
INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020 and 2019
(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 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, 2020 \$	September 30, 2019 \$
ASSETS			
Current			
Cash		569,195	57,675
Taxes recoverable and other receivables		3,903	658
Prepaid expenses		4,653	5,559
		577,751	63,892
Mineral properties (Schedule 1)	5	188,018	-
		765,769	63,892
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	82,414	193,595
Loans payable	6	-	102,986
		82,814	296,581
SHAREHOLDERS EQUITY			
Share capital	7	8,487,425	7,230,633
Contributed surplus		898,788	805,069
Deficit		(8,703,258)	(8,268,391)
		682,955	(232,689)
		765,769	63,892

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, 2020 and 2019***(Unaudited - Expressed in Canadian dollars)*

		Three months ended June 30		Nine months ended June 30	
	Note	2020	2019	2020	2019
				\$	\$
Accounting and audit fees	8	10,326	5,706	26,335	18,941
Filing fees		11,009	575	21,620	11,076
Foreign exchange loss		939	1,007	1,545	2,219
Legal fees		10,664	759	30,441	2,290
Management and administration fees	8	9,950	5,850	21,650	15,600
Office and miscellaneous		5,615	6,332	15,695	16,334
Travel and accommodation		-	-	-	-
		(48,503)	(20,229)	(117,286)	(66,460)
Interest expense	6	(1,567)	-	(6,581)	-
Gain/(loss) on debt settlement	6, 8	(311,000)	-	(311,000)	5,850
		(312,567)	-	(317,581)	5,850
Total loss and comprehensive loss		(361,070)	(20,229)	(434,867)	(60,610)
Loss per share					
- Basic and diluted		(0.01)	(0.00)	(0.01)	(0.00)
Weighted average number of shares outstanding					
- Basic and diluted		26,933,988	15,336,552	33,336,248	15,336,552

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)

	2020	2019
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(434,867)	(60,610)
Add items not involving cash:		
Interest expense	6,581	465
Forgiveness of debt / management fee	-	(5,850)
Loss on debt settlement	311,000	-
	(117,286)	(65,995)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	(3,245)	133
Prepaid expenses	906	845
Accounts payable and accrued liabilities	38,819	6,526
	(80,806)	(58,491)
Investing activity		
Deferred exploration expenditures	(78,018)	(51,500)
	(78,018)	(51,500)
Financing activity		
Loans received	-	100,000
Common shares issued	750,000	-
Share issuance costs	(79,656)	-
	670,344	100,000
Increase (decrease) in cash	511,520	(9,991)
Cash - beginning of period	57,675	109,757
Cash - end of period	569,195	99,766

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, 2018	15,336,552	7,230,633	805,069	(7,767,960)	267,742
Loss and comprehensive loss	-	-	-	(60,610)	(60,610)
Balance June 30, 2019	15,336,552	7,230,633	805,069	(7,828,570)	207,132
Loss and comprehensive loss	-	-	-	(439,821)	(439,821)
Balance – September 30, 2019	15,336,552	7,230,633	805,069	(8,268,391)	(232,689)
Issued during period:					
Pursuant to private placement of units	15,000,000	750,000	-	-	750,000
Shares issued for mineral property	1,000,000	110,000	-	-	110,000
Pursuant to debt settlement	5,183,333	570,167	-	-	570,167
Less: share issuance costs	-	(173,375)	93,719	-	(79,656)
Loss and comprehensive loss	-	-	-	(434,867)	(434,867)
Balance – June 30, 2020	36,519,885	8,487,425	898,788	(8,703,258)	682,955

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, 2020 and 2019

(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 and Mali, West Africa. The Company’s corporate head office is located at Suite 880 – 580 Hornby Street, Vancouver, British Columbia, Canada.

On May 5, 2020, the Company consolidated its issued and outstanding common shares on the basis of 6 pre-consolidation shares for one post-consolidation share (the “Consolidation”). All references to share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect the Consolidation (Note 7).

2 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, 2019, 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, 2019.

These financial statements were approved by the board of directors on August 31, 2020.

3 ACCOUNTING STANDARDS

i) NEW ACCOUNTING STANDARDS EFFECTIVE FOR THE FIRST TIME

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 Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 16 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on October 1, 2019.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company’s September 30, 2019 annual consolidated financial statements other than the removal of the Going Concern note disclosure as the Company completed a private placement in May 2020.

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended June 30, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

5 MINERAL PROPERTIES (Schedule 1)

Hantoukoura and Lati – Burkina Faso, West Africa

The Company holds a 100% interest in the Hantoukoura (previously Kodyel). 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 the Company was unable to confirm title to the property, the property was written down to \$Nil as at September 30, 2019. As at June 30, 2020 the suspension has not been lifted.

The Company holds a 100% interest in the Lati2 permit (previously Lati). On December 4, 2019 the Company was issued a three-year permit for the same area of the Lati permit, under a new name Lati 2.

Djimbala – Mali, West Africa

On April 9, 2020 the Company entered into an option agreement with Desert Gold Ventures Inc., “Desert Gold”, and its Mali subsidiary Desert Gold Mali SARL, “DGM”, to acquire up to 100% interest in the Djimbala Permit located in Southern Mali, West Africa.

To acquire the minimum 51% interest in the Djimbala Permit, the Company is required to incur \$400,000 in exploration expenditures prior to April 30, 2022. To acquire the maximum 100% interest in the Djimbala Permit, the Company is required to incur additional work expenditures of \$600,000 prior to April 30, 2024. The Company’s 100% interest is subject to a 2% net smelter royalty (“NSR”) in favour of Desert Gold. The Company has the right to purchase 1% of the NSR for USD\$1,000,000.

Further, the Company is required to make the following share issuances to Desert Gold:

- share issuance equivalent to \$50,000 of the Company’s post-consolidated common shares at a deemed price of \$0.05 per share on the date that the Conditions described below have been fulfilled (1,000,000 common shares issued on May 29, 2020 valued at \$110,000);
- share issuance equivalent to \$75,000 at a deemed price equal to the volume weighted average price (VWAP) for the prior 10-day trading period, subject to a minimum deemed price of \$0.05 per share on or before the first anniversary of the Commencement Date;
- share issuance equivalent to \$100,000 at the Applicable Deemed Price on or before the second anniversary of the Commencement Date; and
- share issuance equivalent to \$125,000 at the Applicable Deemed Price on or before the third anniversary of the Commencement Date.

The Agreement’s commencement was subject to the below conditions. The Option Agreement was finalized and commenced on May 29, 2020.

- obtain approval from the TSX Venture Exchange on the issuance of the Company’s shares in accordance with the Option Agreement (condition met);
- the completion of share consolidation of the Company’s outstanding shares and the successful raising of \$500,000 by way of a private placement targeted on or before May 15, 2020 (condition met, see Note 7); and
- the completion of a legal and technical due diligence review by the Company of the Permit as well as the area covered by the licence and work done (condition met).

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended June 30, 2020 and 2019

(Unaudited - Expressed in Canadian dollars)

6 LOANS PAYABLE

On June 6 and 20, 2019, 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. The Company entered into debt settlement agreements on May 6, 2020 whereby the Company agreed to settle the outstanding loans and interest up to May 6, 2020 with the issuance of units comprising of one post-consolidated common share and one post-consolidated common share purchase warrant. On June 1, 2020, the Company issued 2,183,333 units (valued at \$240,167) to settle loans of \$100,000 and interest of \$9,167, incurring a loss on settlement of \$131,000.

7 SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value.

Issued and fully paid at June 30, 2020: 36,519,885 (September 30, 2019 – 15,336,552)

On May 5, 2020, the Company consolidated its issued and outstanding common shares on the basis of 6 pre-consolidation shares for one post-consolidation share (the “Consolidation”). All references to share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect the Consolidation.

b) Financing:

On May 19, 2020, the Company closed a non-brokered private placement of 15,000,000 units at \$0.05 per unit for gross proceeds of \$750,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at \$0.10 per share, exercisable up to May 15, 2023. The warrants are subject to an acceleration clause should the common shares trade after September 16, 2020 at a price of \$0.15 or greater for 10 consecutive trading days, in which event management may notify warrant holders that the Warrants must be exercised within a period of 30 days, or they will be cancelled. In connection with the private placement, the Company paid finder’s fees of \$79,656 and issued 1,064,000 finder’s warrants. The fair value of finder’s warrants was \$93,719 which was recorded as share issuance costs. The fair value was calculated using the black scholes model and the following assumptions: risk free rate 0.3%, expected volatility 180%, expected life 3 years and a dividend yield of Nil.

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

c) Stock options:

The Company’s stock options outstanding as at June 30, 2020 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, 2018	391,668	\$0.30	3.08
Balance September 30, 2019	391,668	\$0.30	2.08
Balance June 30, 2020	391,668	\$0.30	1.33

As at June 30, 2020, the Company had 391,668 outstanding options, allowing the holder to acquire 391,668 common shares at an exercise price of \$0.30 with an expiry date of October 28, 2021.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2020 and 2019***(Unaudited - Expressed in Canadian dollars)*

d) Warrants:

The Company's share purchase warrants outstanding as at June 30, 2020 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, 2018	3,572,222	\$0.30	1.50
Expired	(2,291,667)	\$0.30	
Balance, September 30, 2019	1,280,555	\$0.30	1.43
Issued	18,247,333	\$0.10	2.88
Balance, June 30, 2020	19,527,888	\$0.11	2.74

As at June 30, 2020, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Remaining life (Years)	Warrants outstanding
March 6, 2021	\$0.30	0.68	1,280,555
May 15, 2023	\$0.10	2.87	16,064,000
June 1, 2023	\$0.65	2.92	2,183,333
			19,527,888

8 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 and nine months ended June 30, 2020 and 2019 was as follows:

	Three months ended June 30		Nine months ended June 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
Accounting fees	2,313	1,200	8,324	7,000
Management and administration fees	9,950	5,850	21,650	15,600
	12,263	7,050	29,974	22,600

As at June 30, 2020, accounts payable and accrued liabilities include an amount of \$36,403 (September 30, 2019 - \$163,670) due to an officer 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, 2020, the Company settled accounts payable of \$150,000 to the Company's Chief Executive Officer by issuing 3,000,000 common shares (valued at \$330,000), which resulted in a loss on settlement of \$180,000.

During the nine months ended June 30, 2019 the Chief Executive Officer forgave outstanding management fees owing totaling \$5,850 from the 2018 fiscal year.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2020 and 2019***(Unaudited - Expressed in Canadian dollars)***9 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, 2020	September 30, 2019
	\$	\$
Canada	699,748	57,376
Burkina Faso	66,021	6,516
Total assets	765,769	63,892

Geographic segmentation of the Company's loss during the three and nine months ended June 30, 2020 and 2019 is as follows:

	Three months ended June 30		Nine months ended June 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
Canada	351,864	15,247	423,303	46,423
Burkina Faso	9,206	4,982	11,564	14,187
Loss	361,070	20,229	434,867	60,610

10 COVID-19

The COVID-19 outbreak has resulted in social and economic disruption and had a resultant impact on the mining and exploration industries and capital markets. The impacts to the Company are not determinable at this date, however, could have a material impact on the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.

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

Schedule 1

	Hantoukoura Project (formerly Kodyel)	Lati 2 permit (formerly Lati)	Djimbala, Mali	Total
	\$	\$	\$	\$
Balance – September 30, 2018	325,354	-	-	325,354
Deferred exploration costs				
Other	8,162	-	-	8,162
Wages	59,868	-	-	59,868
	68,030	-	-	68,030
Write down	(393,384)	-	-	(393,384)
Balance – September 30, 2019	-	-	-	-
Acquisition costs				
Shares	-	-	110,000	110,000
Exploration funding	-	-	27,182	27,182
	-	-	137,182	137,182
Deferred exploration costs				
Other	-	6,598	-	6,598
Wages	-	44,238	-	44,238
	-	50,836	-	50,836
Balance – June 30, 2020	-	50,836	137,182	188,018