

INDIGO EXPLORATION INC.

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

The following information, prepared as of May 30, 2023, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Indigo Exploration Inc. (the "Company" or "Indigo") for the three and six months ended March 31, 2023, together with the audited financial statements of the Company for the year ended September 30, 2022. 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.

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 lithium brines in Alberta, Canada. In the fall of 2022, the company directly applied for and was granted 18 Metallic and Industrial Minerals permits in central Alberta, Canada by Alberta Department of Energy now total 147,904 hectares (147.9 km² or 365,479 acres) covering lithium-bearing formation brine. The Company retains a gold permit in the Republic of Burkina Faso, West Africa through its operating company Sanu Resources Burkina Faso S.A.R.L. ("Sanu Burkina").

RECENT HIGHLIGHTS

On May 23, 2023, the Company announced the appointment of Mr. Donald Babiuk, a highly accomplished, Alberta-based senior petroleum engineer to the Company's Board of Advisors.

On May 18, 2023, the Company announced that its common shares are now eligible for electronic clearing and settlement in the United States through the Depository Trust Company ("DTC").

On May 16, 2023, the Company reported it has received proceeds of \$549,593 upon the exercise of the 5,495,932 warrants at a price of \$0.10 per share.

On May 8, 2023, the Company reported it has received proceeds of \$714,235 upon the exercise of the 7,147,235 warrants at a price of \$0.10 per share.

On May 2, 2023, the Company announced the appointment of D.T. Brian Doherty, an Alberta-based highly accomplished senior petroleum geologist with over 40 years of experience to the Company's Board of Directors. Mr. Doherty has numerous roles over his career ranging from technical to executive and leadership.

On April 24, 2023, the Company announced the engagement of GLJ Ltd. to oversee a sampling and brine testing study of Indigo's Fox Creek West and Fox Creek East Projects. GLJ Ltd. is one of the premiere global energy consultants.

On April 18, 2023, the Company announced its exploration plans for its Alberta-based lithium brine projects for 2023. The exploration program which will initially focus on the Fox Creek and Leduc projects, will include well sampling and aquifer modelling, and result in the tabling of two National Instrument NI 43-101 resource estimates by fall and the commencement of a Preliminary Economic Assessment (PEA) for each project before the end of the year.

On March 29, 2023, the Company announced that its common stock has commenced trading in the United States on the OTCQB Venture Market, under the trading symbol IXIXF.

On February 27, 2023, the Company closed a non-brokered private placement of 10,000,000 units at a price of \$0.06 per unit to raise total gross proceeds of up to \$600,000. Each unit will be comprised of one common share and one-half warrant. Each whole warrant will entitle the holder thereof to purchase one common share for a period of two years at a price of \$0.10.

On February 15, 2023, the Company announced it has granted incentive stock options to certain directors, officers, employees and consultants of the Company to acquire an aggregate of 2,800,000 common shares in the capital of the Company at an exercise price of \$ 0.0825 for a five year term expiring February 14, 2028.

On February 9, 2023, the Company announced that it proposes to undertake a non-brokered private placement of up to 10,000,000 units (the “Units”) at a price of \$0.06/Unit to raise total gross proceeds of up to \$600,000 (the “Offering”). Each Unit will be comprised of one common share and one-half warrant. Each whole warrant will entitle the holder thereof to purchase one common share for a period of 2 years at a price of \$0.10.

On January 11, 2023, the Company announced it has doubled its land position in central Alberta, Canada for a total of 147,904 hectares (147.9 km²) in three key areas covering significant subsurface Devonian reef reservoir aquifers with the potential to produce large volumes of lithium-bearing formation brine.

On October 5, 2022, the Company announced a shift in the Company's focus to lithium in Alberta, Canada. Ten Metallic and Industrial permits in central Alberta, Canada were directly applied for and granted, covering significant subsurface Devonian reef reservoir aquifers with the potential to produce large volumes of lithium-bearing formation brine.

EXPLORATION AND EVALUATION ASSETS

Bradley Parkes, P.Geo, VP Exploration 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 related to lithium brines, including any technical information in this MD&A. 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 related to gold in Burkina Faso, including any technical information in this MD&A.

Canada

The Company has been granted 18 Metallic and Industrial Minerals permits in central Alberta, Canada covering significant subsurface Devonian reef reservoir aquifers with the potential to produce large volumes of lithium-bearing formation brine. The permits granted by Alberta Department of Energy total 147,904 hectares (147.9 km²) and lie in the Fox Creek, Leduc and Grande Prairie areas. The acquired permits were selected based on their proximity to wells recording lithium brine levels between 72 and 130mg/l from the Leduc Carbonate Reef complex Woodbend Group and the underlying Beaverhill Lake Group rock. The aquifers in these units historically have been known to host the highest grades of lithium-in-brine in Alberta. There are over 700 wells that have been drilling on the Indigo permit areas.

Burkina Faso

The Company holds the Hantoukoura permit 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 relies primarily on farming and mining as its main sources of revenue.

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.

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. On December 4, 2022 the Company did not renew the permit for the Lati2 permit. The capitalized costs related to Lati2 were written down to \$nil as at September 30, 2022.

Djimbala Permit, Mali

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 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”).

On October 26, 2021 the company announced results of an aircore drilling program on the Djimbala Permit in southern Mali, West Africa. The 2021 4,584 metre, 99-hole aircore drilling program in a series of roughly 50m deep angled drill holes crossed the Forela, Djilefing and Nounssamna principal gold trends and five subparallel smaller trends. The area drilled by aircore is substantially anomalous in gold with 50 individual intercepts greater than 0.1 g/t Au over 1 metre or more. The best intercept encountered was 8.78 g/t Au across 1 metre. Over 44% of all drill samples were over 10 ppb Au.

Insufficient encouragement led the Company to abandon the property. On August 17, 2022 the Company terminated the option agreement with DGM and the property was written down to \$Nil.

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 March 31, 2023.

For the quarter ended (\$)	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022	Jun. 30, 2022
Total revenues	-	-	-	-
Loss for the period	(412,222)	(19,595)	(1,190,946)	(23,398)
Loss per share (basic and diluted) ⁽¹⁾	(0.1)	(0.0)	(0.03)	(0.0)
Total assets	491,839	59,159	72,065	1,219,334

For the quarter ended (\$)	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021
Total revenues	-	-	-	-
Loss for the period	(32,172)	(32,428)	(48,284)	(416,758)
Loss per share (basic and diluted) ⁽¹⁾	(0.0)	(0.0)	(0.00)	(0.01)
Total assets	1,136,762	1,122,468	1,134,300	1,142,311

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

The increase in assets at March 31, 2023 is due to approximately \$595,625 cash received, net of share issuance costs, from a private placement. The decrease in assets and loss at September 30, 2022 is due to the write down of exploration and evaluation assets of \$1,145,349. The increase in assets at June 30, 2021 is due to the approximately \$506,000 cash received from the warrants exercised under the warrant incentive program. The increase in loss at June 30, 2021 is related to the loss of \$380,024 related to the warrant incentive program.

RESULTS OF OPERATIONS

The Company recorded a loss of \$412,222 and \$431,819 (\$0.01 and \$0.01 per share) for the three and six months ended March 31, 2023 as compared to a loss of \$32,172 and \$64,600 (\$0.00 and \$0.00 per share) for the three and six months ended March 31, 2022. The increase in loss is due to the share-based compensation expense of \$317,884 related to granting of stock options and increased filing fees related to listing on the OTC.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

Financing Activities

On February 27, 2023, the Company closed a non-brokered private placement of 10,000,000 units at a price of \$0.06 per unit to raise total gross proceeds of \$600,000. Each unit is comprised of one common share and one half warrant. Each whole warrant will entitle the holder thereof to purchase one common share for a period of two years at a price of \$0.10.

Subsequent to March 31, 2023, a total of 13,189,000 warrants were exercised at a price of \$0.10 for aggregate gross proceeds of \$1,318,900.

Exploration and Evaluation Expenditures

The exploration and evaluation assets expenditures of the Company during the six months ended March 31, 2023 was a cash acquisition payment of \$5,000 (2022 - \$nil) on the Company's Alberta property and exploration and evaluation expenditures of \$nil (2022 - \$34,959) on the Company's Burkina Faso projects. Refer to Note 4 in the condensed interim consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed \$106,460 of cash for the six months ended March 31, 2023 (2022 - \$64,600). The Company spent \$5,000 (2022 - \$34,959) on exploration and evaluation assets expenditures. The Company received cash proceeds of \$600,000 from a private placement and paid \$4,375 of share issue costs related to the private placement.

The Company's aggregate operating, investing and financing activities during the six months ended March 31, 2023 resulted in a net increase in its cash balance from \$65,104 at September 30, 2022 to \$477,348 at March 31, 2023. The Company has a working capital of \$193,087 at March 31, 2023 compared to a working capital deficiency of \$283,603 at September 30, 2022.

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 and six months ended March 31, 2023 and 2022 was as follows:

	Three months ended March 31		Six months ended March 31	
	2023	2022	2023	2022
	\$	\$	\$	\$
Accounting fees	4,660	5,226	6,371	6,818
Management and administration fees	16,000	-	16,000	12,000
	20,660	5,226	22,371	18,818

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

As at March 31, 2022, accounts payable and accrued liabilities include an amount of \$52,303 (September 30, 2021 - \$32,203) due to 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.

On February 14, 2022 the Company received a \$2,000 loan from a related party that is unsecured, bearing interest at a rate of 3.5% compounded annually and due on demand. A total of \$79 in interest has been accrued.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans payable. All are measured at amortized cost. As at March 31, 2023, 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, 2022 and have not changed significantly during the six months ended March 31, 2023.

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: 65,658,020 common shares
- c) Outstanding warrants

Type of Security	Number	Exercise Price	Expiry Date
Share purchase warrants	5,058,333	\$0.15	May 11, 2024
Share purchase warrants	5,000,000	\$0.10	February 27, 2025
Stock options	2,800,000	\$0.0825	February 14, 2028
Stock options	300,000	\$0.0825	April 14, 2028

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 consolidated financial statements for the three and six months ended March 31, 2023 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 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.

OUTLOOK

The Company's focus is on lithium brines in Alberta, Canada. In the fall of 2022, the company directly applied for and was granted 18 Metallic and Industrial Minerals permits in central Alberta, Canada by the Alberta Department of Energy. The area covers 147,904 hectares (147.9 km² or 365,479 acres) of lithium-bearing formation brine.

There are over 700 wells that have been drilling on the Indigo permit areas. These 700 wells of various status, from producing to abandoned, penetrate the Mississippian or Devonian Formations across the Indigo permits. This well dataset is being evaluated to select the most suitable wells to conduct a comprehensive brine water sampling program planned to start in the first quarter of 2023.

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.

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”.