
INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021
(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, 2022 \$	September 30, 2021 \$
ASSETS			
Current			
Cash		70,844	31,647
Taxes recoverable		619	1,066
Prepaid expenses		1,380	4,647
		72,843	37,360
Exploration and evaluation assets	4	1,146,491	1,096,940
Total assets		1,219,334	1,134,300
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	123,743	112,711
Loans payable	5	182,000	20,000
		305,743	132,711
SHAREHOLDERS' EQUITY			
Share capital	6	9,028,901	9,028,901
Reserves	6	1,278,812	1,278,812
Deficit		(9,394,122)	(9,306,124)
		913,591	1,001,589
Total liabilities and shareholders' equity		1,219,334	1,134,300

Nature of operations and going concern (Note 1)

Commitment (Note 9)

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****Three and nine months ended June 30, 2022 and 2021***(Unaudited - Expressed in Canadian dollars)*

		Three months ended		Nine months ended	
	Note	June 30		June 30	
		2022	2021	2022	2021
		\$	\$	\$	\$
Accounting and audit fees	7	8,134	11,722	32,518	35,780
Filing fees		4,294	5,998	16,514	17,414
Foreign exchange (gain) / loss		2,598	751	2,813	1,654
Legal fees		2,432	335	2,771	3,932
Management and administration fees	7	-	12,000	12,000	36,000
Office and miscellaneous		5,940	5,957	21,382	18,985
Travel and accommodation		-	(29)	-	976
		(23,398)	(36,734)	(87,998)	(114,741)
Warrant incentive program		-	(380,024)	-	(380,024)
Total loss and comprehensive loss		(23,398)	(416,758)	(87,998)	(494,765)
Loss per share					
- Basic and diluted		(0.00)	(0.01)	(0.00)	(0.01)
Weighted average number of shares outstanding					
- Basic and diluted		42,469,020	39,687,602	42,469,020	37,575,791

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, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	2022	2021
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(87,998)	(494,765)
Add items not involving cash:		
Warrant incentive program	-	380,024
	<u>(87,998)</u>	<u>(114,741)</u>
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	447	(737)
Prepaid expenses	3,267	(513)
Accounts payable and accrued liabilities	11,032	(5,385)
	<u>(73,252)</u>	<u>(121,376)</u>
Investing activities		
Exploration and evaluation expenditures	(49,551)	(378,915)
Financing activity		
Common shares issued	-	505,833
Issuance costs – cash	-	(41,807)
Shareholder loans	162,000	-
	<u>162,000</u>	<u>464,026</u>
Increase in cash	39,197	(36,265)
Cash - beginning of period	31,647	462,906
Cash - end of period	<u>70,844</u>	<u>426,641</u>

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)*

	Common Shares	Share Capital	Reserves	Deficit	Total
	Number	\$	\$	\$	\$
Balance – September 30, 2020	36,519,885	8,493,611	898,788	(8,763,075)	629,324
Issued during period:					
Pursuant to warrant incentive programs	5,058,333	510,891	(5,058)	-	505,833
Djimbala option agreement	890,802	71,264	-	-	71,264
Share issuance costs	-	(41,807)	380,024	-	338,217
Loss for the period	-	-	-	(494,765)	(494,765)
Balance – June 30, 2021	42,469,020	9,033,959	1,273,754	(9,257,840)	1,049,873
Loss for the period	-	-	-	(48,284)	(48,284)
Balance – September 30, 2021	42,469,020	9,028,901	1,278,812	(9,306,124)	1,001,589
Loss for the period	-	-	-	(87,998)	(87,998)
Balance – June 30, 2022	42,469,020	9,028,901	1,278,812	(9,394,122)	913,591

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, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

1 NATURE OF OPERATIONS AND GOING CONCERN

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 two properties located in Burkina Faso and one property located in Mali, West Africa. The Company’s corporate head office is located at Suite 880 – 580 Hornby Street, Vancouver, British Columbia, Canada.

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, 2022, the Company had not yet achieved profitable operations, had a deficit of \$9,394,122 (September 30, 2021 - \$9,306,124) since inception, a working capital deficiency of \$232,900 (September 30, 2021 working capital deficiency of \$95,351), and expects to incur further losses in the development of its business. These circumstances 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 explore its the mineral property interests 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.

2 BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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, 2021, which have been prepared in accordance with IFRS.

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, 2021.

These financial statements were approved by the board of directors on August 29, 2022.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no revisions to the nature of judgements and amount of estimates reported in the Company’s September 30, 2021 annual consolidated financial statements.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2022 and 2021***(Unaudited - Expressed in Canadian dollars)***4 EXPLORATION AND EVALUATION ASSETS**

	Lati 2 permit, Burkina Faso	Djimbala, Mali	Total
	\$	\$	\$
Balance – September 30, 2020	90,599	141,969	232,568
Acquisition costs			
Shares	-	71,264	71,264
Exploration costs			
Option agreement commitment	-	677,283	677,283
Other	55,918	-	55,918
Wages	59,907	-	59,907
Balance – September 30, 2021	206,424	890,516	1,096,940
Exploration costs			
Other	41,706	-	41,706
Wages	7,845	-	7,845
Balance – June 30, 2022	255,975	890,516	1,146,491

Hantoukoura Project – 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 and there is no certainty if the suspension will be lifted, the property was written down to \$Nil as at September 30, 2019. As at March 31, 2022 the suspension has not been lifted.

Lati 2 Project – Burkina Faso, West Africa

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 a 100% interest in the Djimbala Permit located in Southern Mali, West Africa. The Option Agreement was finalized and commenced on May 29, 2020 (the “Commencement date”).

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 (completed). 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 (incurred \$309,251 as of December 31, 2021). 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.

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In addition to the exploration expenditures, the Company is required to make the following share issuances to Desert Gold:

- share issuance equivalent to \$50,000 of the Company's common shares on the Commencement date (Issued 1,000,000 common shares on May 29, 2020 with a fair value of \$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 (the "Applicable Deemed Price") on or before May 29, 2021 (Issued 890,802 common shares on May 28, 2021 with a fair value of \$71,264);
- share issuance equivalent to \$100,000 at the Applicable Deemed Price on or before May 29, 2022⁽¹⁾; and
- share issuance equivalent to \$125,000 at the Applicable Deemed Price on or before May 29, 2023.

⁽¹⁾ As of June 30, 2022 the Company is in discussions with the owner regarding this share issuance.

In the event the Company earns a 51% interest but elects not to pursue the additional 49% interest, upon request of either party, the parties shall proceed to enter into a joint venture agreement.

The Company may at its sole discretion engage DGM to act as contractor to oversee some or all exploration expenditures on a monthly basis.

5 LOANS PAYABLE

During April 2020, the Company received loans for total proceeds of \$20,000. The loans are unsecured, non-interest bearing and due on demand. The Company received a further advance under the same terms on January 17, 2022 for \$10,000.

On February 14, 2022 the Company received a \$2,000 loan from a related party that is unsecured, bearing interest at a rate of 3.5% compounded annually and due on demand. (Note 7)

On May 13, 2022 the Company received shareholder loans for total proceeds of \$75,000. The loans are unsecured, bear interest of 10% per annum and are due on demand at any time after 12 months from the date of advancement.

On May 17, 2022 the Company received shareholder loans for total proceeds of \$75,000. The loans are unsecured, bear interest of 10% per annum and due on demand.

6 SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value.

b) Financing:

On March 24, 2021, the Company announced an early warrant exercise incentive program (the "Warrant Incentive Program") to encourage the early exercise of up to approximately 15,000,000 outstanding warrants. Under the incentive plan, the Company offered one warrant as an incentive exercisable at a price of \$0.15 until May 11, 2024, should the warrant holder exercise their warrants on or before April 24, 2021. Any warrants not exercised prior the expiry of the Warrant Incentive Program will remain outstanding in accordance with their original terms.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2022 and 2021***(Unaudited - Expressed in Canadian dollars)*

In total, 5,058,333 warrants were exercised in connection with Warrant Incentive Program for aggregate gross proceeds of \$505,833. In addition, a total of 5,058,333 incentive warrants were granted with a fair value \$380,024 which was recorded on the Statement of Loss and Comprehensive Loss. The fair value was calculated using the Black-Scholes model and the following assumptions: risk free rate 0.24%, expected volatility 175%, expected life 3 years and a dividend yield of Nil. Additional share issuance costs of \$41,807 were incurred.

c) Stock options:

The Company's stock options outstanding as at June 30, 2022 and the changes for the years then ended is presented below:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance September 30, 2020	391,668	\$0.30	1.08
Balance September 30, 2021	391,668	\$0.30	0.08
Expired	(391,668)	\$0.30	-
Balance June 30, 2022	-	-	-

On October 28, 2021, all outstanding options expired unexercised.

d) Warrants:

The Company's share purchase warrants outstanding as at June 30, 2022 and the changes for the years then ended is presented below:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, September 30, 2020	19,527,888	\$0.30	2.48
Expired	(1,280,555)	\$0.30	
Exercised	(5,058,333)	\$0.10	
Issued	5,058,333	\$0.15	
Balance, September 30, 2021	18,247,333	\$0.11	1.90
Balance, June 30, 2022	18,247,333	\$0.11	1.15

As at June 30, 2022, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Remaining life (Years)	Warrants outstanding
May 15, 2023	\$0.10	1.12	11,005,667
June 1, 2023	\$0.10	1.17	2,183,333
May 11, 2024	\$0.15	2.12	5,058,333
		1.15	18,247,333

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7 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company's key management personnel include all directors, officers and companies associated with them including the following:

- Buena Tierra Development Ltd ("Buena Tierra"), a company owned by Paul Cowley, the President, Chief Executive Officer and a director of the Company.

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, 2022 and 2021 was as follows:

	Three months ended		Nine months ended	
	June 30		June 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
Accounting fees	1,572	3,207	8,391	10,707
Management and administration fees ⁽¹⁾	-	12,000	12,000	36,000
Exploration and evaluation	-	25,119	-	41,412
	1,572	40,326	20,391	88,119

⁽¹⁾ The charge includes consulting fees to Buena Tierra with which it has an on-going agreement with.

As at June 30, 2022, accounts payable and accrued liabilities include an amount of \$44,803 (September 30, 2021 - \$32,203) 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.

On February 14, 2022 the Company received a \$2,000 loan from a related party that is unsecured, bearing interest at a rate of 3.5% compounded annually and due on demand.

8 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, 2022	September 30, 2021
	\$	\$
Canada	69,526	27,641
Burkina Faso	259,293	216,144
Mali	890,515	890,515
Total assets	1,219,334	1,134,300

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2022 and 2021***(Unaudited - Expressed in Canadian dollars)*

Geographic segmentation of the Company's loss during the nine months ended June 30, 2022 and 2021 is as follows:

	2022	2021
	\$	\$
Canada	73,242	478,837
Burkina Faso	14,756	15,928
Loss and comprehensive loss	87,998	494,765

9 COMMITMENTS

On June 19, 2020 the Company entered into an independent contractor agreement with Buena Tierra whereby the CEO agreed to provide management services to the Company. The agreement provides for the payment of \$4,000 per month effective as of May 1, 2020 for services provided. In the event of termination of the agreement without cause or a change of control of the Company, the Company must pay severance equal to 2 months of management fees. As of January 1, 2022 the CEO has not billed for management services due to the financial state of the Company.

10 FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities and loans payable. All are measured at amortized cost. As at June 30, 2022, the Company believes that the carrying values of financial instruments approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company's risk exposures and the impact on the Company's financial instruments are discussed in the consolidated financial statements for the year ended September 30, 2021 and have not changed significantly during the three and nine months ended June 30, 2022.