INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017 and 2016
(Expressed in Canadian dollars)

p | 604.683.3277
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BURRARD STREET
BOX 243
VANCOUVER, BC V7X 1M9

charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of Indigo Exploration Inc.

We have audited the accompanying consolidated financial statements of Indigo Exploration Inc., which comprise the consolidated statements of financial position as at September 30, 2017 and 2016 and the consolidated statements of loss and comprehensive loss, changes in shareholder's equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Indigo Exploration Inc. as at September 30, 2017 and 2016 and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 2, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Charlton & Company"

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 26, 2018

INDIGO EXPLORATION INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	September 30, 2017	September 30, 2016
		$	$
ASSETS			
Current			
Cash		64,848	228,021
Taxes recoverable and other receivables		1,329	967
Prepaid expenses		6,883	3,373
		73,060	232,361
Mineral properties (Schedule 1)	**6**	250,091	674,732
		323,151	907,093
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**9**	148,593	121,708
SHAREHOLDERS EQUITY			
Share capital	**7**	7,026,541	7,026,541
Contributed surplus		797,569	743,973
Deficit		(7,649,552)	(6,985,129)
		174,558	785,385
		323,151	907,093

Organization and nature of operations (Note 1)
Going concern (Note 2)
Subsequent events (Note 6 & 7)

Approved by the Board of Directors

"Paul S. Cowley" Director

"Marino J. Sveinson" Director

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

INDIGO EXPLORATION INC.
Consolidated Statements of Loss and Comprehensive Loss
Years ended September 30
(Expressed in Canadian dollars)

	Note	**2017**	**2016**
		$	**$**
Accounting and audit fees	**9**	43,028	39,481
Filing fees		14,168	17,858
Foreign exchange loss		3,562	3,555
Legal fees		1,825	2,712
Management and administration fees	**9**	24,050	32,500
Office and miscellaneous		27,432	16,809
Share-based compensation	**7 & 9**	53,596	-
Travel and accommodation		656	4,437
Loss before other items		(168,317)	(117,352)
Write-off / impairment of mineral properties	**6**	(496,106)	(213,766)
Total loss and comprehensive loss for the year		(664,423)	(331,118)
Loss per share			
- Basic and diluted		(0.01)	(0.00)
Weighted average number of shares outstanding			
- Basic and diluted		84,335,982	75,620,135

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

INDIGO EXPLORATION INC.
Consolidated Statements of Cash Flows
Years ended September 30
(Expressed in Canadian dollars)

	2017	**2016**
	$	**$**
Cash provided by (used in)		
Operating activities		
Loss for the year	(664,423)	(331,118)
Add items not involving cash:		
Share-based compensation	53,596	-
Write-off / impairment of mineral properties	496,106	213,766
	(114,721)	(117,352)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	(362)	(356)
Prepaid expenses	(3,510)	(2,694)
Accounts payable and accrued liabilities	24,555	23,988
	(94,038)	(96,414)
Investing activities		
Deferred exploration expenditures	(69,135)	(72,758)
Financing activities		
Issuance of shares pursuant to private placement	-	275,000
Issuance costs	-	(20,591)
	-	254,409
(Decrease) Increase in cash	(163,173)	85,237
Cash - beginning of year	228,021	142,784
Cash - end of year	64,848	228,021

Supplemental cash flow information (Note 12)

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

INDIGO EXPLORATION INC.
Consolidated Statements of Changes in Shareholder's Equity
(Expressed in Canadian dollars)

	Shares	Share Capital	Contributed Surplus	Deficit	Total
	Number	$	$	$	$
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	-	-	-	(331,118)	(331,118)
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	-	-	-	(664,423)	(664,423)
Balance – September 30, 2017	84,335,982	7,026,541	797,569	(7,649,552)	174,558

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

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 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 September 30, 2017, the Company had not yet achieved profitable operations, had an accumulated deficit of $7,649,552 (September 30, 2016 - $6,985,129) since inception, a working capital deficiency of $75,533 (September 30, 2016 working capital of $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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These statements are prepared on the historical cost basis.

These financial statements were approved by the board of directors on January 26, 2018.

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

Principles of consolidation
These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. As at September 30, 2017 and 2016, the Company owned 100% of a subsidiary incorporated in Burkina Faso, Sanu Burkina Faso S.A.R.L.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Foreign currencies
The financial statements for the Company and its subsidiary are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is the Canadian dollar. The functional currency of all companies in the group is the Canadian dollar. All amounts are rounded to the nearest dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations. All gains and losses on translation of a subsidiary from the functional currency to the presentation currency are charged to other comprehensive income.

Cash and cash equivalents
Cash and cash equivalents include cash and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Mineral properties
The Company records its interest in mineral properties and areas of geological interest at cost less option payments received and other recoveries. Exploration and development costs relating to these interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or allowed to lapse. Acquisition costs and deferred exploration and development costs will be amortized over the useful life of the orebody following attainment of commercial production or will be written-off if the property or project is abandoned.

Exploration costs that are not attributable to a specific property are charged to operations as general exploration expense. Exploration costs incurred prior to the Company acquiring the legal rights to a property are charged to operations as general exploration expense.

The Company is in the process of developing its mineral properties. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration and development results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values. The ultimate recovery of such capitalized costs is dependent upon the development of economic ore reserves or the sale of mineral rights.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and regulatory requirements.

Impairment
At the end of each reporting period the carrying amounts of the Company’s assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be

obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the income or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in income or loss.

Decommissioning and restoration provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the legal or constructive obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax risk-free rate that reflects the time value of money are used to calculate the net present value. These costs are charged against income or loss over the economic life of the related asset, through amortization using the unit-of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in income or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in income or loss.

The operations of the Company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through income or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through income and loss.

Financial assets classified as loans and receivables or held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive loss except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive loss.

De-recognition of financial assets and liabilities
Financial assets are de-recognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in income or loss.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in income or loss.

Share capital
Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

Broker warrants and warrants
Warrants issued to agents or brokers in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged to issue costs associated with the offering with an offsetting credit to contributed surplus in equity attributable to shareholders.

Warrants included in units offered to subscribers in connection with financings are recorded at the value ascribed to them in the offering documents. If no such value had been determined, these warrants are recorded at the residual value. The value determined for the warrants is recorded to contributed surplus in equity attributable to shareholders with an offsetting reduction in the value ascribed the shares issued in the units.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in contributed surplus.

Share-based payments
The Company has established a stock option plan for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates.

The fair value of all stock options granted is recorded as a charge to operations or deferred exploration costs and a credit to contributed surplus under the graded attribution method. The fair value, as adjusted for the expected level of vesting of the options and of stock options which vest immediately is recorded at the date of grant; the fair value, as adjusted for the expected level of vesting of the options and of options which vest in the future is recognized over the vesting period. Stock options granted to non-employees are measured at their fair value on the vesting date. Prior to the vesting date, the then-current fair value of stock options granted to consultants is recognized as share-based payment expense from the date of grant to the reporting date and credited to contributed surplus.

Any consideration received on the exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is estimated using the Black-Scholes option pricing model.

Income tax
Income tax on the income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.
Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable incomes will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Earnings (loss) per share
Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

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 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.

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 the Company commencing October 1, 2017 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 standard is effective for annual periods beginning after December 15, 2019 (i.e., calendar periods beginning on January 1, 2020), and interim periods thereafter. Early adoption is permitted.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

Judgements:

(i) The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 2.

(ii) The assessment of indicators of impairment for the mineral properties and the related determination of the recoverable amount and write-down of the properties where applicable. During the year ended September 30, 2017 and 2016, Management reviewed its mineral properties and determined that the Loto and Lati permits had impairment indicators. Management made an assessment of the net recoverable amount of the permits and wrote the carrying values down to that amount (Refer to Note 6).

(iii) Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

The Company has no critical accounting estimates.

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 September 30, 2017 the Company has continued to not receive a renewed permit or receive a rejection letter for the Lati permits. Due to this lack of correspondence with regard to the Lati permits the Company recorded an impairment write down of $91,587 during the year ended September 30, 2016.

During the year ended September 30, 2017, the Moule permit expired and the Company wrote off costs of $412,611. Subsequent to September 30, 2017, the Loto permit expired and the Company wrote-off $83,495 of costs as at September 30, 2017.

Subsequent to September 30, 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.

During the year ended September 30, 2016 the Company received a rejection letter from its Tordo permit extension application and recorded a write-down of $122,179.

7 SHARE CAPITAL

a) Authorized:
Unlimited common shares without par value.
Issued and fully paid at September 30, 2017: 84,335,982 (September 30, 2016 - 84,335,982)

b) Financing:
There were no financings during the year ended September 30, 2017.

On May 20, 2016, the Company closed a non-brokered private placement for 13,750,000 units at $0.02 per unit for gross proceeds of $275,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder the right to purchase one common share of the Company at $0.05 per share, exercisable up to May 20, 2019. A value of $13,750 has been attributed to the warrants. The Company paid finder's fees of $16,500 and other share issuance costs of $4,091.

c) Stock options:
The Company's stock options outstanding as at September 30, 2017 and 2016 and the changes for the years then ended is presented below:

	Number of options	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
Balance, September 30, 2015 and 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
Unvested	(250,000)	$0.05	4.08
Exercisable, September 30, 2017	**2,350,000**	**$0.05**	**4.08**

During the year ended September 30, 2017, the Company granted 2,600,000 stock options. A total of 2,350,000 options vested immediately and the remaining 250,000 vested in twelve months from grant date. The estimated fair value of the stock options granted during the year ended September 30, 2017 was $53,596. The fair value of the options granted during the year ended September 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 September 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. Subsequent to September 30, 2017 a total of 250,000 options expired unexercised.

d) Warrants:
The Company's share purchase warrants outstanding as at September 30, 2017 and the changes for the year ended is presented below:

	Number of warrants	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
Balance, September 30, 2015	12,525,000	$0.08	1.29
Issued	13,750,000	$0.05	
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**

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

Expiry Date	Warrants outstanding	Exercise price (per share)	Remaining life (years)
December 17, 2017	5,125,000	$0.05	0.21
December 24, 2017	1,000,000	$0.05	0.23
January 21, 2018	1,500,000	$0.05	0.31
May 20, 2019	13,750,000	$0.05	1.98
	21,375,000	$0.05	1.35

Subsequent to September 30, 2017, a total of 7,626,000 warrants with an exercise price of $0.05 expired unexercised.

8 INCOME TAXES

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax provision for the years ended September 30, 2017 and 2016 is as follows:

	2017	2016
Statutory tax rate	21.29%	21.71%
	$	$
Loss for the year before income taxes	(664,423)	(331,118)
Expected income tax recovery	141,000	72,000
Add (deduct) reconciling items:		
Share issue costs	3,000	1,000
Effect of change in tax rate and other	(99,000)	(590,000)
Other	(2,000)	-
Change in unrecognized deferred tax assets	(43,000)	517,000
Income tax expense (recovery)	-	-

The significant components of the Company's net deferred income tax assets and liabilities as at September 30, 2017 and 2016 are as follows:

	2017	2016
	$	$
Deferred income tax assets		
Non-capital losses carried forward	770,000	829,000
Undeducted financing cost	6,000	10,000
Mineral properties and related deferred exploration	388,000	369,000
Cumulative eligible capital	32,000	31,000
Total unrecognized deferred income tax assets	1,196,000	1,239,000

The potential benefit of deferred tax assets arising from carry forward non-capital losses, capital losses and deductible temporary differences that are in excess of the deferred tax liabilities has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit in the same entity will allow the deferred tax asset to be recovered.

Losses in Canada that reduce future income for tax purposes expire as follows:

	$
2028	59,000
2029	57,000
2030	339,000
2031	820,000
2032	600,000
2033	230,000
2034	215,000
2035	139,000
2036	98,000
2037	99,000
	2,656,000

At September 30, 2017, there were loss carry forwards in Burkina Faso of approximately $398,000 (2016 - $633,000) which can be carried forward for four years from the calendar year the losses were incurred. During the year ended September 30, 2017, there were loss carry forwards in Burkina Faso of approximately $260,000 that expired.

9 RELATED PARTY TRANSACTIONS

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

	2017	**2016**
	$	**$**
Accounting fees	8,360	6,760
Management and administration fees	24,050	32,500
Share-based payments	40,712	-
	73,122	**39,260**

As at September 30, 2017, accounts payable and accrued liabilities includes an amount of $118,625 (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.

10 FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company's financial instruments consist of cash, other receivables, and accounts payable and accrued liabilities. Cash and other receivables are designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

As at September 30, 2017, the Company believes that the carrying values of cash, other receivables, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk
A portion of the Company's financial assets and liabilities is denominated in West African CFA francs ("CFA") giving rise to risks from changes in the foreign exchange rate. The Company is exposed to currency exchange rate risk to the extent of its activities in the Burkina Faso. The Company's currency risk is limited to its exposure denominated in CFAs. Based on this exposure as at September 30, 2017, a 5% change in the exchange rate would not rise to a material change in net loss. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

The currencies of the Company's financial instruments were as follows:

	September 30, 2017	
	Canadian dollar	CFA
Cash and cash equivalents	62,384	2,464
Other receivables and prepaid expenses	3,829	4,383
Accounts payable and accrued liabilities	(143,717)	(4,876)
Net exposure	(77,504)	1,971

	September 30, 2016	
	Canadian dollar	CFA
Cash and cash equivalents	226,652	1,369
Other receivables	967	3,373
Accounts payable and accrued liabilities	(117,818)	(3,890)
Net exposure	109,801	852

Future changes in exchange rates would not have a material effect on the Company's business, financial condition and results of operations.

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The majority of the Company's cash is held through a major Canadian charted bank and accordingly, the Company's exposure to credit risk is considered to be limited.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Although interest income on the Company's cash and cash equivalents is subject to a variable interest rate, the risk exposure is not significant due to the small amount of interest income these balances earn.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

11 MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource 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. The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX Venture Exchange.

12 SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flow. The following transactions were excluded from the consolidated statements of cash flows as at September 30:

	2017	**2016**
	$	**$**
Non-cash investing and financing transactions		
Mineral property interest expenditures in accounts payable	2,330	-

13 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:

	September 30, 2017	**September 30, 2016**
	$	$
Canada	66,213	294,464
Burkina Faso	256,938	612,629
Total assets	323,151	907,093

Geographic segmentation of the Company's loss during the years ended September 30, 2017 and 2016 is as follows:

	2017	**2016**
	$	**$**
Canada	142,763	94,197
Burkina Faso	521,660	236,921
Loss	664,423	331,118

Consolidated Schedule of Mineral Properties

(Expressed in Canadian dollars)

	Moule Project	**Hantoukoura Project (formerly Kodyel)**	**Other Projects**	**Total**
	$	**$**	**$**	**$**
Balance – September 30, 2015	**382,466**	**205,164**	**240,441**	**828,071**
Deferred exploration costs				
Other	2,894	(331)	35	2,598
Wages	13,097	13,029	31,703	57,829
	15,991	12,698	31,738	60,427
Write off / Impairment	-	-	(213,766)	(213,766)
Balance – September 30, 2016	**398,457**	**217,862**	**58,413**	**674,732**
Deferred exploration costs				
Other	3,145	7,857	710	11,712
Wages	11,009	24,372	24,372	59,753
	14,154	32,229	25,082	71,465
Write off / Impairment	**(412,611)**	**-**	**(83,495)**	**(496,106)**
Balance – September 30, 2017	**-**	**250,091**	**-**	**250,091**

INDIGO EXPLORATION INC.

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

The following information, prepared as of January 26, 2018, should be read in conjunction with the consolidated financial statements of Indigo Exploration Inc. (the "Company" or "Indigo") for the year ended September 30, 2017. 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 gold exploration in the Republic of Burkina Faso, 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.

CORPORATE UPDATE

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 previous Kodyel permit.

MINERAL PROPERTIES

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.

The Company currently 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 is considered to be relatively stable, both politically and economically, and 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.

Subsequent to September, 30, 2017, 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.

Moule Option
During the year ended September 30, 2017, the Moule permit expired and the Company wrote off $412,611 of costs associated with the Moule permit.

Lati Exploration Permit
The 184 square kilometre Lati Permit covers a major north-south shear zone in the Boromo greenstone belt. Lati 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 permit is about 150 km by road west of Ouagadougou. Lati 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.

There continues to be no correspondence with the Ministry with regard to the Lati permits. During the year ended September 30, 2016 an impairment write down of $91,587 was recorded.

Loto Exploration Permit
Subsequent to September 30, 2017, the Loto permit expired. As at September 30, 2017, the Company recorded a write down of $83,495 in costs associated with the Loto permit.

Tordo Exploration Permit
The Company no longer holds the permits for Tordo and recorded a write-down of $122,179 during the year ended September 30, 2016.

SELECTED ANNUAL INFORMATION

	2017 ($)	**2016 ($)**	**2015 ($)**
Total revenues	-	-	-
Loss	(664,423)	(331,118)	(137,054)
Loss per share (basic and diluted) [1]	(0.01)	(0.00)	(0.00)
Total assets	323,151	907,093	972,145
Deferred resource property expenditures – for the year	71,465	60,427	98,923
Long term debt	-	-	-
Dividends declared	-	-	-

[1] The basic and diluted loss per share calculations result in the same amount due to the anti-dilutive effect of outstanding stock options and warrants, if any.

The loss in years ended September 30, 2017 and 2016 increased due to write-downimpairment of mineral properties of $496,106 and $213,766 respectively.

QUARTERLY INFORMATION

The following is selected financial data from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended September 30, 2017.

	For the quarter ended ($)			
	Sept. 30, 2017	**Jun. 30, 2017**	**Mar. 31, 2017**	**Dec. 31, 2016**
Total revenues	-	-	-	-
Loss	(123,806)	(433,401)	(34,606)	(72,610)
Loss per share (basic and diluted) [1]	(0.00)	(0.01)	(0.00)	(0.00)
Total assets	323,151	413,660	840,450	886,790

	For the quarter ended ($)			
	Sept. 30, 2016	**Jun. 30, 2016**	**Mar. 31, 2016**	**Dec. 31, 2015**
Total revenues	-	-	-	-
Loss	(135,024)	(24,887)	(150,953)	(20,254)
Loss per share (basic and diluted) [1]	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	907,093	1,015,883	784,744	944,648

[1] The basic and diluted calculations result in the same values.

The increase in loss reported during the quarters ended September 30, 2017, June 30, 2017, September 30, 2016 and March 31, 2016 are due to a write-down / impairment recorded of mineral properties of $83,495, $412,611, $91,587 and $122,179 respectively.

RESULTS OF OPERATIONS

Year ended September 30, 2017

The Company recorded a loss of $664,423 ($0.01 per share) for the year ended September 30, 2017 as compared to a loss of $331,118 ($0.00 per share) for the year ended September 30, 2016. The increase is as a result of the Company recording a write-down of mineral properties of $496,106 on the Moule and Loto permits in the current year compared to the Company recording a write down of mineral properties of $213,766 on the Tordo and Lati permits during the comparative year. Differences in other expenses of note include:

Management and administration fees of $24,050 (2016 - $32,500). Management fees includes charges from the CEO billed by days worked. The increase in the comparative period was a result of increased meetings and travel for the CEO during the year ended September 30, 2016 to sort out the permitting with the Ministry of Mines in Burkina Faso.

Office and miscellaneous of $27,432 (2016 - $16,809). Office and miscellaneous expenses increased as a result of one time personnel costs incurred in Burkina Faso.

Share-based compensation of $53,596 (2016 - $nil). Share-based compensation includes the grant of 2,600,000 stock options during the year ended September 30, 2017. There was no stock options granted during the year ended September 30, 2016.

FOURTH QUARTER

The Company recorded a loss of $123,806 ($0.00 per share) for the three months ended September 30, 2017 as compared to a loss of $135,024 ($0.00 per share) for the three months ended September 30, 2016. The difference is primarily due to the write down of $83,495 recorded on the Loto permits during the three months ended September 30, 2017 as comparted to the impairment of $91,587 recorded for the Lati permits during the three months ended September 30, 2016.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

Financing Activities

During the year ended September 30, 2017 the Company did not incur any financing activities.

On May 20, 2016, the Company closed a non-brokered private placement for 13,750,000 units at $0.02 per unit for gross proceeds of $275,000. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitled the holder the right to purchase one common share of the Company at $0.05 per share, exercisable up to May 20, 2019.

Capital Expenditures

The capital expenditures of the Company during the year ended September 30, 2017 included deferred mineral property expenditures of $71,465 (2016 - $60,427) on the Company's Burkina Faso projects. Refer to schedule I in the consolidated financial statements for the year ended September 30, 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed $114,721 of cash (before working capital items) for the year ended September 30, 2017 (2016 - $117,352) with an additional cash of $69,135 (2016 - $72,758) used on mineral property deferred exploration expenditures. The cash requirement for the year ended September 30, 2017 was funded from the cash balance as at September 30, 2016.

The Company's aggregate operating, investing and financing activities during the year ended September 30, 2017 resulted in a net decrease in its cash balance from $228,021 at September 30, 2016 to $64,848 at September 30, 2017. The Company has a working capital deficiency of $75,533 at September 30, 2017 compared with a working capital of $110,653 at September 30, 2016. The Company has no long term debt.

The Company has no further payments to make to acquire any of its Burkina Faso mineral properties and has minimum exploration commitments in Burkina Faso in order to keep its properties in good standing. The Company does not have any commitment for material capital expenditures over the near term or long term and none are presently contemplated in excess of normal operating requirements.

The Company has not as yet put into commercial production any of its mineral properties 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

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

	2017	2016
	$	$
Accounting fees	8,360	6,760
Management and administration fees[1]	24,050	32,500
Share-based payments	40,712	-
	73,122	**39,260**

[1] Includes fees billed by a company owned by the Chief Executive Officer, Paul Cowley.

As at September 30, 2017, accounts payable and accrued liabilities includes an amount of $118,625 (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.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company's financial instruments consist of cash, other receivables and accounts payable and accrued liabilities. Cash and other receivables are designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

As at September 30, 2017, the Company believes that the carrying values of cash, other receivables and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk
A portion of the Company's financial assets and liabilities is denominated in West African CFA francs ("CFA") giving rise to risks from changes in the foreign exchange rate. The Company is exposed to currency exchange rate risk to the extent of its activities in the Burkina Faso. The Company's currency risk is presently limited to its net exposure denominated in CFAs. Based on this exposure as at September 30, 2017, a 5% change in the exchange rate would not give rise to a material change in loss. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

The currencies of the Company's financial instruments were as follows:

	September 30, 2017	
	Canadian dollar	CFA
Cash and cash equivalents	62,384	2,464
Other receivables and prepaid expenses	3,829	4,383
Accounts payable and accrued liabilities	(143,717)	(4,876)
Net exposure	(77,504)	1,971

	September 30, 2016	
	Canadian dollar	CFA
Cash and cash equivalents	226,652	1,369
Other receivables	967	3,373
Accounts payable and accrued liabilities	(117,818)	(3,890)
Net exposure	109,801	852

Future changes in exchange rates would not have a material effect on the Company's business, financial condition and results of operations.

Credit Risk
Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The majority of the Company's cash is held through a major Canadian charted bank and accordingly, the Company's exposure to credit risk is considered to be limited.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Although interest income on the Company's cash is subject to a variable interest rate, the risk exposure is not significant due to the small amount of interest income these balances earn.

Liquidity Risk
The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

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 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 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.

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 the Company commencing October 1, 2017 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 standard is effective for annual periods beginning after December 15, 2019 (i.e., calendar periods beginning on January 1, 2020), and interim periods thereafter. Early adoption is permitted.

OUTSTANDING SHARE DATA

The following table discloses the Company's share capital structure as at January 26, 2018, the date of this MD&A.

a) Authorized:
Unlimited common shares without par value.

b) Issued and outstanding:
84,335,982 common shares

c) Outstanding warrants and options

Type of Security	Number	Exercise Price	Expiry Date
Stock options	2,350,000	$0.05	October 28, 2021
Share purchase warrants	13,750,000	$0.05	May 20, 2019

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 year ended September 30, 2017 and this accompanying MD&A (together, the "Annual 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 the its mineral property 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 the exploration and advancement of its mineral properties in Burkina Faso. A sampling program completed during 2012 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".