
INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 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	December 31, 2017	September 30, 2017
		\$	\$
ASSETS			
Current			
Cash		20,841	64,848
Taxes recoverable and other receivables		1,110	1,329
Prepaid expenses		3,552	6,883
		25,503	73,060
Mineral properties (Schedule 1)	6	272,000	250,091
		297,503	323,151
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	153,960	148,593
SHAREHOLDERS EQUITY			
Share capital	7	7,026,541	7,026,541
Contributed surplus		797,569	797,569
Deficit		(7,680,567)	(7,649,552)
		143,543	174,558
		297,503	323,151

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

	Note	2017	2016
		\$	\$
Accounting and audit fees	8	7,572	7,175
Filing fees		1,333	1,147
Foreign exchange loss		1,104	801
Management and administration fees	8	9,750	5,850
Office and miscellaneous		6,388	4,041
Share-based compensation	7	-	53,596
Travel and accommodation		4,868	-
Total loss and comprehensive loss for the period		(31,015)	(72,610)
Loss per share			
- Basic and diluted		(0.00)	(0.00)
Weighted average number of shares outstanding			
- Basic and diluted		84,335,982	84,335,982

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

INDIGO EXPLORATION INC.
Condensed Interim Consolidated Statements of Cash Flows
Three months ended December 31
(Unaudited - Expressed in Canadian dollars)

	2017	2016
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(31,015)	(72,610)
Add items not involving cash:		
Share-based compensation	-	53,596
	(31,105)	(19,014)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	219	303
Prepaid expenses	3,331	(23)
Accounts payable and accrued liabilities	5,367	(1,289)
	(22,098)	(20,023)
Investing activities		
Deferred exploration expenditures	(21,909)	(15,036)
(Decrease) Increase in cash	(44,007)	(35,059)
Cash - beginning of period	64,848	228,021
Cash - end of period	20,841	192,962

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***(Expressed in Canadian dollars)*

	Shares	Share	Contributed		
	Number	Capital	Surplus	Deficit	Total
		\$	\$	\$	\$
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	-	-	-	(72,610)	(72,610)
Balance – December 31, 2016	84,335,982	7,026,541	797,569	(7,057,739)	766,371
Loss and comprehensive loss	-	-	-	(591,813)	(591,813)
Balance – September 30, 2017	84,335,982	7,026,541	797,569	(7,649,552)	174,558
Loss and comprehensive loss	-	-	-	(31,015)	(31,015)
Balance – December 31, 2017	84,335,982	7,026,541	797,569	(7,680,567)	143,543

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 months ended December 31, 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 December 31, 2017, the Company had not yet achieved profitable operations, had an accumulated deficit of \$7,680,567 (September 30, 2017 - \$7,649,552) since inception, a working capital deficiency of \$128,457 (September 30, 2017 working capital deficiency of \$75,533), 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, 2017, 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, 2017.

These financial statements were approved by the board of directors for issue on February 28, 2018.

4 ACCOUNTING STANDARDS

i) NEW ACCOUNTING STANDARDS EFFECTIVE FOR THE FIRST TIME

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

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended December 31, 2017 and 2016

(Unaudited - Expressed in Canadian dollars)

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. The adoption of the amendment did not have a material impact on the Company's reporting.

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 following is a brief summary of the 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 for the Company would be the annual period beginning on October 1, 2018 and it is not expected to have a material impact on the Company's reporting.

IFRS 16 - Leases. On January 13, 2016, the IASB published a new standard, IFRS 16, Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Under the new standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses). The mandatory effective date of IFRS 16 for the Company would be the annual period beginning on October 1, 2020. Early adoption is 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, 2017 annual consolidated financial statements.

6 MINERAL PROPERTIES (Schedule 1)

The Company holds a 100% interest in the Hantoukoura (previously Kodyel) and Lati permits in Burkina Faso, West Africa. Refer to Schedule 1.

The Kodyel and Lati permits expired during the year ended September 30, 2015 and the Company submitted, prior to the expiration date, the documentation required to extend the permits. During the year ended September 30, 2017, the Kodyel permit area was re-permitted as the Hantoukoura permit of equal size and position as the Kodyel permit. As at December 31, 2017 the Company has continued to not receive a renewed permit or receive a rejection letter for the Lati permits.

During the three months ended December 31, 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 Minister in charge of Mines in Burkina Faso has confirmed that the length of the suspension period will be added back onto the length of the permit.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three months ended December 31, 2017 and 2016***(Unaudited - Expressed in Canadian dollars)***7 SHARE CAPITAL**

a) Authorized:

Unlimited common shares without par value.

b) Financing:

During the three months ended December 31, 2017 and 2016, the Company did not complete any financings.

c) Stock options:

The Company's stock options outstanding as at December 31, 2017 and the changes for the three 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 September 30, 2017	2,600,000	\$0.05	4.08
Expired	(250,000)	\$0.05	
Balance, December 31, 2017	2,350,000	\$0.05	3.83

During the three months ended December 31, 2016, the Company granted 2,600,000 stock options with an exercise price of \$0.05 per share and an expiry date of October 28, 2021. The options vested immediately upon issuance. The estimated fair value of the stock options granted during the three months ended December 31, 2016 was \$53,596.

As at September 30, 2017, the Company had 2,350,000 outstanding, allowing the holder to acquire 2,350,000 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 December 31, 2017 and the changes for the three 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, September 30, 2017	21,375,000	\$0.05	1.35
Expired	(6,125,000)	\$0.05	
Balance, December 31, 2017	15,250,000	\$0.05	1.56

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three months ended December 31, 2017 and 2016***(Unaudited - Expressed in Canadian dollars)*

The balance of share purchase warrants outstanding as at December 31, 2017 was as follows:

Expiry Date	Warrants outstanding	Exercise price (per share)	Remaining life (years)
January 21, 2018	1,500,000	\$0.05	0.06
May 20, 2019	13,750,000	\$0.05	1.72
	15,250,000	\$0.05	1.56

Subsequent to December 31, 2017 a total of 1,500,000 warrants with an exercise price of \$0.05 expired unexercised.

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, 2017 and 2016 was as follows:

	2017	2016
	\$	\$
Accounting fees	3,595	1,800
Management and administration fees	9,750	5,850
Share-based payments	-	40,712
	13,345	48,362

As at December 31, 2017, accounts payable and accrued liabilities includes an amount of \$128,862 (September 30, 2017 - \$118,625) 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:

	December 31, 2017	September 30, 2017
	\$	\$
Canada	20,898	66,213
Burkina Faso	276,605	256,938
Total assets	297,503	323,151

Geographic segmentation of the Company's loss during the three months ended December 31, 2017 and 2016 is as follows:

	2017	2016
	\$	\$
Canada	25,284	66,958
Burkina Faso	5,731	5,652
Loss	31,015	72,610

INDIGO EXPLORATION INC.
Consolidated Schedule of Mineral Properties
(Expressed in Canadian dollars)

Schedule 1

	Hantoukoura Project (formerly Kodyel)
	\$
Balance – September 30 , 2017	250,091
Deferred exploration costs	
Other	6,328
Wages	15,581
Balance – December 31, 2017	272,000