

INDIGO EXPLORATION INC.

Management's Discussion and Analysis of Financial Position and Results of Operations

The following information, prepared as of March 1, 2021, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Indigo Exploration Inc. (the "Company" or "Indigo") for the three months ended December 31, 2020, together with the audited consolidated financial statements of the Company for the year ended September 30, 2020 and the accompanying Management's Discussion and Analysis ("MD&A") for that fiscal year. The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

On May 5, 2020, the Company completed a share consolidation on a 6:1 basis. All historical figures in this MD&A and the consolidated financial statements have been re-stated to reflect this consolidation.

GENERAL OVERVIEW

The Company was incorporated on February 29, 2008 under the Business Corporations Act of British Columbia. The Company became a reporting issuer on November 20, 2009, closed its Initial Public Offering on December 29, 2009 and commenced trading on the TSX Venture Exchange ("TSXV") on December 31, 2009, under the trading symbol "IXI."

The Company is a junior natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Company is yet to receive any revenue from its mineral exploration operations. Accordingly, the Company has no operating income or cash flows. As a result, the Company has relied almost exclusively upon equity financing activities, which is not expected to significantly change in the immediate future.

The Company's focus is in gold exploration in the Republic of Burkina Faso, and in Mali, both in West Africa. In June 2010, the Company completed the acquisition of Sanu Resources Burkina Faso S.A.R.L. ("Sanu Burkina"), as a means of acquiring Sanu Burkina's mineral exploration permits in Burkina Faso.

RECENT HIGHLIGHTS

On February 5, 2021, the Company announced the completion of the auger drilling program over the Djelinfing and Forela artisanal workings/gold targets on the Djimbala Permit in southern Mali. Samples are in the lab for assays and results will be reported once available.

On January 22, 2021, the Company detailed the size of the gold trend on the Lati 2 Permit from a sampling program conducted in November 2020 and provided progress report on auger drilling on Djimbala.

On December 15, 2020, the Company commenced field work on Djimbala Permit located in southern Mali. The phase 1 program will consist of 623 auger drill holes focused on the two highest priority targets, Djilefing and Forela, with the aim to prioritize targets prior to a phase 2 air core (AC) drilling program.

On November 12, 2020, the Company recommenced exploration on the new gold trend on its Lati 2 Permit. Work will be focused on defining justifiable drill targets.

On September 17, 2020, the Company identified a new gold trend on the Lati 2 Permit from a sampling program conducted in June 2020.

On June 1, 2020, the Company settled loans and accounts payables totaling \$259,167 by the issuance of 3,000,000 shares and 2,183,333 units. Each unit is comprised of one common share and one share purchase warrant.

On May 29, 2020, the Company closed the Djimbala Permit transaction. The Company finalized the Option Agreement with Desert Gold Ventures Inc. (“Desert Gold”) and its local Mali subsidiary, Desert Gold Mali SARL (“DGM”) to acquire up to a 100% interest in the Djimbala Permit in southern Mali, West Africa.

On May 19, 2020, the Company closed a non-brokered private placement of 15,000,000 units at \$0.05 per unit for gross proceeds of \$750,000.

EXPLORATION AND EVALUATION ASSETS

Paul Cowley, P.Geo, President, CEO and Director of Indigo, is the Qualified Person as defined in National Instrument 43-101, responsible for the review of technical information disseminated to the public by the Company, including any technical information in this MD&A.

Burkina Faso

The Company holds the Hantoukoura and Lati 2 permits located in the Republic of Burkina Faso, West Africa. West Africa is underlain by the Birimian Greenstone Belt, one of the most prolific gold producing areas in the world. Several major gold companies are active in Burkina Faso, including IAMGOLD Corporation and Newmont Mining Corporation. Burkina Faso has nine producing mines and a number of projects in the advance and development stages. Burkina Faso is considered relatively stable, both politically and economically, and relies primarily on farming and mining as its main sources of revenue.

Lati 2 Exploration Permit

The 181 square kilometre Lati 2 Permit covers a major north-south shear zone in the Boromo greenstone belt. Lati 2 is the site of expanding artisanal activity with at least three known active artisanal mining areas over the 8 kilometre long Prospect 1. The Lati 2 permit is about 150 km by road west of Ouagadougou in central Burkina Faso. Lati 2 was previously explored by the United Nations Development Program and the Burkina Faso Office of Mines and Geology for volcanic-hosted massive sulfides similar to the Perkoa zinc deposit, as well as by Carlin Resources and Incanore Resources for gold.

The Company reapplied for the same area of the Lati permit, under a new Lati 2 permit and during the year ended September 30, 2019 was requested by the Ministry of Mines to pay the application fee for a new three year permit. The Company paid the funds and on December 4, 2019 the new permit was issued.

In 2012, the Company conducted a reverse circulation drill program which identified a 2.5 kilometres long trend of wide (100m), low-grade gold mineralization. The permit area has extensive artisanal working over a large surface area. At the time of the 2012 drilling, the collective surface area where artisanal workers had continuously panned the surface was 1.5 square kilometres.

Company crews revisited the area recently and mapped the collective surface area of artisanal panning, which has now doubled in surface area to 3 square kilometres, indicated the present of gold there. One new significant area of surface panning is 3 kilometres long by 800 metres wide, which has not been drill tested. This untested area is underlain by mafic volcanics in contact with a granite. In June 2020, the Company initiated a selective soil sampling program over artisanal workings. Results from the sampling program defined a new gold trend on the Lati 2 Permit. In November 2020, the Company conducted further exploration on the new gold trend on its Lati 2 Permit and reported a justifiable drill target.

Hantoukoura (previously Kodyel) Exploration Permit

During the year ended September 30, 2017 the Company secured the permit to the previously named Kodyel permit when the area was re-permitted as the Hantoukoura permit. The Hantoukoura permit is of equal size and position as the original Kodyel permit. The Hantoukoura permit is valid for three years and renewable for up to six additional years.

The 191 square kilometres Hantoukoura permit lies close to the Niger border approximately 300km east of Ouagadougou. Access is by paved road as far as Fada N’gourma about 200 km east of Ouagadougou and thence by laterite roads. The Hantoukoura permit covers an extension of the Fada N’Gourma greenstone belt that extends into Niger. The Hantoukoura permit is traversed by a regional northeast-trending fault

that stretches from Ghana to Niger and separates the mafic and felsic volcanics and metasedimentary rocks of the Fada belt from the migmatites and granites to the northwest. There are several active artisanal workings within the permit, including: the extensive Tangounga, Hantekoura (CFA) and Kodyel 1 artisanal workings. The Songonduari artisanal workings lie off the permit but lies in the same structure, continuing towards and into Niger.

During the year ended September 30, 2018, the Company received notice from the Ministry of Mines of Burkina Faso that it had temporarily suspended access, including performing exploration activities on the Hantoukoura permit until the border with Niger is physically demarcated. The Minister has agreed the permit will remain in good standing through the suspension period and that the length of the suspension period will be added back onto the length of the permit. The Company intends to complete a sizable work program, once access is re-instated and is monitoring the progress of the demarcation of the border. To date, the Company has not received an update and the suspension is still in effect.

Djimbala Permit, Mali

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”).

To acquire the minimum 51% interest in the Djimbala Permit, the Company is required to incur \$400,000 in exploration expenditures prior to April 30, 2022. To acquire the maximum 100% interest in the Djimbala Permit, the Company is required to incur additional work expenditures of \$600,000 prior to April 30, 2024. The Company’s 100% interest is subject to a 2% net smelter royalty (“NSR”) in favour of Desert Gold. The Company has the right to purchase 1% of the NSR for USD\$1,000,000.

In addition to the exploration expenditures, the Company is required to make the following share issuances to Desert Gold:

- share issuance equivalent to \$50,000 of the Company’s common shares on the Commencement date (Issued 1,000,000 common shares on May 29, 2020 with a fair value of \$110,000);
- share issuance equivalent to \$75,000 at a deemed price equal to the volume weighted average price (“VWAP”) for the prior 10-day trading period, subject to a minimum deemed price of \$0.05 per share (the “Applicable Deemed Price”) on or before the first anniversary of the Commencement Date;
- share issuance equivalent to \$100,000 at the Applicable Deemed Price on or before the second anniversary of the Commencement Date; and
- share issuance equivalent to \$125,000 at the Applicable Deemed Price on or before the third anniversary of the Commencement Date.

In the event the Company earns a 51% interest but elects not to pursue the additional 49% interest, upon request of either party, the parties shall proceed to enter into a joint venture agreement.

The Djimbala Permit is located in southern Mali, West Africa, 220 km south of the capital of Bamako and covers a 100 km² area. The permit is situated in the Yanfolila Gold Belt and is surrounded by a significant number of gold deposits, mines and prospecting permits including the Komana gold mine, the Kodieran gold Mine and Kalana project. The bulk of the Djimbala permit has not been explored. Two small soil sampling campaigns and a limited artisanal pit sampling program were completed by Desert Gold over parts of the permit with positive Au anomalies coinciding with interpreted favourable mineralized structures. Four north-south trending gold soil anomalies were defined, reflecting the regional structural trend. These soil anomalies also appear to correspond to the southern extension of the Faliko Fodela mineralized zones drilled by Gold Fields immediately north of the Djimbala Permit. To date, several active artisanal workings were located during the soil campaigns, confirming Au mineralization.

On December 15, 2020, the Company commenced field work on Djimbala Permit located in southern Mali. The phase 1 program consisted of 623 auger drill holes and was completed in early February 2021, focusing on the two highest priority targets, Djilefing and Forela, with the aim to prioritize targets prior to a phase 2 air core (AC) drilling program. Results are pending.

QUARTERLY INFORMATION

The following is selected financial data from the Company's unaudited quarterly consolidated financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended December 31, 2020.

For the quarter ended (\$)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Total revenues	-	-	-	-
Loss for the period	(31,219)	(59,817)	(361,070)	(49,984)
Loss per share (basic and diluted) ⁽¹⁾	(0.00)	(0.02)	(0.01)	(0.00)
Total assets	677,110	701,920	756,769	44,488

For the quarter ended (\$)	Dec. 31, 2019	Sept. 30, 2019	Jun. 30, 2019	Mar. 31, 2019
Total revenues	-	-	-	-
Loss	(23,813)	(439,822)	(20,229)	(20,781)
Loss per share (basic and diluted) ⁽¹⁾	(0.00)	(0.03)	(0.00)	(0.00)
Total assets	51,674	63,892	479,125	390,059

⁽¹⁾ The basic and diluted calculations result in the same values.

The increase in assets at June 30, 2020 is due to approximately \$670,000 cash received, net of share issuance costs, from the private placement that the Company closed in May 2020. The increase in loss at June 30, 2020 is due to a \$311,000 loss on settlement of loans and accounts payable. The increase in assets at June 30, 2019 is due to \$100,000 cash received from loan agreements entered into during the quarter. The decrease in assets at September 30, 2019 is due to a write down of the Hantoukoura property.

RESULTS OF OPERATIONS

The Company recorded a loss of \$31,219 (\$0.00 per share) for the three months ended December 31, 2020 as compared to a loss of \$23,813 (\$0.00 per share) for the three months ended December 31, 2019.

The overall increase is due to increased accounting and audit fees and management and administration fees. The increase is due to increased activity in the Company.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

Financing Activities

During the three months ended December 31, 2019 and 2018 the Company did not complete any financing activities.

Exploration and Evaluation Assets Expenditures

The exploration and evaluation assets expenditures of the Company during the three months ended December 31, 2020 included exploration and evaluation assets expenditures of \$91,494 (2019 - \$16,126) on the Company's new Mali project and previous Burkina Faso projects. Refer to Note 4 in the condensed interim consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed \$31,219 of cash (before working capital items) for the three months ended December 31, 2020 (2019 - \$21,292) with additional cash of \$91,494 (2019 - \$16,126) being used on exploration and evaluation assets expenditures and acquisition payments. The cash requirement for the three months ended December 31, 2020 was funded from the private placement completed during May 2020.

The Company's aggregate operating, investing and financing activities during the three months ended December 31, 2020 resulted in a net decrease in its cash balance from \$462,906 at September 30, 2020 to \$348,581 at December 31, 2020. The Company has a working capital of \$274,043 at December 31, 2020 compared to a working capital of \$396,756 at September 30, 2020.

Pursuant to the Djimbala Permit Option Agreement, the Company will have additional exploration commitments to earn its interest in the property.

The Company has not put any of its exploration and evaluation assets into commercial production and as such has no operating revenues or cash flows. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital, and the Company's capital resources are largely determined by the strength of the junior resource capital markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to it.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are the persons 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 months ended December 31, 2020 and 2019 was as follows:

	2020	2019
	\$	\$
Accounting fees	2,883	2,265
Management and administration fees ⁽¹⁾	12,000	5,850
	14,883	8,115

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

As at December 31, 2020, accounts payable and accrued liabilities includes an amount of \$32,203 (September 30, 2020 - \$32,203) due 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.

During the year ended September 30, 2020, the Company settled accounts payable of \$150,000 to Buena Tierra by issuing 3,000,000 common shares (with a fair value of \$330,000), which resulted in a loss on settlement of \$180,000.

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 December 31, 2020, 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, 2020 and have not changed significantly during the three months ended December 31, 2020.

OUTSTANDING SHARE DATA

The following table discloses the Company's share capital structure as at the date of this MD&A.

- a) Authorized: Unlimited common shares without par value.
- b) Issued and outstanding: 36,519,885 common shares
- c) Outstanding warrants and options

Type of Security	Number	Exercise Price	Expiry Date
Stock options	391,668	\$0.30	October 28, 2021
Share purchase warrants	1,280,555	\$0.30	March 6, 2021
Share purchase warrants	15,000,000	\$0.10	May 15, 2023
Broker warrants	1,064,000	\$0.10	May 15, 2023
Share purchase warrants	2,183,333	\$0.10	June 1, 2023

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the three months ended December 31, 2020 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

Certain risks are faced by the Company, which could affect its financial position. In general they relate to the availability of equity capital to finance the acquisition, exploration and development of existing and future exploration and development projects. The availability of equity capital to junior resource companies is affected by commodity prices, global economic conditions and economic conditions and government policies in the countries of operation, among other things. These conditions are beyond the control of the management of the Company and have a direct effect on the Company's ability to raise capital.

The Company's working capital and liquidity fluctuate in proportion to its ongoing equity financing activities. The Company requires a certain amount of liquid capital in order to sustain its operations and in order to meet various obligations as specified under its exploration and evaluation asset option agreement. Should the Company fail to obtain future equity financing due to reasons as described above, it will not be able to meet these obligations and may lose its interest in the property covered by the agreement. Further, should the Company be unable to obtain sufficient equity financing for working capital, it may be unable to meet its ongoing operational commitments.

The Company's properties are in the exploration stage and without known reserves. Exploration and development of natural resources involves substantial expenditures and a high degree of risk. Few exploration properties are ultimately developed into producing properties. Accordingly, the Company has no material revenue, writes-off its mineral properties from time to time and operates at a loss. Continued operations are dependent upon ongoing equity financing activities.

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 days' notice to remedy any deficiency.

COVID-19

In March 2020, the World Health Organization declared coronavirus ("COVID-19") a global pandemic. The COVID-19 outbreak has resulted in social and economic disruption and had a resultant impact on the mining and exploration industries and capital markets. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19. However, the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time and could have a material impact on the Company's future financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.

OUTLOOK

The Company's focus is on the exploration and advancement of its exploration and evaluation assets in Burkina Faso and Mali.

In Burkina Faso, a sampling program completed previously on the Hantoukoura (formerly named Kodyel) permit generated new and sizeable drill targets. The Company is planning a surface sampling program when the Ministry of Mines reverses the temporarily suspended access to the permit. With the granting of Lati 2, Company crews revisited the area recently and mapped the collective surface area of artisanal panning, which has now doubled in surface area to 3 square kilometres. One new significant area of surface panning is 3 kilometres long by 800 metres wide, which has not been drill tested. The Company has completed detailed soil sampling over a high priority area on Lati 2, defining a justifiable drill target for 2021.

In Mali, the Company has initiated a 623-hole auger drill program over the two highest priority targets, Djilefing and Forela, on the Djimbala Permit with the aim to prioritize targets prior to a phase 2 air core (AC) drilling program.

OTHER INFORMATION

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as “plans”, “intends”, “anticipates”, “should”, “estimates”, “expects”, “believes”, “indicates”, “suggests” and similar expressions.

This Management’s Discussion and Analysis (“MD&A”) and in particular the “Outlook” section, contains forward-looking statements, including, without limitation, statements about the mineral properties and financing activities. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning the interpretation of property exploration results may also be considered a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

Unless otherwise indicated, forward-looking statements in this MD&A describe the Company’s expectations as of the date of this MD&A.

Readers are cautioned not to place undue reliance on these statements as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Such risks and other factors include, among others, risks related to integration of acquisitions; risks related to operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled “Risks and Uncertainties” Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason, except as required by law.

For a description of material factors that could cause the Company’s actual results to differ materially from the forward-looking statements in this MD&A, please see “Risks and Uncertainties”.