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**INDIGO EXPLORATION INC.**  
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2023 and 2022  
(Unaudited -- Expressed in Canadian dollars)

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**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, 2023 \$	September 30, 2022 \$
<b>ASSETS</b>			
Current			
Cash		1,012,263	65,104
Taxes recoverable		8,204	711
Prepaid expenses		87,260	-
		1,107,727	65,815
Exploration and evaluation assets	4	59,552	6,250
Total assets		1,167,279	72,065
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities	7	88,469	161,767
Loans payable	5&7	30,000	187,653
Total liabilities		118,469	349,420
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	6	11,047,223	9,028,901
Reserves	6	1,519,079	1,278,812
Deficit		(11,517,492)	(10,585,068)
Total shareholders' equity (deficiency)		1,048,810	(277,355)
Total liabilities and shareholders' equity (deficiency)		1,167,279	72,065

Nature and continuance of operations (Note 1)  
Commitment (Note 9)

**Approved by the Board of Directors**

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"Paul S. Cowley" Director

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"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, 2023 and 2022***(Unaudited - Expressed in Canadian dollars)*

		<b>Three months ended June 30</b>		<b>Nine months ended June 30</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounting and audit fees	7	12,269	8,134	36,918	32,518
Consulting fees		25,000	-	25,000	-
Filing fees		23,080	4,294	74,532	16,514
Foreign exchange (gain) / loss		(201)	2,598	(848)	2,813
Investor Relations		344,525	-	344,525	-
Legal fees		12,236	2,432	12,576	2,771
Management and administration fees	7	18,000	-	34,000	12,000
Office and miscellaneous		5,908	5,940	20,003	21,382
Share-based compensation		31,102	-	348,986	-
Travel and accommodation		-	-	149	-
		(471,919)	(23,398)	(895,841)	(87,998)
Interest expense		(2,217)	-	(10,114)	-
General exploration		(26,469)	-	(26,469)	-
<b>Total loss and comprehensive loss</b>		<b>(500,605)</b>	<b>(23,398)</b>	<b>(932,424)</b>	<b>(87,998)</b>
<b>Loss per share</b>					
- Basic and diluted		(0.01)	(0.00)	(0.02)	(0.00)
<b>Weighted average number of shares outstanding</b>					
- Basic and diluted		60,363,878	42,469,020	49,642,764	42,469,020

*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, 2023 and 2022**  
*(Unaudited - Expressed in Canadian dollars)*

	<b>2023</b>	<b>2022</b>
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(932,424)	(87,998)
Add items not involving cash:		
Interest expense	9,443	-
Share-based compensation	348,986	-
	(573,995)	(87,998)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	(7,493)	447
Prepaid expenses	(87,260)	3,267
Accounts payable and accrued liabilities	(108,161)	11,032
Net cash used in operating activities	(776,909)	(73,252)
Investing activity		
Exploration and evaluation expenditures	(18,439)	(49,551)
Financing activity		
Issuance of share capital, net of issue costs	590,703	-
Exercise of warrants	1,318,900	-
Shareholder loans	(167,096)	162,000
	1,742,507	162,000
Increase (decrease) in cash for the period	947,159	39,197
Cash - beginning of period	65,104	31,647
Cash - end of period	1,012,263	70,844

*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 (Deficiency)***(Unaudited - Expressed in Canadian dollars)*

	<b>Common Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
	Number	\$	\$	\$	\$
<b>Balance – September 30, 2021</b>	<b>42,469,020</b>	<b>9,028,901</b>	<b>1,278,812</b>	<b>(9,306,124)</b>	<b>1,001,589</b>
Loss for the period	-	-	-	(87,998)	(87,998)
<b>Balance – June 30, 2022</b>	<b>42,469,020</b>	<b>9,028,901</b>	<b>1,278,812</b>	<b>(9,394,122)</b>	<b>913,591</b>
Loss for the period	-	-	-	(1,190,946)	(1,190,946)
<b>Balance – September 30, 2022</b>	<b>42,469,020</b>	<b>9,028,901</b>	<b>1,278,812</b>	<b>(10,585,068)</b>	<b>(277,355)</b>
Issuance of shares – private placement	10,000,000	600,000	-	-	600,000
Warrant exercises	13,189,000	1,427,619	(108,719)	-	1,318,900
Share issuance costs	-	(9,297)	-	-	(9,297)
Share-based payments	-	-	348,986	-	317,884
Loss for the period	-	-	-	(932,424)	(431,819)
<b>Balance – June 30, 2023</b>	<b>65,658,020</b>	<b>11,047,223</b>	<b>1,519,079</b>	<b>(11,517,492)</b>	<b>1,048,810</b>

*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, 2023 and 2022**

*(Unaudited - Expressed in Canadian dollars)*

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### **1 NATURE AND CONTINUANCE 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” and the OTCQB under the symbol IXIXF. The Company is in the exploration stage and has interests in Metallic and Industrial Minerals permits in central Alberta, Canada covering lithium-bearing formation brine and one property located in Burkina Faso. The Company’s corporate head office is located at Suite 1100 – 1199 West Hastings 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. As at June 30, 2023, the Company had not yet achieved profitable operations, had a deficit of \$11,517,492 (September 30, 2022 - \$10,585,068) since inception, a working capital of \$989,258 (September 30, 2022 – deficit of \$283,605), 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 AND SIGNIFICANT ACCOUNTING POLICIES**

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, 2022, 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, 2022.

These financial statements were approved by the board of directors on August 24, 2023.

### **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, 2022 annual consolidated financial statements.

**INDIGO EXPLORATION INC.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2023 and 2022***(Unaudited - Expressed in Canadian dollars)***4 EXPLORATION AND EVALUATION ASSETS**

	<b>Lithium Brine, Alberta</b>	<b>Lati 2 permit, Burkina Faso</b>	<b>Djimbala, Mali</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance – September 30, 2021</b>	-	<b>206,424</b>	<b>890,516</b>	<b>1,096,940</b>
Acquisition costs				
Cash	6,250	-	-	6,250
Exploration costs				
Other	-	8,911	-	8,911
Wages	-	39,498	-	39,498
	6,250	254,833	890,516	1,151,599
Write down	-	(254,833)	(890,516)	(1,145,349)
<b>Balance – September 30, 2022</b>	<b>6,250</b>	-	-	<b>6,250</b>
Acquisition costs				
Cash	5,000	-	-	5,000
Exploration costs				
Sampling	15,000	-	-	15,000
Geological consultants	30,000	-	-	30,000
Other	3,302	-	-	3,302
<b>Balance – June 30, 2023</b>	<b>59,552</b>	-	-	<b>59,552</b>

**Lithium Brine Project – Alberta, Canada**

The Company has been granted 18 metallic and industrial minerals permits in Fox Creek, Laduc and Grande Prairie areas of Alberta, Canada.

**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 June 30, 2023 the suspension has not been lifted.

**Lati 2 Project – Burkina Faso, West Africa**

The Company held 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. Subsequent to September 30, 2022 the Company did not renew the permit. The property was written down to \$nil as at September 30, 2022.

## **INDIGO EXPLORATION INC.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

**Three and nine months ended June 30, 2023 and 2022**

*(Unaudited - Expressed in Canadian dollars)*

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#### **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”).

On August 17, 2022 the Company terminated the option agreement with DGM and the property was written down to \$Nil.

#### **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). A total of \$96 of interest had been accrued and was repaid along with the principal amount during the nine months ended June 30, 2023.

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. A total of \$7,500 of interest has been accrued and was repaid along with the principal amount during the nine months ended June 30, 2023.

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. A total of \$7,500 of interest has been accrued and was repaid along with the principal amount during the nine months ended June 30, 2023.

#### **6 SHARE CAPITAL**

a) Authorized:

Unlimited common shares without par value.

b) Financing:

On February 27, 2023 the Company closed a non-brokered private placement of 10,000,000 units at a price of \$0.06 per unit to raise total gross proceeds of \$600,000. Each unit is comprised of one common share and one half warrant. Each whole warrant will entitle the holder thereof to purchase one common share for a period of two years at a price of \$0.10. The Company incurred cash share issuance costs of \$9,297 related to the private placement.

During the months ended June 30, 2023, a total of 13,189,000 warrants were exercised at a price of \$0.10 for aggregate gross proceeds of \$1,318,900.

**INDIGO EXPLORATION INC.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2023 and 2022***(Unaudited - Expressed in Canadian dollars)*

## c) Stock options:

The Company's stock options outstanding as at June 30, 2023 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, 2021	391,668	\$0.30	1.08
Expired	(391,668)	\$0.30	-
Balance September 30, 2022	-	-	-
Issued	3,100,000	\$0.08	-
<b>Balance June 30, 2023</b>	<b>3,100,000</b>	<b>\$0.08</b>	<b>4.65</b>

As at June 30, 2023, the Company had 3,100,000 outstanding options, allowing the holder to acquire 2,800,000 common shares at an exercise price of \$0.0825 with an expiry date of February 14, 2028, and 300,000 common shares at exercise price of \$0.0825 with an expiry date of April 14, 2028.

On February 15, 2023, the Company granted 2,800,000 stock options and recognized share-based payment compensation of \$317,884. All options vested immediately upon issuance. The weighted average fair value per options of the share options granted during the period was \$0.11. The fair value of the options was estimated on the date of grant using the Black-Scholes option valuation model with the following weighted average assumptions: share price - \$0.12; exercise price - \$0.08; dividend yield – nil; volatility – 161%; risk-free interest rate – 3.43%; expected life of options (years) – 5 years; forfeiture rate – nil.

On April 14, 2023, the company granted 300,000 stock options and recognized share-based payment compensation of \$31,102. All options vested immediately upon issuance. The weighted average fair value per options of the shares during the period was \$0.10. The fair value of the options was estimated on the date of grant using the Black-Scholes option valuation model with the following weighted average assumptions: share price - \$0.11; exercise price - \$0.08; dividend yield – nil; volatility – 161%; risk-free interest rate – 3.24%; expected life of options (years) – 5 years; forfeiture rate – nil.

## d) Warrants:

The Company's share purchase warrants outstanding as at June 30, 2023 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, 2021	18,247,333	\$0.11	1.90
Balance, September 30, 2022	<b>18,247,333</b>	<b>\$0.11</b>	<b>0.90</b>
Issued	5,000,000	\$0.08	
Exercised	(13,189,000)	\$0.10	
<b>Balance June 30, 2023</b>	<b>10,058,333</b>	<b>\$0.12</b>	<b>1.26</b>

**INDIGO EXPLORATION INC.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended June 30, 2023 and 2022***(Unaudited - Expressed in Canadian dollars)*

As at June 30, 2023, the Company had the following warrants outstanding:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Remaining life (Years)</b>	<b>Warrants outstanding</b>
May 11, 2024	\$0.15	0.87	5,058,333
February 27, 2025	\$0.08	1.67	5,000,000
		1.26	10,058,333

**7 RELATED PARTY TRANSACTIONS**

Key management personnel are the people 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, 2023 and 2022 was as follows:

	<b>Three months ended June 30</b>		<b>Nine months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounting fees	4,363	1,572	10,734	8,391
Exploration and evaluation	15,000	-	30,000	-
Management and administration fees	18,000	-	34,000	12,000
	37,363	1,572	74,734	20,391

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

As at June 30, 2023, accounts payable and accrued liabilities include an amount of \$49,908 (September 30, 2022 \$49,989) 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 (Note 5). A total of \$96 of interest had been accrued and was repaid along with the principal amount during the nine months ended June 30, 2023.

## INDIGO EXPLORATION INC.

### Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

#### 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, 2023	September 30, 2022
	\$	\$
Canada	1,161,836	71,990
Burkina Faso	5,443	75
Total assets	1,167,279	72,065

Geographic segmentation of the Company's loss during the nine months ended June 30, 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Canada	924,354	73,242
Burkina Faso	8,070	14,756
Loss and comprehensive loss	932,424	87,998

#### 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. For the period January 1, 2022 to December 31, 2022, the CEO waived his rights for payment. For the period January 1, 2023 to June 30, 2023 the Board approved CEO billings of \$36,000 to 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, 2023, 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, 2022 and have not changed significantly during the three and nine months ended June 30, 2023.