
INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Three and nine months ended June 30, 2019 and 2018
(Unaudited - Expressed in Canadian dollars)

INDIGO EXPLORATION INC.

NOTICE OF NO AUDITOR REVIEW

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

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

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

INDIGO EXPLORATION INC.**Condensed Interim Consolidated Statements of Financial Position***(Unaudited - Expressed in Canadian dollars)*

	Notes	June 30, 2019 \$	September 30, 2018 \$
ASSETS			
Current			
Cash		99,766	109,757
Taxes recoverable and other receivables		567	700
Prepaid expenses		1,938	2,783
		102,271	113,240
Mineral properties (Schedule 1)	6	376,854	325,354
		479,125	438,594
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	171,528	170,852
Loans payable	7	100,465	-
		271,993	170,852
SHAREHOLDERS EQUITY			
Share capital	8	7,230,633	7,230,633
Contributed surplus		805,069	805,069
Deficit		(7,828,570)	(7,767,960)
		207,132	267,742
		479,125	438,594

Going concern (Note 2)

Approved by the Board of Directors“Paul S. Cowley” Director“Marino J. Sveinson” Director

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

INDIGO EXPLORATION INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended June 30, 2019 and 2018***(Unaudited - Expressed in Canadian dollars)*

		Three months ended		Nine months ended	
	Note	June 30		June 30	
		2019	2018	2019	2018
		\$	\$	\$	\$
Accounting and audit fees	9	5,706	5,121	18,941	18,817
Filing fees		575	1,251	11,076	13,095
Foreign exchange loss		1,007	917	2,219	2,757
Legal fees		759	237	2,290	1,230
Management and administration fees	9	5,850	5,850	15,600	21,450
Office and miscellaneous		6,332	5,924	16,334	18,519
Travel and accommodation		-	-	-	4,868
		(20,229)	(19,300)	(66,460)	(80,736)
Forgiveness of debt / management fees	9	-	-	5,850	-
Total loss and comprehensive loss		(20,229)	(19,300)	(60,610)	(80,736)
Loss per share					
- Basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding					
- Basic and diluted		92,019,316	89,885,057	92,019,316	90,963,913

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

INDIGO EXPLORATION INC.
Condensed Interim Consolidated Statements of Cash Flows
Nine months ended June 30
(Unaudited - Expressed in Canadian dollars)

	2019	2018
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(60,610)	(80,736)
Add items not involving cash:		
Interest expense	465	-
Forgiveness of debt / management fees	(5,850)	-
	(65,995)	(80,736)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	133	(1,206)
Prepaid expenses	845	3,200
Accounts payable and accrued liabilities	6,526	(1,651)
	(58,491)	(80,393)
Investing activity		
Deferred exploration expenditures	(51,500)	(57,398)
Financing activity		
Loans received	100,000	-
Shares issued	-	230,500
Cash issuance costs	-	(18,908)
	100,000	211,592
Increase (decrease) in cash	(9,991)	73,801
Cash - beginning of period	109,757	64,848
Cash - end of period	99,766	138,649

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

INDIGO EXPLORATION INC.**Condensed Interim Consolidated Statements of Changes in Shareholder's Equity***(Unaudited - Expressed in Canadian dollars)*

	Shares	Share	Contributed		Total
	Number	Capital	Surplus	Deficit	
		\$	\$	\$	\$
Balance – September 30, 2017	84,335,982	7,026,541	797,569	(7,649,552)	174,558
Issued during year:					
Pursuant to private placement of units	7,683,334	223,000	7,500	-	230,500
Less: cash issue costs	-	(18,908)	-	-	(18,908)
Loss and comprehensive loss	-	-	-	(80,736)	(80,736)
Balance – June 30, 2018	92,019,316	7,230,633	805,069	(7,730,288)	305,414
Loss and comprehensive loss	-	-	-	(37,672)	(37,672)
Balance – September 30, 2018	92,019,316	7,230,633	805,069	(7,767,960)	267,742
Loss and comprehensive loss	-	-	-	(60,610)	(60,610)
Balance – June 30, 2019	92,019,316	7,230,633	805,069	(7,828,570)	207,132

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

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian dollars)

1 ORGANIZATION AND NATURE OF OPERATIONS

Indigo Exploration Inc. (“the Company”) is in the business of the acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is listed for trading on the TSX Venture Exchange under the symbol “IXI”. The Company is in the exploration stage and has interests in properties located in Burkina Faso, West Africa. The Company’s corporate head office is located at Suite 880 – 580 Hornby Street, Vancouver, British Columbia, Canada.

2 GOING CONCERN

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements 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. Such adjustments could be material. At June 30, 2019, the Company had not yet achieved profitable operations, had an accumulated deficit of \$7,828,570 (September 30, 2018 - \$7,767,960) since inception, a working capital deficiency of \$169,722 (September 30, 2018 working capital deficiency of \$57,612), and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to develop the mineral properties and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

3 BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2018, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual audited consolidated financial statements for the year ended September 30, 2018 except for as discussed in Note 4.

These financial statements were approved by the board of directors for issue on August 29, 2019.

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian dollars)

4 ACCOUNTING STANDARDS

i) NEW ACCOUNTING STANDARDS EFFECTIVE FOR THE FIRST TIME

IFRS 9 - Financial Instruments. In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on financial liabilities and derecognition of financial instruments.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Recognition and Classification

The Company recognized a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at October 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	New classification IFRS 9
Cash and cash equivalents	Amortized cost	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost

The Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on October 1, 2018.

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian dollars)

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian dollars)

ii) ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of approval of the condensed interim consolidated financial statements the following standards, which are applicable to the Company, were issued but not yet effective. The following is a brief summary of the new or amended standards.

IFRS 16 - Leases. On January 13, 2016, the IASB published a new standard, IFRS 16, Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Under the new standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses). The mandatory effective date of IFRS 16 for the Company would be the annual period beginning on October 1, 2020.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's September 30, 2018 annual consolidated financial statements.

6 MINERAL PROPERTIES (Schedule 1)

The Company holds a 100% interest in the Hantoukoura (previously Kodyel) permit in Burkina Faso, West Africa. Refer to Schedule 1.

On March 2, 2017, the Kodyel permit area was re-permitted as the Hantoukoura permit of equal size and position as the Kodyel permit. On December 4, 2017, the Minister in charge of Mines in Burkina Faso suspended all activity on the permit in light of the security issues related to border issues between Niger and Burkina Faso. The length of the suspension period will be added back onto the length of the permit. As at June 30, 2019 the suspension has not been lifted.

The Company reapplied for the same area of the Lati permit, under a new Lati 2 permit and subsequent to June 30, 2019 the Company was requested by the Ministry of Mines to pay for the application fee for this new three year permit. The Company paid the funds and is waiting to hear back from the Ministry to finalize the permit granting.

7 LOANS PAYABLE

The Company entered into loan agreements for a total of \$100,000. The loans are payable on demand at any time after twelve months from the date funds were advanced and bear interest at a rate of 10% per annum.

8 SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value.

Issued and fully paid at December 31, 2018: 92,019,316 (September 30, 2018 – 92,019,316).

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2019 and 2018***(Unaudited - Expressed in Canadian dollars)*

b) Financing:

There were no financings during the three and nine months ended June 30, 2019.

On March 6, 2018, the Company closed a non-brokered private placement of 7,683,334 units at \$0.03 per unit for gross proceeds of \$230,500. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder the right to purchase one common share of the Company at \$0.05 per share, exercisable up to March 6, 2021. A value of \$7,500 has been attributed to the warrants. In connection with the private placement, the Company incurred share issuance costs of \$18,908.

c) Stock options:

The Company's stock options outstanding as at June 30, 2019 and the changes for the nine months then ended is presented below:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance September 30, 2017	2,600,000	\$0.05	4.08
Expired	(250,000)	\$0.05	
Balance September 30, 2018	2,350,000	\$0.05	3.08
Balance, June 30, 2019	2,350,000	\$0.05	2.33

As at June 30, 2019, the Company had 2,350,000 outstanding options, allowing the holder to acquire 2,350,000 common shares at an exercise price of \$0.05 with an expiry date of October 28, 2021.

d) Warrants:

The Company's share purchase warrants outstanding as at June 30, 2019 and the changes for the nine months then ended is presented below:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, September 30, 2017	21,375,000	\$0.05	1.35
Issued	7,683,334	\$0.05	
Expired	(7,625,000)	\$0.05	
Balance, September 30, 2018	21,433,334	\$0.05	1.50
Expired	(13,750,000)	\$0.05	
Balance, June 30, 2019	7,683,334	\$0.05	1.68

As at June 30, 2019, the Company had 7,683,334 outstanding warrants, allowing the holder to acquire 7,683,334 common shares at an exercise price of \$0.05 with an expiry date of March 6, 2021.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2019 and 2018***(Unaudited - Expressed in Canadian dollars)***9 RELATED PARTY TRANSACTIONS**

Compensation paid or payable to the directors, the Chief Executive Officer and the Chief Financial Officer for services provided during the three months and nine months ended June 30, 2019 and 2018 was as follows:

	Three months ended		Nine months ended	
	June 30		June 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Accounting fees	1,200	1,147	7,000	6,485
Management and administration fees	5,850	5,850	15,600	21,450
	7,050	6,997	22,600	27,935

As at June 30, 2019, accounts payable and accrued liabilities include an amount of \$157,528 (September 30, 2018 - \$147,290) due to directors and officers of the Company and/or companies they control or of which they were significant shareholders. These amounts are unsecured, non-interest bearing and due on demand.

During the nine months ended June 30, 2019 the Chief Executive Officer forgave outstanding management fees owing totaling \$5,850 from the previous fiscal year.

10 SEGMENTED INFORMATION

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company's assets is as follows:

	June 30,	September 30,
	2019	2018
	\$	\$
Canada	97,597	108,113
Burkina Faso	381,528	330,481
Total assets	479,125	438,594

Geographic segmentation of the Company's loss during the three and nine months ended June 30, 2019 and 2018 is as follows:

	Three months ended		Nine months ended	
	June 30		June 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Canada	15,247	14,731	46,423	65,495
Burkina Faso	4,982	4,569	14,187	15,241
Loss	20,229	19,300	60,610	80,736

INDIGO EXPLORATION INC.
Consolidated Schedule of Mineral Properties
(Unaudited - Expressed in Canadian dollars)

Schedule 1

	Hantoukoura Project (formerly Kodyel)
	\$
Balance – September 30 , 2017	250,091
Deferred exploration costs	
Other	13,583
Wages	61,680
	75,263
Balance – September 30, 2018	325,354
Deferred exploration costs	
Other	6,013
Wages	45,487
	51,500
Balance – June 30, 2019	376,854