IGC RESOURCES INC.

Condensed Interim Financial Statements

As at and for the three month period ended October 31, 2016 - Unaudited

(Expressed in Canadian Dollars)

IGC RESOURCES INC.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNAUDITED

Expressed in Canadian Dollars

		October 31, 2016		July 31, 2016
Current assets				
Cash	$	479	$	154
Accounts receivable		437		104
Prepaid expenses		833		833
Total assets	$	1,749	$	1,091
Current liabilities				
Accounts payable and accrued liabilities	$	45,412	$	44,602
Loans payable (note 4)		21,482		12,917
Total liabilities		66,894		57,519
Shareholders' equity (deficit)				
Share capital (note 5)		11,035,454		11,035,454
Reserve		1,493,708		1,493,708
Deficit		(12,594,307)		(12,585,590)
Total shareholders' equity (deficit)		(65,145)		(56,428)
Total liabilities and shareholders' equity	$	1,749	$	1,091

Nature of operations and going concern (note 1)

Subsequent event (note 9)

Approved on behalf of the Board:

(signed) Manfred Kurschner Director (signed) Jacqueline M. tucker Director

IGC RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY - UNAUDITED

Expressed in Canadian Dollars

	Share Capital		Reserve		
	Number of Shares	Amount	Contributed Surplus	Deficit	Total
Balance - July 31, 2015	26,564,428	$ 11,035,454	$ 1,493,708	$(12,558,597)	$ (29,435)
Net loss for period		-	-	(12,256)	(12,256)
Balance - October 31, 2015	26,564,428	$ 11,035,454	$ 1,493,708	$(12,570,853)	$ (41,691)
Balance - July 31, 2016	26,564,428	$ 11,035,454	$ 1,493,708	$(12,585,590)	$ (56,428)
Net loss for period		-	-	(8,717)	(8,717)
Balance - October 31, 2016	26,564,428	$ 11,035,454	$ 1,493,708	$(12,594,307)	$ (65,145)

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IGC RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS - UNAUDITED

Expressed in Canadian Dollars

	For the three month period ended October 31, 2016	2015
Operating expenses		
Accounting and audit	$ -	$ 7,500
General and administrative	199	253
Legal	-	614
Transfer agent, listing and filing fees	1,789	1,694
Operating loss	(1,988)	(10,061)
Other income (expenses)		
Transaction costs	(6,729)	(2,195)
Net loss and comprehenisve loss for period	$ (8,717)	$ (12,256)
Loss per share - basic and diluted	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding - basic and fully diluted	26,564,428	26,564,428

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

IGC RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS - UNAUDITED

Expressed in Canadian Dollars

	For the three month period ended October 31, 2016	2015
Operating activities		
Net loss for period	$ (8,717)	$ (12,256)
Changes in non-cash working capital items		
Receivables	(333)	(521)
Prepaid expenses	-	(5)
Accounts payable and accrued liabilities	810	4,377
Cash provided by (used in) operating activities	(8,240)	(8,405)
Financing activities		
Loan advances	8,565	8,605
Cash provided by (used in) financing activities	8,565	8,605
Increase (decrease) in cash	325	200
Cash - beginning of period	154	55
Cash - end of period	$ 479	$ 255

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

Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

IGC Resources Inc. (the "Company") was incorporated under the laws of British Columbia in 1992. On July 21, 2004, the Company changed its name from International Green Ice Inc. to IGC Resources Inc. Its principal business activities historically included the exploration and development of natural resource properties in Canada. Presently, the Company is looking for a high quality investment opportunity. The Company was moved from the TSX Venture Exchange to the NEX on July 10, 2014 due to its inability to meet its Tier 2 listing requirements. IGC is now trading under the symbol IGC.H.

The address of the Company's corporate office is 228 16th Street Northwest, Calgary, Alberta T2N 2B9.

These condensed interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At October 31, 2016, the Company had a working capital deficit of $65,145. During the three month period ended October 31, 2016, the Company incurred a net loss totalling $8,717. The accumulated deficit at October 31, 2016 is $12,594,307. The Company has limited financial resources and has not been able to pay all of its accounts payable as they become due.

The ability of the Company to meet its commitments and ongoing operating expenses will depend upon the following:

- The ability to raise further funds through the issue of equity financing; and,
- Continued financial support from the creditors.

Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to continue to do so in the future.

Based on the Company's financial position at October 31, 2016, available funds are not considered adequate to meet requirements for fiscal 2017 based on budgeted expenditures for operations and project investigations. To meet working capital requirements, the Company will have to access financial resources through equity placements. There can be no assurances that such funds will be available and/or on terms acceptable by the Company. These conditions cast significant doubt on the Company's ability to continue as a going concern.

While these condensed interim financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are significant conditions and events that cast significant doubt on the validity of that assumption.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements are prepared in accordance with International Financial Standard 34 Interim Financial Reporting of the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and interpretations of the International Financial Reporting Committee ("IFRIC"). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's audited financial statements for the year ended July 31, 2016. The policies applied in these condensed interim financial statements are based on IFRS issued as of December 21, 2016, the date the Board of Directors approved the financial statements. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended July 31, 2016.

Expressed in Canadian Dollars

3. ACCOUNTING POLICIES

Basis of presentation

The condensed interim financial statements have been prepared on an accrual basis and are on a historical cost basis, except for certain financial instruments, which are measured at fair value. The preparation of the condensed interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in note 4 in the Company's annual financial statements for the year ended July 31, 2016.

These condensed interim financial statements are prepared in Canadian dollars. The functional currency of the Company is Canadian dollars.

4. LOANS PAYABLE

During the three month period ended, $8,565 (year ended July 31, 2016, $12,917) in loan proceeds were advanced to the Company to pay creditors, as set out in the table below. The loans payable are without interest or stated terms of repayment.

	October 31, 2016	July 31, 2016
Due to a company controlled by a director	$ 11,460	$ 8,605
Due to a shareholder	10,022	4,312
	$ 21,482	$ 12,917

5. EQUITY

a) Authorized - an unlimited number of common shares without par value.

b) Stock Options

On April 9, 2015, the shareholders approved the Stock Option Plan (the "Plan"), for which up to 10% of the issued share capital can be reserved for issuance to executive officers, directors, employees and consultants. The exercise price of the options is set at the Company's closing share price on the day before the grant date less the applicable discount permitted under the TSX Venture Exchange policies. The options have a maximum term of ten years and vest at date of grant.

At October 31, 2016, 2,656,443 options are available for future grant under the Plan.

Expressed in Canadian Dollars

6. RELATED PARTY TRANSACTIONS

(In addition to those disclosed in note 4)

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include the Company's directors and members of the senior management group.

Details of key management personnel compensations are as follows:

	October 31, 2016	October 31, 2015
Services provided:		
Accounting fees	$ -	$ 7,500

	October 31, 2016	July 31, 2016
Balances payable to key management personnel for compensation	$ 9,188	$ 9,188

Balances payable are included in accounts payable and accrued liabilities.

7. CAPITAL MANAGEMENT

The Company's objectives when managing its capital is to maintain the ability to continue as a going concern in order to pursue a business development opportunity for the benefits of its stakeholders and to maintain flexible capital structure, which optimizes the costs of capital at an acceptable risk level.

In the management of capital, the Company includes the components of shareholders' equity.

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 the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is generally to invest its cash in highly liquid short-term interest bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. Periodically, the Company will invest in interest bearing investments with maturities exceeding 90 days, if it is for a specific purpose.

The Company will be required to access financial resources through loans or equity placements in the junior market or a combination thereof in the current year to sustain operations of the Company. Further information related to management of capital risk and liquidity is set out in note 1.

Expressed in Canadian Dollars

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximate their carrying amounts due to the relatively short period of maturity. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy included in IFRS.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level two includes inputs that are observable other than quoted prices included in level one
- Level three includes inputs that are not based on observable market data

The carrying value of the Company's cash and cash equivalents, accounts receivable, accounts payable and loans payable are representative of their respective fair value at October 31, 2016 and July 31, 2016 due to their short term nature. The fair value of accounts payable and debt may be less than the carrying value as a result of the Company's liquidity risk.

The Company's risk exposures and the impact on the financial instruments are summarized below:

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in notes 1 and 7.

Accounts payable and accrued liabilities are due within the current operating period.

9. SUBEQUENT EVENT

From November 1, 2016 to December 21, 2016 a director controlled company and a shareholder controlled company advanced the Company additional loan proceeds of $3,190.