program was mobilized for the Carron project in October 2023 and completed in December 2023 with assay results pending. Drilling tested a variety of different aeromagnetic targets, three of which were interpreted to represent structures mostly defined by north and northwest trending magnetic lows which are considered to have the potential to host Croydon style vein mineralisation. Assays are pending.

A portion of the drilling was funded by a AUD$200,000 grant awarded by the Government of Queensland as part of the Government's Collaborative Exploration Initiative, and which grant application has been filed with receipt pending.

SELECTED FINANCIAL INFORMATION

Management is responsible for, and the Board approved, the Financial Statements. Except as noted, the Company followed the significant accounting policies presented in Note 3 - Significant Accounting Policies, contained in the Financial Statements 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.

Selected Annual Information

The following tables and discussion provide selected financial information from, and should be read in conjunction with, the Financial Statements:

	Years ended September 30,		
	2023	2022	2021
Total revenues	$ -	$ -	$ -
Net loss:			
(i) Total	$ (1,431,779)	$ (1,069,837)	$ (1,926,253)
(ii) Basic per share	$ (0.02)	$ (0.01)	$ (0.03)
(iii) Diluted per share	$ (0.02)	$ (0.01)	$ (0.03)
Total assets	$ 12,069,243	$ 10,503,484	$ 9,986,632
Total long-term liabilities	$ -	$ -	$ -
Dividends per share	$ -	$ -	$ -

Because the Company is in the exploration stage, it did not earn any revenues or cash flows from operations and will not for the foreseeable future. The comparative loss and comprehensive loss in each period illustrate the level and nature of exploration activity undertaken at the Company's mineral property interests which may vary based on results received, weather conditions, market factors and available financings.

Selected Statement of Comprehensive Loss data

The Company's operating expenses are summarised as follows:

	Years ended September 30,	
	2023	2022
Expenses:		
Accounting and audit	**$ 107,507**	$ 67,690
Amortization	**14,006**	26,968
Legal	**13,240**	1,428
Office and sundry	**77,609**	96,876
Project generation	**-**	8,785
Regulatory	**41,729**	35,386
Salaries and benefits	**622,331**	555,421
Shareholder relations	**250,219**	201,923
Share-based payments	**172,927**	121,550
Interest income	**27,667**	8,471
Foreign exchange gain	**12,059**	37,719
Other (expense) income items:		
Derivative option cost	**(171,937)**	-
Interest income	**27,667**	8,471
Foreign exchange gain	**12,059**	37,719

Discussion of results

The Company incurred a net loss of $1.43 million for fiscal 2023 which is higher than the net loss of $1.07 million in fiscal 2022, with the former having commensurately higher operating expenses. Net losses were impacted by different functional expense items.

Accounting and audit fees increased from fiscal 2022 ($67,690) to fiscal 2023 ($107,507). An accountant in Australia was hired to oversee the financial reporting, accounting, tax and regulatory compliance obligations. Any services rendered related to mineral property interests were accordingly charged to the exploration project. Audit fees include fiscal 2023 accruals for audit, tax and filing fees related to the year.

Amortization of capital assets were recorded in fiscal 2023 (2023 - $14,006 and 2022 - $26,968) given active exploration activities in the year. As the net book value decreases from depreciation, amortization is expected to commensurately reduce.

Legal fees were higher in fiscal 2023 ($13,240) relative to fiscal 2022 ($1,428). Higher legal fees were attributable to Canadian securities lawyers reviewing the AngloGold Farm In Agreement and Canadian securities implications and compliance affecting the Company especially given the possibility of any share issuances to AngloGold.

Office and sundry in fiscal 2023 ($77,609) was lower than fiscal 2022 ($96,876). Office and miscellaneous expenses consist of bank fees, computer and internet, office supplies, telecommunications and rent. Nominal decreases in expenses for insurance, IT support and sundry along with allocation of certain expense items in Australia being allocated to the mineral projects contributed to lower comparative expenses in the current fiscal period.

There were no project generation activities in fiscal 2023 ($Nil) compared to fiscal 2022 ($8,785). The Company was active during the due diligence period with AngloGold between February 2023 and June 2023. Prior to that the Company completed a drilling program for NSW project in November 2022 and then planning and implementing an AUD 10 million exploration program for the Phase 1 of the AngloGold Farm In Agreement. Then in the latter of fiscal 2023, a drilling program was being developed and then mobilized in October 2023 for the Carron property.

Regulatory fees in fiscal 2023 ($41,729) were nominally higher than fiscal 2022 ($35,386). The fees were paid in connection with the Company's ongoing listing on the CSE, and related ongoing continuous disclosure requirements, listing maintenance costs and filing fee during the current fiscal year. Accruals were also recognized for regulatory filing fees for the fourth quarter.

Salaries and benefits of $622,331 were incurred in fiscal 2023 which is comparatively higher that the $555,421 incurred in fiscal 2022 and reflects amounts earned by individuals employed directly by the Company that are not attributable to exploration. Conversely, technical personnel costs are allotted to exploration activities for each mineral project. These costs were higher in fiscal 2023 due to bonus awarded to a senior officer for negotiating and closing the Farm In Agreement with AngloGold, executive search fees for employment of a new senior officer with higher remuneration, and severance pay.

Shareholder relations were higher in fiscal 2023 ($250,219) than in fiscal 2022 ($201,923). The signing of the HOA and Farm-In Agreement with AngloGold were significant accomplishments for the Company and its NSW projects in advancing the exploration potential which necessitated greater market awareness. Also such efforts were contributory to the overallotment of the Company's financing in August 2023 during market weaknesses and uncertainties in the capital markets despite positive commodity prices.

Share based payments is for the granting or vesting of stock options, which was higher in fiscal 2023 ($172,927) than in fiscal 2022 ($121,550). There were slightly more stock options granted than the prior year, and volatility and the risk free rates were higher in the current fiscal year.

Income interest is earned from interest bearing savings account and GIC holdings. The closing of $1.65 million financing in August 2022 and $1.78 million financing in August 2023 contributed to more interest earned in fiscal 2023 ($12,059) than fiscal 2022 ($8,471) coupled with higher interest rates during the current fiscal year. The balance of cash or GICs held will vary period-to-period depending on the timing of financing and capital raises, and the level and timing of exploration activity.

The foreign exchange gain was from the net effects of transactional foreign currency and jurisdictional translation and revaluation effects from its Australian subsidiaries which operate in the Australian dollar and from certain U.S. dollar stated accounts during the year. The Company's functional currency is the CAD dollar. Depending on the volatility of the exchange rate from period-to-period, the impact on the statement of comprehensive loss could be significant.

In fiscal 2023, the Company recognized a derivative option cost of $171,937 which is attributable to the option by AngloGold to acquire a 9.9% interest in the Company upon completion of Phase I of the AngloGold Farm In Agreement.

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. Net loss is distributed by geographic segment per the table below, for the years ended:

	Years ended September 30,	
	2023	2022
Canada	$ 1,370,623	$ 1,033,041
Australia	61,156	36,796
	$ 1,431,779	$ 1,069,837

Mineral property interests and refundable security deposits are held in Australia, and cash is held in Canada and Australia with the latter receiving funds from Phase 1 exploration budget with AngloGold. The Company's assets are distributed by geographic segment, as per the tables below:

	September 30, 2023		
	Canada	Australia	Total
Current assets	$ 1,999,049	$ 1,029,994	$ 3,029,043
Refundable security deposits	-	251,361	251,361
Exploration and evaluation assets	-	8,788,839	8,788,839
Total assets	$ 1,999,049	$ 10,070,194	$ 12,069,243

	September 30, 2022		
	Canada	Australia	Total
Current assets	$ 1,504,257	$ 319,923	$ 1,824,180
Refundable security deposits	-	358,833	358,833
Exploration and evaluation assets	-	8,320,471	8,320,471
Total assets	$ 1,504,257	$ 8,999,227	$ 10,503,484

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.

	Sept 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022
Total revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss for the period	(556,486)	(237,699)	(370,712)	(266,882)
Loss per share, basic and diluted	(0.01)	-	(0.01)	-
Total assets	12,069,243	9,950,321	9,935,399	10,274,586
Total long term liabilities	-	-	-	-
Dividends per share	-	-	-	-

	Sept 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021
Total revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss for the period	(207,080)	(313,926)	(255,818)	(293,013)
Loss per share, basic and diluted	(0.01)	-	-	-
Total assets	10,503,484	9,358,984	9,401,442	9,641,204
Total long term liabilities	-	-	-	-
Dividends per share	-	-	-	-

Because the Company is in the exploration stage, it did not earn any revenues nor realized any operating cash inflows. The Company's expenditures and cash requirements may fluctuate and lack a 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 vesting of share-based payments may give rise to variability in results from one period to the next comparable period.

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.

Fourth quarter

The Company's comprehensive loss for the fourth quarter of 2023 reflects wages and salaries; professional fees, shareholder relations, general office and administrative costs, and regulatory costs to administer the Company generally incurred on an ongoing basis, net of a foreign exchange gain or losses arising on the relative appreciation or depreciation of the Canadian dollar compared to the Australian dollar over the year.

Fourth quarter losses in fiscal 2023 were generally higher than prior comparative quarters due to year end accruals and adjustments. For the fourth quarter of fiscal 2023, operating losses were reduced as certain functional expense items were capitalized to mineral property interests.

Financial position

The following select financial data is derived from the Financial Statements.

	September 30,	
	2023	2022
Total current assets	$ 3,029,043	$ 1,824,180
Total assets	12,069,243	10,503,484
Total current liabilities	1,146,720	72,538
Total liabilities	1,146,720	72,538
Total shareholders equity	10,922,523	10,430,946
Weighted average number of common shares outstanding	88,645,843	73,572,656
Basic and fully diluted loss per weighted average number of common shares for the period	(0.02)	(0.01)

<u>Assets</u>

Cash and cash equivalents

Cash and cash equivalents held at September 30, 2023 ($2.83 million) was higher than September 30, 2022 ($1.78 million), which is attributable to the $1.78 million financing which closed in mid August 2023 and the remaining funds of AUD738,300 (September 30, 2022 - $Nil) from partial cash calls from the cumulative AUD10 million Phase I exploration program being funded by AngloGold.

Receivables, prepaid expenses, and deposits

The balance of receivables and prepaid expenses will fluctuate period over period depending on the level of activity in the Company, and on the timing of such balances, and the accounting thereon at each particular period end. Receivables of $140,277 at September 30, 2023 are for the government grants which are claimable for the drilling at Duck Creek and for geophysics (September 30, 2022 - $Nil). Other receivables are for recoverable amounts of GST, and prepaid expenses are generally held in connection with services paid for in advance or expenses which are allotted to future periods.

Exploration and evaluation assets:

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. Exploration grants awarded (received or receivable) are applied against the carrying value of the particular mineral property.

The value of the Company's exploration and evaluation assets, including cumulative expenditures incurred, net of Phase 1 exploration receipts from AngloGold including management fees earned, impairment charges, depreciation and government grant benefits, is as follows:

	NSW Project	Carron Project	Total
Acquisition Costs:			
Balance, September 30, 2021	$ 525,413	$ 95,214	$ 620,627
Additions	-	-	-
Balance, September 30, 2022	525,413	95,214	620,627
Additions	-	-	-
Balance, September 30, 2023	525,413	95,214	620,627
Deferred Exploration Expenditures:			
Balance, September 30, 2021	4,843,776	522,476	5,366,252
Drilling and assays	887,315	197,666	1,084,981
Geological services	429,518	221,264	650,782
Claim maintenance fees	236,488	32,504	268,992
Administration and maintenance	222,445	61,712	284,157
Geophysics	95,470	11,632	107,102
Depreciation of equipment	(26,968)	-	(26,968)
Recovery from government grants	(29,208)	(6,246)	(35,454)
Balance, September 30, 2022	6,658,836	1,041,008	7,699,844
Drilling and assays	1,520,981	-	1,520,981
Geological services	593,555	37,569	631,124
Claim maintenance fees	249,608	11,418	261,026
Administration and maintenance	153,329	10,037	163,366
Geophysics	99,364	-	99,364
Depreciation of equipment	(14,006)	-	(14,006)
Recovery from government grants	(96,391)	-	(96,391)
Recovery from farm in agreement	(1,906,451)	-	(1,906,451)
Recovery from management fee receipts	(190,645)	-	(190,645)
Balance, September 30, 2023	$ 7,068,180	$ 1,100,032	$ 8,168,212
Exploration and evaluation assets:			
Balance, September 30, 2022	$ 7,184,249	$ 1,136,222	$ 8,320,471
Balance, September 30, 2023	7,593,593	1,195,246	8,788,839

Exploration for NSW project was mobilized in July 2023 from the Phase 1 exploration program of the AngloGold Farm In Agreement. Expenditures of AUD2.12 million were incurred for Phase 1 which was fully recovered from cash calls received from AngloGold. Also the Company earned a 10% management fee of AUD 212,296 from Phase 1. Pro rata government grants of AUD 107,338 was recognized in fiscal 2023 which was fully received for AUD 145,500 in December 2023. Exploration for NSW project continues in fiscal 2024 under the Phase 1 of the Farm In Agreement.

Expenditures of $59,024 for the Carron property were incurred for fiscal 2023 as preparatory planning for a drilling program which mobilized in October 2023 and completed in December 2023 with assay results pending. The Company also earned a 70% interest in the property.

The Company has posted refundable security deposits, each representing a mineral property EL and permitted disturbance thereon, held with the Governments of New South Wales and of Queensland as follows:

	NSW Project	AI Project	Total
Balance, September 30, 2021	$ 314,257	$ 9,162	$ 323,419
Additions (recoveries)	67,109	(8,882)	58,227
Foreign exchange	(22,533)	(280)	(22,813)
Balance, September 30, 2022	358,833	-	358,833
Additions (recoveries)	(107,472)	-	(107,472)
Balance, September 30, 2023	$ 251,361	$ -	$ 251,361

Refundable security deposits consist of the basic security deposit required on issuance of each EL, as well as additional deposits for environmental related bonding amounts. Environmental related bonding amounts are based on the respective EL size and levels of disturbance contemplated under the specific exploration permit.

<u>Liabilities</u>

Current 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. The Company's liabilities at September 30, 2023 and 2022 include obligations due to service providers and vendors arising in the normal course of operations.

Current liabilities of $1,146,720 as at September 30, 2023 were significantly higher than fiscal 2022 ($72,538). Operating payables increased from the mobilization of the AUD 10 million Phase 1 exploration program for the NSW property in July 2023 which is being funded by AngloGold. Also included in liabilities is an advance for exploration projects for $208,433 representing unspent cash call received from the October 2023 cash call from AngloGold. The Phase I exploration program continues into fiscal 2024. A derivative liability was recognized from the AngloGold's option to acquire 9.9% of the Company upon completion of Phase I of the Farm In Agreement.

Current liabilities also increased in the fourth quarter due to year end accruals.

Cash Flows

The Company is still considered to be in the exploration stage and as such does not earn any revenues or cash inflows from operations.

Total cash used in operating activities was $408,470 during 2023 fiscal year compared to $1.01 million in 2022 fiscal year primarily due to significant increases in operating payables at year end as the Company mobilized the Phase 1 exploration program with AngloGold.

Total cash flows provided by financing activities was $1.75 million during fiscal 2023 which is comparable to fiscal 2022 ($1.63 million). Equity financings for both fiscal years have provided funding for exploration activities and working capital. Although it is generally foreseeable that there will likely be new capital raised by the Company each successive year, the amount and terms of such financing will vary depending upon a number of circumstances, many of which are outside the control of the Company.

Total cash flows used in investing activities was $268,823 during fiscal 2023 is substantially lower that the $2.42 million during fiscal 2022. Investing cash flows are primarily for exploration activities. In fiscal 2023, the Phase 1 exploration program with AngloGold resulted in reimbursements of $2.11 million in exploration expenditures and receipts of $190,645 in management fee from AngloGold. Investing cash flows are also affected by cash paid or recovered for refundable security deposits and net of cash received on receipt of government grant funding.

Going concern, liquidity, capital management, and contractual obligations

Going Concern and liquidity

The properties in which the Company currently holds an interest are in the exploration stage. The Company has not generated revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future. As at September 30, 2023, the Company has approximately $1.88 million available in working capital (September 30, 2022 - $1.75 million). The Company's financial liabilities of payables and accrued liabilities are generally payable within a 90-day period. In August 2023 a private placement closed for gross proceeds of $1.78 million.

The 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 acceptable terms, 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. A number of the 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, fluctuating commodity prices, and investor sentiment.

Consequently, management pursues various financing alternatives to fund operations and advance its business plans.

Capital Management

The Company 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 advancement 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

In addition to normal course operating contracts and agreements relating largely to exploration activities and for the retention of exploration personnel, the Company is also party to agreements to acquire mineral properties that are disclosed in the accompanying Financial Statements, and in this MD&A.

In connection with a non-brokered private placement which closed on May 14, 2021 (the "2021 Private Placement"), the Company entered into an agreement providing Crescat Portfolio Management LLC ("Crescat") the right to purchase additional Inflection securities (the "Participation Right") up to its then proportional percentage. The Participation Right terminates on the date on which Crescat's ownership of common shares falls below 1% of the then outstanding common shares. The Company and Crescat also entered into a strategic shareholder agreement, dated July 20, 2022, whereby Crescat have agreed to share geologic and technical expertise with the Company from time to time.

Crescat participated in the fiscal 2022 financing, increasing its proportional percentage over that which it held prior to that financing, and again the fiscal 2023 financing which increased its proportional percentage.

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 Financial Statements at Note 3.

Related Party Transactions

In addition to the officers and directors of the Company, Inflection's related parties include (i) its subsidiaries; (ii) OCP Holdings Ltd. ("OCP"), as a reflection of its approximate 16.81% ownership interest in the Company at September 30, 2023; and (iii) those legal entities noted under the table below.

Key management personnel compensation is comprised of the following:

	Year ended September 30,		Net balance payable September 30,	
	2023	2022	2023	2022
Key management compensation:				
Executive salaries and benefits [1]	$ 366,300	$ 286,860	$ 50,500	$ -
Geological consulting [1]	220,912	212,753	23,903	17,222
Directors fees	156,000	159,075	43,737	-
Share-based payments	141,058	78,993		
	$ 884,270	$ 737,681	$ 118,140	$ 17,222
Net office, sundry, rent and salary allocations reimbursed to companies sharing certain common directors [2]	$ 88,358	$ 13,631	$ 10,150	$ 1,179

(1) Includes key management compensation and geological consulting which are included in exploration and evaluation assets, employee remuneration and property investigation, if any.

(2) These companies include Headwater Gold Inc., NewQuest Capital Inc. and Red Canyon Resources Ltd.

The above related party transactions are incurred in the normal course of business and on a cost recovery

Outstanding Securities

Common shares

The Company's authorized share capital consists of unlimited number of common shares without par value.

As at September 30, 2023, nil shares were held in escrow (September 30, 2022 – 6,552,001 escrow shares which were released from escrow on July 16, 2023).

Changes in the Company's share capital for year ended September 30, 2023 are as follows:

	Number of Shares	Amount
Balance at September 30, 2022	87,745,670	$ 14,001,518
Issued:		
Private placement	7,107,000	1,776,750
Share issue expenses	-	(84,607)
Exercise of warrants	205,000	30,750
Balance at September 30, 2023	95,057,670	$ 15,724,411

On August 17, 2023, the Company closed a non-brokered private placement for gross proceeds of $1.78 million through the issuance of 7,107,000 units priced at $0.25 per Unit. Each unit consisted of one common share and one-half of a share purchase warrant, with each whole warrant exercisable to acquire one common share at a price of $0.40 until February 17, 2025. Cash finder's fees of $57,070 and 214,800 finder's warrants exercisable at $0.40 per common share until February 17, 2025 were paid on a portion of the private placement.

In fiscal 2023, 205,000 warrants with an exercise price of $0.15 were exercised for gross proceeds of $30,750, and the issuance of 205,000 common shares.

In December 2023, the Company issued 125,000 common shares from the exercise of stock options with an exercise price of $0.12 for gross proceeds of $15,000.

As at January 30, 2024, there were 95,182,670 common shares issued and outstanding.

Stock options

The Company has a stock option plan under which it is authorized to grant stock options of up to a maximum of 10% of the 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 stock options shall vest immediately.

The continuity of stock options for the year ended September 30, 2023 is as follows:

	September 30, 2023	
	Number of Shares	Weighted average exercise price
Outstanding balance, beginning of year	6,374,000	$0.22
Granted	2,175,000	$0.13
Forfeitures and cancellations	(199,000)	$0.16
Outstanding balance, end of year	8,350,000	$0.20

During the year ended September 30, 2023, the following stock options were granted:

- On December 21, 2022, 1,975,000 stock options were granted to directors, officers, employees and certain consultants to the Company. The stock options have an exercise price of $0.12 per share, vest six months after the date of the grant, and expire on December 21, 2027; and

- On June 1, 2023, 200,000 stock options were granted to a newly appointed officer of the Company. The stock options have an exercise price of $0.22 per share, vest six months after the date of the grant, and expire on June 1, 2028.

In December 2023, 125,000 stock options were exercised and 425,000 stock options were cancelled.

At January 30, 2024, stock options for 7,800,000 common shares remain outstanding of which 7,800,000 stock options are exercisable.

Warrants

At September 30, 2023, the Company had outstanding warrants as follows:

Exercise Prices	Expiry Dates	Outstanding at September 30, 2022	Issued	Exercised	Expired	Outstanding at September 30, 2023
$0.50	May 14, 2023	6,933,578	-	-	(6,933,578)	-
$0.15	August 10, 2024	16,475,000	-	(205,000)	-	16,270,000
$0.40	February 17, 2025	-	3,553,500	-	-	3,553,500
$0.40	February 17, 2025	-	214,800	-	-	214,800
		23,408,578	3,768,300	(205,000)	(6,933,578)	20,038,300

Pursuant to the private placement which closed in August 2023, 3,553,500 warrants were issued plus 214,800 finders fee warrants.

During 2023 fiscal year, 205,000 warrants were exercised and 6,933,578 warrants expired unexercised.

At January 30, 2024, warrants for 20,038,300 common shares remain outstanding.

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 Canadian dollar 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.

At September 30, 2023 and 2022, the Company was exposed to currency risk for its Canadian dollar equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars as follows:

	Stated in Canadian Dollars		
	Held in		Total
	Australian Dollars	United States Dollars	
Cash	$ 905,630	$ 2,256	$ 907,886
Accounts receivable	102,354	-	102,354
Accounts payable and accrued liabilities	(628,789)	-	(628,789)
Advance for exploration projects	(208,433)	-	(208,433)
Net financial assets, September 30, 2023	$ 170,762	$ 2,256	$ 173,018
Cash	$ 324,820	$ 11,626	$ 336,446
Accounts receivable	-	-	-
Accounts payable and accrued liabilities	(46,450)	-	(46,450)
Net financial assets, September 30, 2022	$ 278,370	$ 11,626	$ 289,996

Based upon the above net exposure as at September 30, 2023 and assuming all other variables remain constant, a 10% (September 30, 2022 - 10%) depreciation or appreciation of the Canadian dollar relative to the Australian dollar could result in a decrease/increase of approximately $17,300 (September 30, 2022 - $29,000) in the Company's net losses.

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 either higher-interest savings accounts, short-term Government Investment Certificates held with major bank in Canada, the Company is not exposed to interest rate risk.

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.

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.

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.

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.

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.

Conflicts of interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date, the Company has not experienced any material losses related to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attacks, damage or unauthorized access remain a priority. As the threat landscape is ever-changing, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Climate change

The Company is exposed to physical risks related to climate change including extreme weather events such as floods, longer wet or dry seasons, increased temperatures and drought, increased precipitation and snowfall and wildfires. Such events can temporarily slow or halt operations due to physical damage of assets, shortage of resources and route disruptions that may limit the transportation of materials and personnel. Additionally, regulations and taxes developed to regulate the transition to a low-carbon economy and energy efficiency may result in increased operation costs including environmental monitoring, increased reporting and other costs to comply with such regulations.

Additional disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company'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 the Company's SEDAR profile accessed through www.sedar.com.

Proposed Transactions

There are no proposed material transactions, as the Company signed the agreement with AngloGold in June 2023. However, as is typical of the mineral exploration and development industry, management of the Company continually review potential merger, acquisition, investment, joint venture transactions, and opportunities that could enhance shareholder value. The Company also notes that in order to satisfy its capital requirements and continue to undertake planned exploration programs it will be necessary to raise funds, likely through the issuance of common shares, or units including warrants, from time to time. There is no guarantee that any contemplated transaction will be concluded.

Off Balance Sheet Arrangements and Legal Matters

The Company has no off-balance sheet arrangements, and there are no material outstanding legal matters of which management is aware except as disclosed in its continuous disclosure filings.

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 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. Douglas Menzies (BSc, MAIG, RPGeo), the Company's Vice President Exploration. Carl Swensson (FAusIMM), a consultant to the Company is a "Qualified Person"

("QP") as defined in National Instrument 43-101 and has reviewed and approved the scientific and technical information contained in this MD&A.

Subsequent Events Not Otherwise Described Herein

With the exception of transactions and activities described in this MD&A and in the Financial Statements and in the Company's other continuous disclosure filings, there were no undisclosed material 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. Doug Menzies is Vice President, Exploration, Sandra Wong is Corporate Secretary, and Philip Yee is Chief Financial Officer.

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 links to it will be posted to the Company's website.

(signed) Alistair Waddell

Alistair Waddell
President and Chief Executive Officer