
INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017 and 2016
(Unaudited - Expressed in Canadian dollars)

INDIGO EXPLORATION INC.

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

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

	Notes	June 30, 2017 \$	September 30 2016 \$
ASSETS			
Current			
Cash		91,742	228,021
Taxes recoverable and other receivables		547	967
Prepaid expenses		10,549	3,373
		102,838	232,361
Mineral properties (Schedule 1)	6	310,822	674,732
		413,660	907,093
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	115,296	121,708
EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Share capital	7	7,026,541	7,026,541
Contributed surplus		797,569	743,973
Deficit		(7,525,746)	(6,985,129)
		(298,364)	785,385
		413,660	907,093

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 and nine months ended June 30, 2017 and 2016***(Unaudited - Expressed in Canadian dollars)*

		Three months ended		Nine months ended	
	Note	June 30		June 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Accounting and audit fees	9	5,563	5,684	21,065	18,615
Filing fees		1,025	3,270	11,467	12,835
Foreign exchange loss		451	495	3,230	2,878
Legal fees		-	2,474	538	2,712
Management and administration fees	9	5,850	8,613	17,550	23,563
Office and miscellaneous		6,525	4,351	18,528	11,874
Share-based compensation	7	-	-	53,596	-
Travel and accommodation		-	-	656	949
Loss before other items		(19,414)	(24,887)	(126,630)	(73,426)
Write-off of mineral properties		(413,987)	-	(413,987)	(122,668)
Total loss and comprehensive loss for the period		(433,401)	(24,887)	(540,617)	(196,094)
Loss per share					
- Basic and diluted		(0.01)	(0.00)	(0.01)	(0.00)
Weighted average number of shares outstanding					
- Basic and diluted		84,335,982	76,932,136	84,335,982	71,489,738

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 nine months ended June 30, 2017 and 2016
(Unaudited - Expressed in Canadian dollars)

	2017	2016
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(540,617)	(196,094)
Add items not involving cash:		
Share-based compensation	53,596	-
Write-down of mineral properties	413,987	122,668
	(73,034)	(73,426)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	420	(574)
Prepaid expenses	(7,176)	150
Accounts payable and accrued liabilities	(6,412)	(8,873)
	(86,202)	(82,723)
Investing activities		
Deferred exploration expenditures	(50,077)	(54,895)
Financing activities		
Issuance of shares pursuant to private placement	-	275,000
Issuance costs	-	(20,591)
	-	254,409
(Decrease) Increase in cash and cash equivalents	(136,279)	116,791
Cash - beginning of period	228,021	142,784
Cash - end of period	91,742	259,575

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)*

	Shares	Share	Contributed	Deficit	Total
	Number	Capital	Surplus		
		\$	\$	\$	\$
Balance – September 30, 2015	70,585,982	6,785,882	730,223	(6,654,011)	862,094
Issued during year:					
Pursuant to private placement of units	13,750,000	261,250	13,750	-	275,000
Less: cash issue costs	-	(20,591)	-	-	(20,591)
Loss and comprehensive loss	-	-	-	(196,094)	(196,094)
Balance – June 30, 2016	84,335,982	7,026,541	743,973	(6,850,105)	920,409
Loss and comprehensive loss	-	-	-	(135,024)	(135,024)
Balance – September 30, 2016	84,335,982	7,026,541	743,973	(6,985,129)	785,385
Share-based payments	-	-	53,596	-	53,596
Loss and comprehensive loss	-	-	-	(540,617)	(540,617)
Balance – June 30, 2017	84,335,982	7,026,541	797,569	(7,525,746)	(298,364)

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 and nine months ended June 30, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

1 ORGANIZATION AND NATURE OF OPERATIONS

Indigo Exploration Inc. (“the Company”) is in the business of the acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is listed for trading on the TSX Venture Exchange under the symbol “IXI”. The Company is in the exploration stage and 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 June 30, 2017, the Company had not yet achieved profitable operations, had an accumulated deficit of \$7,525,746 (September 30, 2016 - \$6,985,129) since inception, a working capital deficiency of \$12,458 (September 30, 2016 - \$110,653), 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, 2016, 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, 2016.

These financial statements were approved by the board of directors on August 28, 2017.

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended June 30, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

4 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of approval of the 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. In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on financial liabilities and derecognition of financial instruments. The mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018, with early adoption permitted.

IAS 7 - Statement of Cash Flows. In January 2016, IASB amended IAS 7, "Statement of Cash Flows", The amendments require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This amendment will be mandatory for reporting periods beginning on or after January 1, 2017.

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, 2016 annual consolidated financial statements.

6 MINERAL PROPERTIES (Schedule 1)

The Company holds a 100% interest in several properties in Burkina Faso, West Africa. Refer to Schedule 1.

During the three months ended June 30, 2017, the Kodyel permit area was re-permitted as the Hantoukoura permit of equal size and position as the Kodyel permit.

The Company has not incurred sufficient expenditures in accordance with the Mining Code of Burkina Faso on its 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 this permit is in good standing as at June 30, 2017.

During the three months ended June 30, 2017, the Moule permit expired and the Company wrote off costs of \$413,987 related to the Moule permit. The Company is awaiting the extension to its Lati permit.

During the nine months ended June 30 2016, the Company received a rejection letter on its Tordo permit extension application and recorded a write-down of \$122,179.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended June 30, 2017 and 2016***(Unaudited - Expressed in Canadian dollars)***7 SHARE CAPITAL**

a) Authorized:

Unlimited common shares without par value.

Issued and fully paid at June 30, 2017: 84,335,982 (September 30, 2016 - 84,335,982)

b) Financing:

During the nine months ended June 30, 2017 and 2016, the Company did not complete any financings.

c) Stock options:

The Company's stock options outstanding as at June 30, 2017 and the changes for the nine months then ended is presented below:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, September 30, 2016	515,000	\$0.30	0.09
Expired	(515,000)	\$0.30	
Granted	2,600,000	\$0.05	
Balance June 30, 2017	2,600,000	\$0.05	4.33
Unvested	(250,000)	\$0.05	4.33
Balance, June 30, 2017	2,350,000	\$0.05	4.33

During the nine months ended June 30, 2017, the Company granted 2,600,000 stock options. The estimated fair value of the stock options granted during the nine months ended June 30, 2017 was \$53,596. The fair value of the options granted during the nine months ended June 30, 2017 is estimated using the Black-Scholes option valuation model with the following weighted-average assumptions: Risk-free interest rate – 2.70%; expected life – 5 years; expected volatility – 134%; expected dividends – nil.

As at June 30, 2017, the Company had 2,600,000 outstanding, allowing the holder to acquire 2,600,000 common shares at an exercise price of \$0.05 with an expiry date of October 28, 2021.

d) Warrants:

The Company's share purchase warrants outstanding as at June 30, 2017 and the changes for the nine months then ended is presented below:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, September 30, 2016	26,275,000	\$0.06	1.76
Expired	(4,900,000)	\$0.12	
Balance, June 30, 2017	21,375,000	\$0.05	1.61

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended June 30, 2017 and 2016***(Unaudited - Expressed in Canadian dollars)*

The balance of share purchase warrants outstanding as at June 30, 2017 was as follows:

Expiry Date	Warrants outstanding	Exercise price (per share)	Remaining life (years)
December 17, 2017	5,125,000	\$0.05	0.47
December 24, 2017	1,000,000	\$0.05	0.48
January 21, 2018	1,500,000	\$0.05	0.56
May 20, 2019	13,750,000	\$0.05	2.23
	21,375,000	\$0.05	1.61

8 RELATED PARTY TRANSACTIONS

Compensation paid or payable to the directors, the Chief Executive Officer and the Chief Financial Officer for services provided during the three and nine months ended June 30, 2017 and 2016 was as follows:

	Three months ended June 30		Nine months ended June 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Accounting fees	1,000	880	6,160	6,200
Management and administration fees	5,850	8,613	17,550	23,563
	6,850	9,493	23,710	29,763

As at June 30, 2017, accounts payable and accrued liabilities includes an amount of \$111,800 (September 30, 2016 - \$98,363) 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 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, 2017	September 30, 2016
	\$	\$
Canada	96,642	294,464
Burkina Faso	317,018	612,629
Total assets	413,660	907,093

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended June 30, 2017 and 2016***(Unaudited - Expressed in Canadian dollars)*

Geographic segmentation of the Company's loss during the three and nine months ended June 30, 2017 and 2016 is as follows:

	Three months ended June 30		Nine months ended June 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Canada	80,817	19,885	174,139	56,583
Burkina Faso	352,584	5,004	366,478	139,513
Loss	433,401	24,889	540,617	196,096

Condensed Interim Consolidated Schedule of Mineral Properties

(Unaudited - Expressed in Canadian dollars)

	Moule Project \$	Hantoukoura Project \$	Loto Project \$	Total \$
Balance – September 30, 2016	398,457	217,862	58,413	674,732
Deferred exploration costs				
Other	2,361	2,571	554	5,486
Wages	13,169	15,711	15,711	44,591
	15,530	18,282	16,265	50,077
Write off	(413,987)	-	-	(413,987)
Balance – June 30, 2017	-	236,144	74,678	310,822