
INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2021 and 2020
(Expressed in Canadian dollars)

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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Indigo Exploration Inc.

Opinion

We have audited the accompanying consolidated financial statements of Indigo Exploration Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2021 and 2020 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at September 30, 2021, the Company's current liabilities exceeded its current assets by \$95,351 and the Company had a total deficit of \$9,306,124. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Melyssa Charlton.

A handwritten signature in dark ink that reads "Charlton & Company". The signature is written in a cursive, flowing style.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
January 27, 2022

INDIGO EXPLORATION INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	September 30, 2021 \$	September 30, 2020 \$
ASSETS			
Current			
Cash		31,647	462,906
Taxes recoverable		1,066	1,332
Prepaid expenses		4,647	5,114
		37,360	469,352
Exploration and evaluation assets	4	1,096,940	232,568
Total assets		1,134,300	701,920
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	112,711	52,596
Loans payable	5	20,000	20,000
		132,711	72,596
SHAREHOLDERS' EQUITY			
Share capital	6	9,028,901	8,493,611
Reserves	6	1,278,812	898,788
Deficit		(9,306,124)	(8,763,075)
		1,001,589	629,324
Total liabilities and shareholders' equity		1,134,300	701,920

Nature of operations and going concern (Note 1)
Commitment (Note 13)

Approved by the Board of Directors

"Paul S. Cowley" Director

"Marino J. Sveinson" Director

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

INDIGO EXPLORATION INC.
Consolidated Statements of Loss and Comprehensive Loss
Years ended September 30, 2021 and 2020
(Expressed in Canadian dollars)

	Notes	2021	2020
Expenses		\$	\$
Accounting and audit fees	8	59,437	49,911
Filing fees		20,892	26,888
Foreign exchange loss		2,490	2,257
Legal fees		4,255	40,849
Management and administration fees	8	48,000	33,650
Office and miscellaneous		26,973	23,948
Travel and accommodation		978	-
		(163,025)	(177,503)
Loss on warrant incentive program	6	(380,024)	-
Interest expense	5	-	(6,181)
Loss on debt settlement	5, 8	-	(311,000)
Total loss and comprehensive loss		(543,049)	(494,684)
Loss per share			
- Basic and diluted		(0.01)	(0.02)
Weighted average number of shares outstanding			
- Basic and diluted		38,792,854	23,044,703

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

INDIGO EXPLORATION INC.
Consolidated Statements of Cash Flows
Years ended September 30, 2021 and 2020
(Expressed in Canadian dollars)

	2021	2020
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the year	(543,049)	(494,684)
Add items not involving cash:		
Loss on warrant incentive program	380,024	-
Foreign exchange	-	(600)
Interest expense	-	6,181
Loss on debt settlement	-	311,000
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	266	(674)
Prepaid expenses	467	(2,307)
Accounts payable and accrued liabilities	1,235	9,001
	(161,057)	(172,083)
Investing activities		
Exploration and evaluation expenditures	(734,228)	(119,816)
	(734,228)	(119,816)
Financing activities		
Common shares issued	505,833	750,000
Issuance costs – cash	(41,807)	(73,470)
Loans received	-	20,000
	464,026	696,530
Increase (decrease) in cash	(431,259)	404,631
Impact of exchange rate changes on cash	-	600
Cash - beginning of year	462,906	57,675
Cash - end of year	31,647	462,906

Supplemental cash flow information (Note 10)

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

INDIGO EXPLORATION INC.
Consolidated Statements of Changes in Shareholder's Equity
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Reserves	Deficit	Total
	Number	\$	\$	\$	\$
Balance – September 30, 2019	15,336,552	7,230,633	805,069	(8,268,391)	(232,689)
Issued during year:					
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	-	(167,189)	93,719	-	(73,470)
Loss for the year	-	-	-	(494,684)	(494,684)
Balance – September 30, 2020	36,519,885	8,493,611	898,788	(8,763,075)	629,324
Issued during year:					
Pursuant to warrant incentive programs	5,058,333	505,833	-	-	505,833
Shares issued for mineral property	890,802	71,264	-	-	71,264
Share issuance costs	-	(41,807)	-	-	(41,807)
Warrants issued in incentive program	-	-	380,024	-	380,024
Loss for the year	-	-	-	(543,049)	(543,049)
Balance – September 30, 2021	42,469,020	9,028,901	1,278,812	(9,306,124)	1,001,589

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

INDIGO EXPLORATION INC.
Notes to the Consolidated Financial Statements
Years ended September 30, 2021 and 2020
(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 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 September 30, 2021, the Company had not yet achieved profitable operations, had a deficit of \$9,306,124 (September 30, 2020 - \$8,763,075) since inception, a working capital deficiency of \$95,351 (September 30, 2020 working capital of \$396,756), 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.

In March 2020, the World Health Organization declared coronavirus (“COVID-19”) a global pandemic. 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. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19. However, the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time and could have a material impact on the Company’s future financial position, results of operation and cash flows. The Company’s liquidity and ability to continue as a going concern may also be impacted.

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These statements are prepared on the historical cost basis except for certain financial instruments.

These consolidated financial statements were approved by the board of directors on January 27, 2022.

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. The results of the subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company’s control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its

INDIGO EXPLORATION INC.
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activities. As at September 30, 2021 and 2020, the Company owned 100% of Sanu Resources BF SARL, incorporated in Burkina Faso, West Africa.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Foreign currencies

The consolidated financial statements for the Company and its subsidiary are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is the Canadian dollar. The functional currency of the Company and its subsidiary is the Canadian dollar. All amounts are rounded to the nearest dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at September 30, 2021 and 2020, the Company did not have any cash equivalents.

Exploration and evaluation assets

The Company records its interest in exploration and evaluation assets at cost less option payments received and other recoveries. Exploration and acquisition costs relating to these interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate. If economically recoverable reserves are developed, acquisition and exploration costs will be reclassified as mining assets and amortized over the useful life of the orebody following attainment of commercial production will be written-off if the property or project is abandoned.

Exploration costs that are not attributable to a specific property are charged to operations as general exploration expense. Exploration costs incurred prior to the Company acquiring the legal rights to a property are charged to operations as general exploration expense.

The Company is in the process of exploring its exploration and evaluation assets. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values. The ultimate recovery of such capitalized costs is dependent upon the development of economic ore reserves or the sale of mineral rights.

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

INDIGO EXPLORATION INC.

Notes to the Consolidated Financial Statements

Years ended September 30, 2021 and 2020

(Expressed in Canadian dollars)

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the income or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning and restoration provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, along with a corresponding liability as soon as the legal or constructive obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset and the operating license conditions.

Discount rates using a pre-tax risk-free rate that reflects the time value of money are used to calculate the net present value.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in income or loss.

The operations of the Company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no known restoration, rehabilitation or environmental costs related to its exploration and evaluation assets.

Recognition, classification, and measurement of financial instruments

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a 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 financial asset

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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.

Financial assets at FVTOCI

Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with both realized and unrealized gains and losses recognized in other comprehensive income (loss) in the period in which they arise. During the years ended September 30, 2021 and 2020 there were no financial assets elected to be carried at FVTOCI.

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. Interest income from these financial assets is included as finance income using the effective interest rate method.

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 profit or loss as incurred. 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 profit or loss in the period in which they arise.

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 and FVTOCI. 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 profit or loss, 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 of financial assets and liabilities

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 profit or loss in the period in which they arise. However, gains and losses on derecognition of financial assets designated as FVTOCI are recorded in other comprehensive income (loss) in the period in which they arise.

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 profit or loss.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

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Broker warrants and warrants

Warrants issued to agents or brokers in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged to issue costs associated with the offering with an offsetting credit to reserves in equity attributable to shareholders.

Warrants included in units offered to subscribers in connection with financings are recorded using the residual value method. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The value determined for the warrants is recorded to reserves in equity attributable to shareholders with an offsetting reduction in the value ascribed the shares issued in the units.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in reserves.

Share-based payments

The Company records all share-based payments at their fair value. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of goods or services cannot be reliably measured.

The Company has established a stock option plan for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates. The fair value of stock options is estimated using the Black-Scholes option pricing model.

The fair value of all stock options granted is recorded as a charge to operations or to exploration costs and a credit to reserves under the graded attribution method. The fair value, as adjusted for the expected level of vesting of the options and of stock options which vest immediately is recorded at the date of grant; the fair value, as adjusted for the expected level of vesting of the options and of options which vest in the future is recognized over the vesting period. Stock options granted to non-employees are measured at their fair value on the vesting date. Prior to the vesting date, the then-current fair value of stock options granted to consultants is recognized as share-based payment expense from the date of grant to the reporting date and credited to reserves.

Any consideration received on the exercise of stock options together with the related portion of reserves is credited to share capital.

Income tax

Income tax on the income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods. Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable incomes will be available against which the asset can be utilized.

Loss per share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

During the years ended September 30, 2021 and 2020, the Company did not enter into or partake in any lease arrangements.

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Judgements:

- (i) The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 1.
- (ii) The assessment of indicators of impairment and reversal of impairment for the exploration and evaluation assets and the related determination of the recoverable amount and write-down of the properties where applicable. During the year ended September 30, 2021, Management reviewed its exploration and evaluation assets and determined there were no impairment or reversal of impairment indicators.
- (iii) Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets.
- (iv) The functional currency of the parent company and its subsidiary is the Canadian Dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Estimates:

- (i) The inputs in accounting for the fair value of the warrant incentive program in the statement of changes of shareholders equity (using the Black-Scholes model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate; and
- (ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

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4 EXPLORATION AND EVALUATION ASSETS

	Lati 2 permit (formerly Lati)	Djimbala, Mali	Total
	\$	\$	\$
Balance – September 30, 2019	-	-	-
Acquisition costs			
Shares	-	110,000	110,000
Exploration costs			
Option agreement commitment	-	31,969	31,969
Other	30,878	-	30,878
Wages	59,721	-	59,721
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

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 September 30, 2021 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

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\$250,371 as of September 30, 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.

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; and
- share issuance equivalent to \$125,000 at the Applicable Deemed Price on or before May 29, 2023.

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

In June 2019, the Company entered into loan agreements for a total proceeds 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. During the year ended September 30, 2021 the Company recorded interest expense of \$nil (2020 - \$6,181) on the loans. During the year ended September 30, 2020, the Company entered into debt settlement agreements on whereby the Company agreed to settle the outstanding loans and interest up to May 6, 2020 with the issuance of units comprising one common share and one common share purchase warrant. On June 1, 2020, the Company issued 2,183,333 units (with a fair value of \$240,167) to settle loans of \$100,000 and accrued total interest of \$9,167, incurring a loss on settlement of \$131,000. The units issued were valued using the quoted market value of the Company's shares on the date of issuance.

During April 2020, the Company received loans for total proceeds of \$20,000. The loans are unsecured, non-interest bearing and due on demand.

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6 SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value.

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

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.

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.

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 cash finder’s fees of \$57,200 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. Additional shares issuance costs of \$16,270 were incurred.

On June 1, 2020, the Company issued 2,183,333 units (with a fair value of \$240,167) to settle loans of \$109,167. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase on common share of the Company at \$0.10 per share, exercisable up to June 1, 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. The Company also issued 3,000,000 shares (with a fair value of \$330,000) to settle accounts payable with a related party of \$180,000.

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c) Stock options:

The Company's stock options outstanding as at September 30, 2021 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, 2019	391,668	\$0.30	2.08
Balance September 30, 2020	391,668	\$0.30	1.08
Balance September 30, 2021	391,668	\$0.30	0.08

As at September 30, 2021, the Company had 391,668 outstanding and exercisable 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.

Subsequent to September 30, 2021 all the options expired unexercised.

d) Warrants:

The Company's share purchase warrants outstanding as at September 30, 2021 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, 2019	1,280,555	\$0.30	1.43
Issued	18,247,333	\$0.10	
Balance, September 30, 2020	19,527,888	\$0.11	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

As at September 30, 2021, the Company had the following warrants outstanding:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Remaining life (Years)</u>	<u>Warrants outstanding</u>
May 15, 2023	\$0.10	1.62	11,005,667
June 1, 2023	\$0.10	1.67	2,183,333
May 11, 2024	\$0.15	2.61	5,058,333
		1.90	18,247,333

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7 INCOME TAXES

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax provision for the years ended September 30, 2021 and 2020 is as follows:

	2021	2020
	\$	\$
Loss for the year before income taxes	(543,039)	(494,684)
Expected income tax recovery	(147,000)	(134,000)
Add (deduct) reconciling items:		
Share issue costs	(11,000)	(38,000)
Effect of change in tax rate and other	4,000	1,000
Permanent differences	103,000	-
Change in unrecognized deductible temporary differences	51,000	171,000
Income tax expense (recovery)	-	-

The significant components of the Company's net deferred income tax assets and liabilities as at September 30, 2021 and 2020 are as follows:

	2021	2020
	\$	\$
Deferred income tax assets		
Non-capital losses carried forward	904,000	852,000
Capital assets	34,000	34,000
Undeducted financing cost	37,000	38,000
Exploration and evaluation assets and related exploration	512,000	512,000
Total unrecognized deferred income tax assets	1,487,000	1,436,000

The potential benefit of deferred tax assets arising from carry forward non-capital losses, capital losses and deductible temporary differences that are in excess of the deferred tax liabilities has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit in the same entity will allow the deferred tax asset to be recovered.

The significant components of the Company's non-capital losses in Canada that have not been included on the consolidated statement of financial position are as follows:

	2021	Expiry date	2020	Expiry date
Temporary Differences	\$		\$	
Non-capital losses available for future periods	3,346,000	2028 to 2041	3,156,000	2028 to 2040
Exploration and evaluation assets	1,864,000	No expiry date	1,864,000	No expiry date
Property and equipment	125,000	No expiry date	125,000	No expiry date
Share issue costs	138,000	2021 to 2026	141,000	2020 to 2025

At September 30, 2021, there were loss carry forwards in Burkina Faso of approximately \$88,000 (2020 - \$84,000) which can be carried forward for four years from the calendar year the losses were incurred. During the year ended September 30, 2021, there were loss carry forwards in Burkina Faso of approximately \$19,000 that expired. During the year ended September 30, 2021, the effective tax rate in Burkina Faso is 27.5%.

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8 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 years ended September 30, 2021 and 2020 was as follows:

	2021	2020
	\$	\$
Accounting fees	12,373	9,849
Management and administration fees ⁽¹⁾	48,000	33,650
Exploration and evaluation	41,412	-
	101,785	43,499

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

As at September 30, 2021, accounts payable and accrued liabilities include an amount of \$32,203 (September 30, 2020 - \$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.

During the year ended September 30, 2020, the Company settled accounts payable of \$150,000 to Buena Tierra by issuing 3,000,000 common shares (with a fair value of \$330,000), which resulted in a loss on settlement of \$180,000 (Note 6).

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:

	September 30, 2021	September 30, 2020
	\$	\$
Canada	27,641	455,945
Burkina Faso	216,144	104,006
Mali	890,515	141,969
Total assets	1,134,300	701,920

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Geographic segmentation of the Company's loss during the years ended September 30, 2021 and 2020 is as follows:

	2021	2020
	\$	\$
Canada	520,458	475,981
Burkina Faso	22,591	18,703
Loss and comprehensive loss	543,049	494,684

10 SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flow. The following transactions were excluded from the consolidated statements of cash flows as at September 30:

	2021	2020
	\$	\$
Non-cash investing and financing transactions		
Exploration and evaluation asset acquisition costs issued in shares	71,264	110,000
Loans settled in shares	-	109,167
Fair value of issued finder fees warrants	-	93,719
Accounts payable and accrued liabilities settled in shares	-	150,000
Exploration and evaluation assets included in accounts payable	58,880	-

During the year ended September 30, 2021, the Company paid \$nil (2020 - \$nil) in interest and taxes.

11 FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and loans payable. All are measured at amortized cost. As at September 30, 2021, 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.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities is denominated in Central African Francs ("CFA") and United States of American Dollar giving rise to risks from changes in the foreign exchange rate. The Company is exposed to currency exchange rate risk to the extent of its activities in the Burkina Faso. The Company's currency risk is limited to its exposure denominated in CFAs and USDs. Based on this exposure as at September 30, 2021, a 5% change in the exchange rate would not give rise to a material change in net loss. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

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The currencies of the Company's financial instruments were as follows:

	Canadian dollar	September 30, 2021	
		CFA	USA dollar
Cash	25,274	6,373	-
Accounts payable and accrued liabilities	(50,020)	(3,811)	(58,880)
Loans payable	(20,000)	-	-
Net exposure	(44,746)	2,562	(58,880)

	September 30, 2020	
	Canadian dollar	CFA
Cash	454,613	8,293
Accounts payable and accrued liabilities	(49,860)	(2,736)
Loans payable	(20,000)	-
Net exposure	384,753	5,557

Future changes in exchange rates would not have a material effect on the Company's business, financial condition and results of operations.

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The majority of the Company's cash is held through a major Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk on its accounts payable and accrued liabilities and loans payable balance as the debt is non-interest bearing.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

12 MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

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The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX Venture Exchange.

13 COMMITMENT

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.