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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2015 and 2014  
(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	December 31 2015	September 30 2015
		\$	\$
<b>ASSETS</b>			
Current			
Cash and cash equivalents		101,072	142,784
Taxes recoverable and other receivables		794	611
Prepaid expenses		238	679
		102,104	144,074
Mineral properties (Schedule 1)	<b>6</b>	842,544	828,071
		944,648	972,145
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities	<b>8</b>	102,808	110,051
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS</b>			
Share capital	<b>7</b>	6,785,882	6,785,882
Contributed surplus		730,223	730,223
Deficit		(6,674,265)	(6,654,011)
		841,840	862,094
		944,648	972,145

Organization and nature of operations (Note 1)

Going concern (Note 2)

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

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

**INDIGO EXPLORATION INC.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****For the three months ended December 31, 2015 and 2014***(Unaudited - Expressed in Canadian dollars)*

	Note	2015	2014
		\$	\$
Accounting and audit fees	8	9,129	6,841
Depreciation		-	607
Filing fees		500	1,683
Foreign exchange loss		1,845	995
Legal fees		-	1,616
Management and administration fees	8	5,850	5,851
Office and miscellaneous		2,930	7,481
Loss before other items		(20,254)	(25,074)
Interest income		-	10
Total loss and comprehensive loss		(20,254)	(25,064)
<b>Loss per share</b>			
- Basic and diluted		(0.00)	(0.00)
<b>Weighted average number of shares outstanding</b>			
- Basic and diluted		70,585,982	48,873,616

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

**INDIGO EXPLORATION INC.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**For the three months ended December 31, 2015 and 2014**  
*(Unaudited - Expressed in Canadian dollars)*

	<b>2015</b>	<b>2014</b>
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(20,254)	(25,064)
Add items not involving cash:		
Depreciation	-	607
	(20,254)	(24,457)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	(183)	(228)
Prepaid expenses	441	775
Accounts payable and accrued liabilities	(1,850)	14,264
	(21,846)	(9,646)
Investing activities		
Deferred exploration expenditures	(19,866)	(41,247)
Financing activities		
Issuance of shares pursuant to private placement	-	116,405
Issuance costs	-	(1,975)
	-	114,430
Increase (decrease) in cash and cash equivalents	(41,712)	63,537
Cash and cash equivalents - beginning of period	142,784	47,036
Cash and cash equivalents - end of period	101,072	110,573

Supplemental cash flow information (Note 9)

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

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

	<b>Shares</b>	<b>Share</b>	<b>Contributed</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number</b>	<b>Capital</b>	<b>Surplus</b>		
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance – September 30, 2014	47,960,982	6,513,774	722,598	(6,516,957)	719,415
Issued during year:					
Pursuant to private placement of units	6,125,000	116,375	6,125	-	122,500
Less: cash issue costs	-	(8,070)	-	-	(8,070)
Loss and comprehensive loss	-	-	-	(25,064)	(25,064)
Balance – December 31, 2014	54,085,982	6,622,079	728,723	(6,542,021)	(808,781)
Issued during year:					
Pursuant to private placement of units	16,500,000	178,500	1,500	-	180,000
Less: cash issue costs	-	(18,697)	-	-	(18,697)
Loss and comprehensive loss	-	-	-	(111,990)	(111,990)
Balance – September 30, 2015	70,585,982	6,785,882	730,223	(6,654,011)	862,094
Loss and comprehensive loss	-	-	-	(20,254)	(20,254)
Balance – December 31, 2015	70,585,982	6,785,882	730,223	(6,674,265)	841,840

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**

### **For the three months ended December 31, 2015 and 2014**

*(Unaudited - Expressed in Canadian dollars)*

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#### **1 ORGANIZATION AND NATURE OF OPERATIONS**

Indigo Exploration Inc. (“the Company”) is in the business of the acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is listed for trading on the TSX Venture Exchange under the symbol “IXI”. At December 31, 2015, the Company was in the exploration stage and had interests in properties located in Burkina Faso, West Africa. The Company’s corporate head office is located at Suite 880 – 580 Hornby Street, Vancouver, British Columbia, Canada.

#### **2 GOING CONCERN**

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. At December 31, 2015, the Company had not yet achieved profitable operations, had an accumulated deficit of \$6,674,265 since inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to develop the mineral properties and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

#### **3 BASIS OF PRESENTATION**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual audited consolidated financial statements for the year ended September 30, 2015.

These financial statements were approved by the board of directors for issue on February 24, 2016.

#### **4 ACCOUNTING STANDARDS**

##### **i) New standards and amendments effective for the first time from October 1, 2014**

The following revised standards and amendments became effective for the Company on October 1, 2015. The new and amended standards did not have a significant impact on the condensed interim consolidated financial statements. The following is a brief summary of the principal new standards adopted by the Company:

IFRS 7 – Financial Instruments disclosures. The Standard was amended to require additional disclosures on transition from IAS 39 and IFRS 9.

## **INDIGO EXPLORATION INC.**

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

#### **For the three months ended December 31, 2015 and 2014**

*(Unaudited - Expressed in Canadian dollars)*

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#### **ii) Accounting standards issued but not yet effective**

At the date of approval of the condensed interim consolidated financial statements the following standards, which are applicable to the Company, were issued but not yet effective. The Company has not completed its assessment of the impact that the new and amended standard will have on its financial statements. The following is a brief summary of the principal new or amended standards.

IFRS 9 – Financial Instruments: Classification and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial instruments and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

#### **5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's September 30, 2015 annual consolidated financial statements.

#### **6 MINERAL PROPERTIES (Schedule 1)**

The Company holds a 100% interest in several properties in Burkina Faso, West Africa and has the right to purchase the entire 1.5% NSR royalty on the Moule Gold Permit for US\$1,800,000. Refer to Schedule 1.

Pursuant to the Mining Code of Burkina Faso, an exploration permit holder is required to incur 270,000 West African CFA Francs (\$583) of exploration expenditures per square kilometre per year in order to maintain its permits in good standing. If such expenditures are not incurred, the Government of Burkina Faso may, at its discretion, cancel the permits after giving the permit holder sixty day notice to remedy any deficiency. The Company has not incurred sufficient expenditures on its Moule, and Loto permits to comply with the Mining Code of Burkina Faso. The Company has not received any notice of cancellation from the Government of Burkina Faso and believes these permits are in good standing as at December 31, 2015.

The Kodyel, Tordo and Lati permits have expired. The Company submitted the documentation required to extend the permits, however, has not received the renewed permits. The Company believes it will obtain extensions on these three permits.

The Company believes it presently holds all necessary licenses and permits on Moule and Loto, and priority on pending licenses and permits, Kodyel, Lati and Tordo, to carry on the activities which it will conduct, and that it is presently complying in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to continue the proposed exploration or to develop its properties into commercial production and to operate mining facilities thereon.

#### **7 SHARE CAPITAL**

##### **a) Authorized:**

Unlimited common shares without par value.

##### **b) Financing:**

During the three months ended, December 31, 2015, the Company did not complete any financings.

During the three months ended December 31, 2014, the Company completed two of three tranches of a non-brokered private placement as follows:



**INDIGO EXPLORATION INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended December 31, 2015 and 2014***(Unaudited - Expressed in Canadian dollars)*

- (i) On December 17, 2014, the Company closed the first tranche of 5,125,000 units at \$0.02 per unit for gross proceeds of \$102,500. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at \$0.05 per share, exercisable up to December 17, 2017. A value of \$5,125 has been attributed to the warrants.
- (ii) On December 24, 2014, the Company closed the second tranche of 1,000,000 units at \$0.02 per unit for gross proceeds of \$20,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at \$0.05 per share, exercisable up to December 24, 2017. A value of \$1,000 has been attributed to the warrants.

In connection with the two tranches, the Company paid finders' fees of \$6,600 and incurred additional cash issue costs of \$1,470.

c) Stock options:

The Company's fully exercisable stock options outstanding as at December 31, 2015 and September 30, 2015 and the changes for the years then ended is presented below:

	<b>Number of options</b>	<b>Weighted average exercise price (per share)</b>	<b>Weighted average remaining life (years)</b>
Balance, September 30, 2014	990,000	\$0.25	1.50
Expired	(475,000)	\$0.20	
<b>Balance, September 30, 2015 and December 31, 2015</b>	<b>515,000</b>	<b>\$0.30</b>	<b>0.84</b>

At December 31, 2015, the Company had 515,000 outstanding stock options allowing the holders to acquire 515,000 common shares at an exercise price of \$0.30 with an expiry date of November 3, 2016.

d) Warrants:

A summary of share purchase warrants outstanding as at December 31, 2015 and September 30, 2014 and the changes for the years then ended are as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price (per share)</b>	<b>Weighted average remaining life (years)</b>
Balance, September 30, 2014	4,900,000	\$0.12	2.10
Issued	7,625,000	\$0.05	
<b>Balance, September 30, 2015 and December 31, 2015</b>	<b>12,525,000</b>	<b>\$0.08</b>	<b>1.54</b>

**INDIGO EXPLORATION INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended December 31, 2015 and 2014***(Unaudited - Expressed in Canadian dollars)*

The balance of share purchase warrants outstanding as at December 31, 2015 was as follows:

<b>Expiry Date</b>	<b>Warrants outstanding</b>	<b>Exercise price (per share)</b>	<b>Remaining life (years)</b>
November 4, 2016	4,900,000	\$0.12	0.85
December 17, 2017	5,125,000	\$0.05	1.96
December 24, 2017	1,000,000	\$0.05	1.98
January 21, 2018	1,500,000	\$0.05	2.06
	12,525,000	\$0.08	1.54

**8 RELATED PARTY TRANSACTIONS**

Compensation paid or payable to the directors, the Chief Executive Officer and the Chief Financial Officer for services provided during the three months ended December 31 2015 and 2014 was as follows:

	<b>2015</b>	<b>2014</b>
	\$	\$
Accounting fees	3,800	-
Management and administration fees	5,850	5,850
	<b>5,850</b>	<b>11,378</b>

The Company incurred additional expenditures charged by related parties during the three months ended December 31, 2015 and 2014 as follows:

	<b>2015</b>	<b>2014</b>
	\$	\$
Accounting fees	-	5,528

As at December 31, 2015, accounts payable and accrued liabilities includes an amount of \$65,390 (September 30, 2015 - \$59,248) due to directors and officers of the Company and/or companies they control or of which they were significant shareholders. These amounts are unsecured, non-interest bearing and due on demand.

**9 SUPPLEMENTAL CASH FLOW INFORMATION**

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed interim consolidated statements of cash flow. During the three months ended December 31, 2015 and 2014 the following transactions were excluded from the condensed interim consolidated statements of cash flows:

	<b>2015</b>	<b>2014</b>
	\$	\$
<b>Non-cash investing and financing transactions</b>		
Mineral property interest expenditures in accounts payable	6,938	-
Mineral property interest expenditures in accounts payable as at September 30	12,331	7,149

**INDIGO EXPLORATION INC.****Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended December 31, 2015 and 2014***(Unaudited - Expressed in Canadian dollars)***10 SEGMENTED INFORMATION**

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

	<b>December 31, 2015</b>	<b>September 30, 2015</b>
	\$	\$
Canada	165,425	209,773
Burkina Faso	779,223	762,372
<b>Total assets</b>	<b>944,648</b>	<b>972,145</b>

Geographic segmentation of the Company's loss during the three months ended December 31, 2015 and 2014 is as follows:

	<b>2015</b>	<b>2014</b>
	\$	\$
Canada	14,688	18,446
Burkina Faso	5,566	6,618
<b>Loss</b>	<b>20,254</b>	<b>25,064</b>

## Condensed Interim Consolidated Schedule of Mineral Properties

*(Unaudited - Expressed in Canadian dollars)*

	Moule Project \$	Kodyel Project \$	Other Projects \$	Total \$
<b>Balance – September 30, 2014</b>	<b>355,889</b>	<b>184,780</b>	<b>188,479</b>	<b>729,148</b>
Deferred exploration costs				
Camp	3,039	2,323	58	5,420
Equipment rental	546	-	225	771
Other	10,053	1,728	9,473	21,254
Wages	12,939	16,333	42,206	71,478
	26,577	20,384	51,962	98,923
<b>Balance – September 30, 2015</b>	<b>382,466</b>	<b>205,164</b>	<b>240,441</b>	<b>828,071</b>
Deferred exploration costs				
Other	58	58	172	288
Wages	2,398	2,479	9,308	14,185
	2,456	2,537	9,480	14,473
<b>Balance – December 31, 2015</b>	<b>384,922</b>	<b>207,701</b>	<b>249,921</b>	<b>842,544</b>