INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2015 and 2014
(Expressed in Canadian dollars)

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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, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended September 30, 2015 and 2014 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, 2015 and 2014 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.

"*Signed*"

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 22, 2016

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

	Notes	September 30 2015	September 30 2014
		$	$
ASSETS			
Current			
Cash and cash equivalents		142,784	47,036
Taxes recoverable and other receivables		611	2,102
Prepaid expenses		679	2,535
		144,074	51,673
Equipment		-	2,407
Mineral properties (Schedule 1)	**6**	828,071	729,148
		972,145	783,228
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**9**	110,051	63,813
EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Share capital	**7**	6,785,882	6,513,774
Contributed surplus		730,223	722,598
Deficit		(6,654,011)	(6,516,957)
		862,094	719,415
		972,145	783,228

Organization and nature of operations (Note 1)
Going concern (Note 2)

Approved by the Board of Directors

"Paul S. Cowley" Director *"Marino J. Sveinson"* Director

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

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

	Note	2015	2014
		$	$
Accounting and audit fees	9	52,167	67,793
Depreciation		2,407	5,814
Filing fees		16,330	13,819
Foreign exchange loss		3,980	2,350
Investor relations		-	1,316
Legal fees		3,774	1,914
Management and administration fees	9	23,401	27,214
Office and miscellaneous		33,143	51,695
Travel and accommodation		-	3,077
Loss before other items		(135,202)	(174,992)
Interest (expense) income		(1,852)	684
Loss on sale of equipment		-	(6,035)
Write-down of mineral properties	6	-	(2,121,835)
Total loss and comprehensive loss		(137,054)	(2,302,178)
Loss per share			
- Basic and diluted	7e	(0.00)	(0.05)
Weighted average number of shares outstanding			
- Basic and diluted		54,060,982	47,504,544

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)

	2015	**2014**
	$	**$**
Cash provided by (used in)		
Operating activities		
Loss for the year	(137,054)	(2,302,178)
Add items not involving cash:		
Depreciation	2,407	5,814
Loss on sale of equipment	-	6,035
Write-down of mineral properties	-	2,121,835
	(134,647)	(168,494)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	1,491	1,688
Prepaid expenses	1,856	681
Accounts payable and accrued liabilities	41,056	18,694
	(90,244)	(147,431)
Investing activities		
Deferred exploration expenditures	(93,741)	(158,932)
Proceeds from sale of equipment	-	11,150
	(93,741)	(147,782)
Financing activities		
Issuance of shares pursuant to private placement	302,500	245,000
Issuance costs	(22,767)	(1,975)
	279,733	243,025
Increase (decrease) in cash and cash equivalents	95,748	(52,188)
Cash and cash equivalents - beginning of year	47,036	99,224
Cash and cash equivalents - end of year	142,784	47,036
Cash paid for interest	-	-
Cash received for interest	-	1,019
Cash paid for income taxes	-	-
Cash and cash equivalents are comprised of:		
Cash	142,784	23,036
Short-term investments	-	24,000
	142,784	47,036

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 Equity
(Expressed in Canadian dollars)

	Shares	Share Capital	Contributed Surplus	Deficit	Total
	Number	$	$	$	$
Balance – September 30, 2013	43,060,982	6,368,749	624,598	(4,214,779)	2,778,568
Issued during year:					
Pursuant to private placement of units	4,900,000	147,000	98,000	-	245,000
Less: cash issue costs	-	(1,975)	-	-	(1,975)
Loss and comprehensive loss	-	-	-	(2,302,178)	(2,302,178)
Balance – September 30, 2014	47,960,982	6,513,774	722,598	(6,516,957)	719,415
Issued during year:					
Pursuant to private placement of units	22,625,000	294,875	7,625	-	302,500
Less: cash issue costs	-	(22,767)	-	-	(22,767)
Loss and comprehensive loss	-	-	-	(137,054)	(137,054)
Balance – September 30, 2015	70,585,982	6,785,882	730,223	(6,654,011)	862,094

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". At September 30, 2015, the Company was 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, 2015, the Company had not yet achieved profitable operations, had an accumulated deficit of $6,654,011 since inception 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 for issue on January 22, 2016.

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, 2015 and 2014, 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.

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.

Equipment

Equipment is carried at cost. Depreciation is computed over estimated useful life, calculated at the following annual rates: furniture – 20% and vehicles – 30%.

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

i) New standards and amendments effective for the first time from October 1, 2014

The following revised standards and amendments became effective for the Company on October 1, 2014. The new and amended standards did not have a significant impact on the consolidated financial statements. The following is a brief summary of the principal new standards adopted by the Company:

IAS 32 – Financial instruments, Presentation. IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

IAS 36 – Impairment of Assets. IFRS 36 was amended by recoverable amount disclosures for nonfinancial assets.

IFRIC 21 – Levies. IFRIC 21 clarifies and provides guidance on when to recognize the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

ii) 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 Company has not completed its assessment of the impact that the new and amended standard will have on its financial statements. The following is a brief summary of the principal new or amended standards.

IFRS 7 – Financial Instruments disclosures. The Standard was amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

IFRS 9 – Financial Instruments: Classification and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial instruments and is effective for annual periods beginning on or after January 1, 2018, with early adoption 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.
(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 investigated title to its mineral properties and, to the best of its knowledge, title to its properties are in good standing.

The Company has no critical accounting estimates.

6 MINERAL PROPERTIES (Schedule 1)

The Company holds a 100% interest in several properties in Burkina Faso, West Africa and has the right to purchase the entire 1.5% NSR royalty on the Moule Gold Permit for US$1,800,000. Refer to Schedule 1.

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 day notice to remedy any deficiency. During the year ended September 30, 2014, the Company had not incurred sufficient expenditures on its Lati, Loto and Tordo permits to comply with the Mining Code of Burkina Faso. The Company has not received any notice of cancellation from the Government of Burkina Faso and believes these permits are in good standing as at September 30, 2015.

During the year ended September 30, 2015, the Kodyel, Tordo and Lati permits expired. The Company submitted the documentation required to extend the permits, however, due to the civil unrest that broke out in Burkina Faso in October 2014 and a non-active transitional Government established, the Company has not received the renewed permits. The Company believes it presently holds all necessary licenses and permits to carry on the activities which it is currently conducting, and that it is presently complying in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to continue the proposed exploration or to develop its properties into commercial production and to operate mining facilities thereon.

During the year ended September 30, 2014, the Company determined that there were impairment indicators on the mineral properties and accordingly, the Company recorded a write down of $2,121,835 to bring the book value of the mineral properties as at September 30, 2014 to $729,148. The fair value of the mineral properties was estimated based on the market capitalization of the Company and allocated to the properties based on their acquisition costs.

7 SHARE CAPITAL

a) Authorized:
Unlimited common shares without par value.
Issued and fully paid at September 30, 2015: 70,585,982 (September 30, 2014: 47,960,982)

b) Financing:
During the year ended September 30, 2015, the Company completed three tranches of a non-brokered private placement as follows:

(i) On December 17, 2014, the Company closed the first tranche of 5,125,000 units at $0.02 per unit for gross proceeds of $102,500. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.05 per share, exercisable up to December 17, 2017. A value of $5,125 has been attributed to the warrants.

(ii) On December 24, 2014, the Company closed the second tranche of 1,000,000 units at $0.02 per unit for gross proceeds of $20,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.05 per share, exercisable up to December 24, 2017. A value of $1,000 has been attributed to the warrants.

(iii) On January 21, 2015, the Company closed the third and final tranche of the non-brokered private placement for 1,500,000 units at $0.02 per unit for gross proceeds of $30,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.05 per share, exercisable up to January 21, 2018. A value of $1,500 has been attributed to the warrants.

In connection with the three tranches, the Company paid finders' fees of $8,400 and incurred additional cash issue costs of $3,733.

(iv) On September 25, 2015, the Company closed a private placement for 15,000,000 units at $0.01 per unit for gross proceeds of $150,000. Each unit is comprised of one common share. In connection with the private placement, the Company paid finders' fees of $9,000 and incurred additional cash issue costs of $1,634.

During the year ended September 30, 2014, the Company closed a non-brokered private placement of 4,900,000 units at $0.05 per unit for gross proceeds of $245,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.12 per share, exercisable up to November 4, 2016. A value of $98,000 has been attributed to the warrants. In connection with the private placement, the Company incurred cash issue costs of $1,975.

(Expressed in Canadian dollars)

c) Stock options:
The Company's fully exercisable stock options outstanding as at September 30, 2015 and September 30, 2014 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, 2013	1,440,000	$0.22	2.08
Expired	(275,000)	$0.15	
Forfeited	(175,000)	$0.18	
Balance, September 30, 2014	990,000	$0.25	1.50
Expired	(475,000)	$0.20	
Balance, September 30, 2015	**515,000**	**$0.30**	**1.10**

At September 30, 2015 the Company had 515,000 outstanding stock options allowing the holders to acquire 515,000 common shares at an exercise price of $0.30 with an expiry date of November 3, 2016.

d) Warrants:
A summary of share purchase warrants outstanding as at September 30, 2015 and September 30, 2014 and the changes for the years then ended are as follows:

	Number of warrants	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
Balance, September 30, 2013	10,000,000	$0.12	0.51
Issued	4,900,000	$0.12	
Expired	(10,000,000)	$0.12	
Balance, September 30, 2014	4,900,000	$0.12	2.10
Issued	7,625,000	$0.05	
Balance, September 30, 2015	**12,525,000**	**$0.07**	**1.79**

The balance of share purchase warrants outstanding as at September 30, 2015 was as follows:

Expiry Date	**Warrants outstanding**	**Exercise price (per share)**	**Remaining life (years)**
November 4, 2016	4,900,000	$0.12	1.10
December 17, 2017	5,125,000	$0.05	2.22
December 24, 2017	1,000,000	$0.05	2.24
January 21, 2018	1,500,000	$0.05	2.31
	12,525,000	$0.07	1.79

(Expressed in Canadian dollars)

e) Basic and diluted loss per share:
During the years ended September 30, 2015 and 2014, potentially dilutive common shares totaling 13,040,000 (2014 – 5,890,000) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive.

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, 2015 and 2014 is as follows:

	2015	**2014**
Statutory tax rate	24.42%	20.28%
	$	**$**
Loss for the year before income taxes	(137,054)	(2,302,178)
Expected income tax recovery	33,000	467,000
Add (deduct) reconciling items:		
Share issue costs	10,000	28,000
Effect of change in tax rate and other	(8,000)	63,000
Change in unrecognized deferred tax assets	(35,000)	(558,000)
Income tax expense (recovery)	-	-

The significant components of the Company's net deferred income tax assets and liabilities as at September 30, 2015 and 2014 are as follows:

	2015	**2014**
	$	**$**
Deferred income tax assets		
Non-capital losses carried forward	1,389,000	1,349,000
Undedicated financing cost	6,000	10,000
Mineral properties and related deferred exploration	330,000	331,000
Cumulative eligible capital	31,000	31,000
Total unrecognized deferred income tax assets	1,750,000	1,711,000

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

	$
2028	60,000
2029	57,000
2030	339,000
2031	818,000
2032	602,000
2033	229,000
2034	214,000
2035	140,000
	2,459,000

(Expressed in Canadian dollars)

In addition to the tax losses listed above, at September 30, 2015, there were resource related expenditures recognized in Canada of approximately $2,459,000 (2014 - $2,319,000) which can be used to offset future Canadian income indefinitely. At September 30, 2015, there were loss carry forwards in Burkina Faso of approximately $3,099,000 (2014 - $3,078,000) which can be carried forward for four years from the calendar year the losses were incurred. At September 30, 2015, management considers that it is not "more likely than not" that these losses will be utilized and accordingly a full valuation allowance has been recognized against these losses.

9 RELATED PARTY TRANSACTIONS

During the years ended September 30, 2015 and 2014, the Company incurred the following expenditures charged by directors and officers of the Company and by companies controlled by directors and officers of the Company:

	2015	**2014**
	$	**$**
Accounting fees	15,660	23,162
Management and administration fees	23,401	26,650
	39,061	**49,812**

As at September 30, 2015, accounts payable and accrued liabilities includes an amount of $59,248 (September 30, 2014 - $35,211) due to companies controlled by directors and officers of the Company. These amounts are unsecured, non-interest bearing and due on demand.

Compensation paid or payable to the Chief Executive Officer and the directors of the Company during the years ended September 30, 2015 and 2014 is identical to the table above.

10 FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, other receivables, and accounts payable and accrued liabilities. Cash and cash equivalents 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, 2015, the Company believes that the carrying values of cash and cash equivalents, 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:

<u>Foreign Exchange Risk</u>

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, 2015, 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.

(Expressed in Canadian dollars)

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

		September 30, 2015
	Canadian dollar	CFA
Cash and cash equivalents	142,317	467
Other receivables and prepaid expenses	611	679
Accounts payable and accrued liabilities	(91,220)	(18,831)
Net exposure	51,708	(17,685)

		September 30, 2014
	Canadian dollar	CFA
Cash and cash equivalents	33,946	13,090
Other receivables	1,996	-
Accounts payable and accrued liabilities	(56,664)	(7,149)
Net exposure	(20,722)	5,941

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.

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.

(Expressed in Canadian dollars)

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 cash flow statements. The following transactions were excluded from the consolidated statements of cash flows:
During the year ended September 30, 2015:

a) $12,331 of deferred exploration expenditures included in accounts payable and accrued liabilities at September 30, 2015, less expenditures included in accounts payable at September 30, 2014 of $7,149 for a net exclusion of $5,182.

During the year ended September 30, 2014:

a) $7,149 of deferred exploration expenditures included in accounts payable and accrued liabilities at September 30, 2014, less expenditures included in accounts payable at September 30, 2013 of $2,167 for a net exclusion of $4,982.

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, 2015	**September 30, 2014**
	$	$
Canada	209,773	102,893
Burkina Faso	762,372	680,335
Total assets	972,145	783,228

Geographic segmentation of the Company's loss during the years ended September 30, 2015 and 2014 is as follows:

	2015	**2014**
	$	**$**
Canada	101,040	106,072
Burkina Faso	36,014	2,196,106
Loss	137,054	2,302,178

Consolidated Schedule of Mineral Properties

(Expressed in Canadian dollars)

	Moule Project $	Kodyel Project $	Other Projects $	Total $
Balance – September 30, 2013	1,932,474	531,310	223,285	2,687,069
Deferred exploration costs				
Assaying	189	3,031	-	3,220
Camp	4,383	5,248	654	10,285
Equipment rental	1,393	-	2,657	4,050
Other	9,731	7,709	5,551	22,991
Wages	24,953	25,710	72,705	123,368
	40,649	41,698	81,567	163,914
Write-off	(1,617,234)	(388,228)	(116,373)	(2,121,835)
Balance – September 30, 2014	**355,889**	**184,780**	**188,479**	**729,148**
Deferred exploration costs				
Camp	3,039	2,323	58	5,420
Equipment rental	546	-	225	771
Other	10,053	1,728	9,473	21,254
Wages	12,939	16,333	42,206	71,478
	26,577	20,384	51,962	98,923
Balance – September 30, 2015	**382,466**	**205,164**	**240,441**	**828,071**

INDIGO EXPLORATION INC.

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

The following information, prepared as of January 22, 2016, should be read in conjunction with the consolidated financial statements of Indigo Exploration Inc. (the "Company" or "Indigo") for the year ended September 30, 2015. 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 May 2010, the Company entered into an option agreement to acquire a 100% interest, subject to a 1.5% net smelter return ("NSR") royalty, in the Moule Gold permit, in western Burkina Faso. During the year ended September 30, 2013, the Company made the final option payment and now owns 100% of the Moule Gold Permit.

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 four gold mineral exploration permits in Burkina Faso.

RECENT HIGHLIGHTS

In September 2015, the Company closed a non-brokered private placement of 15,000,000 common shares priced at $0.01 per share for gross proceeds of $150,000.

In June 2015, Rebecca Moriarty, CPA, CA, was appointed as Chief Financial Officer and Corporate Secretary of the Company.

In December 2014 and January 2015, the Company closed a non-brokered private placement in three tranches for an aggregate of 7,625,000 units at $0.02 per unit for aggregate gross proceeds of $152,500. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.05 per share, exercisable for three years from the grant date.

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.

Burkina Faso

The Company currently holds six gold properties comprising four gold projects 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 six 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.

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. During the year ended September

30, 2014, the Company had not incurred sufficient expenditures on its Lati, Loto and Tordo permits to comply with the Mining Code of Burkina Faso. The Company has not received any notice of cancellation from the Government of Burkina Faso and believes these permits are in good standing.

During the year ended September 30, 2015, the Kodyel, Tordo and Lati permits expired. The Company submitted the documentation required to extend the permits, however, due to the civil unrest that broke out in Burkina Faso in October 2014 and a non-active transitional Government established, the Company has not received the renewed permits. The Company believes it presently holds all necessary licenses and permits to carry on the activities which it is currently conducting, and that it is presently complying in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to continue the proposed exploration or to develop its properties into commercial production and to operate mining facilities thereon.

Kodyel Exploration Permit

The 100% owned, 191.2 square kilometres Kodyel 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 Kodyel permit covers an extension of the Fada N'Gourma greenstone belt that extends into Niger. The Kodyel 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: Hantekoura (CFA) and Kodyel 1. The extensive Tangounga and Songonduari artisanal workings currently lie off the permit but are part of the same structure, continuing towards and into Niger.

Until early 2012 the Company had been unable to access the Kodyel permit due to a border dispute between Burkina Faso and Niger. The temporary suspension on the Kodyel permit was lifted and the Company commenced exploration on the renewed Kodyel permit. The renewed permit had reduced from 238 square kilometres to 191 square kilometres to exclude a 2 kilometre wide strip adjacent to the Niger border. The permit retained a right of first refusal to include this excluded area (which hosts the Tangounga artisanal mining site) after the World Court finalizes the border location.

On April 16, 2013, the World Court handed down their decision on the position of the Burkina Faso – Niger border in the vicinity of the Kodyel permit. According to maps provided by the World Court, the new border is approximately 6 kilometres northeast of the previous border position in the vicinity of the Kodyel permit. The Company is making efforts to extend the term of the original Kodyel permit which would incorporate the Tangounga artisanal workings. The Company is uncertain as to when the permit will be extended and when the excluded area will be returned to the Company.

Moule Option

The Company owns a 100% interest, subject to a 1.5% net smelter return ("NSR") royalty, in the Moule Gold Permit, in western Burkina Faso. The Company has the right to purchase the entire 1.5% NSR royalty for US $1,800,000. The Moule Gold Permit covers 185.6 square kilometres of prospective Birimian greenstone geology. Exploration prior to acquisition by Indigo consisted of property wide mapping, soil geochemistry, quartz veining and quartz float sampling and ground geophysics. These surveys located a number of gold targets, including: Zelingpe 1, Zelingpe 2, Vein 2 and Vein 3.

The Company completed initial RC drill programs on Zelingpe 1, Zelingpe 2 and Vein 3; and followed up with a diamond drill program at Vein 2 and Vein 3. These were the first drill programs ever completed at Moule. Results of the drill programs have been reported by press release and in prior MD&A's. Drill plans and selected sections from the Moule diamond drill program can be found on the Company's website at www.indigoexploration.com.

Lati Exploration Permit

The 100% owned, 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 ("UNDP") and the Burkina Faso Office of Mines and Geology ("BUMIGEB") for volcanic-hosted massive sulfides ("VHMS") similar to the Perkoa zinc deposit, as well as by Carlin Resources and Incanore Resources for gold.

Results of a RC drill program on Lati have been reported by press releases and in prior MD&A's. Drill plans and selected sections from the Lati RC drill program can be found on the Company's website at www.indigoexploration.com.

Tordo Exploration Permit
The 100% owned, 143 square kilometre Tordo permit lies about 150km east of Ouagadougou. The permit covers a portion of the Fada N'gourma greenstone belt which consists of meta-tuff, meta-sediment and mafic metavolcanic rocks and has never been previously explored until recently by Sanu Burkina.

Loto Exploration Permit
The 100% owned, 70.08 square kilometre Loto exploration permit is located in the Boromo greenstone belt, contiguous to the Moule Exploration Permit, and forms part of the Moule project. The Loto permit lies near the town of Diebougou, approximately 270 km by road from Ouagadougou of which 250 km is paved. The area is intensely farmed and it has taken time to establish a working relationship with the local community.

SELECTED ANNUAL INFORMATION

	2015 ($)	**2014 ($)**	**2013 ($)**
Total revenues	-	-	-
Loss	(137,054)	(2,302,178)	(1,260,893)
Loss per share (basic and diluted) (1)	(0.00)	(0.05)	(0.03)
Total assets	972,145	783,228	2,818,705
Deferred resource property expenditures – for the year	98,923	163,914	451,126
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, 2014 and 2013 increased due to write-downs of mineral properties of $2,121,835 and $1,044,360, 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, 2015.

	For the quarter ended ($)			
	Sept. 30, 2015	**Jun. 31, 2015**	**Mar. 31, 2015**	**Dec. 31, 2014**
Total revenues	-	-	-	-
Loss	(45,550)	(25,349)	(41,091)	(25,064)
Loss per share (basic and diluted) (1)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	972,145	832,504	846,676	879,709

	For the quarter ended ($)			
	Sept. 30, 2014	**Jun. 30, 2014**	**Mar. 31, 2014**	**Dec. 31, 2013**
Total revenues	-	-	-	-
Loss	(2,171,278)	(37,158)	(53,555)	(40,187)
Loss per share (basic and diluted) (1)	(0.05)	(0.00)	(0.00)	(0.00)
Total assets	783,228	2,921,084	2,958,250	3,022,534

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

The loss in the quarters ended September 30, 2015 and 2014 decreased due to a reduction in business activities and includes write-downs of mineral properties of $nil and $2,121,835, respectively.

RESULTS OF OPERATIONS

Year ended September 30, 2015
The Company recorded a loss of $137,054 ($0.00 per share) for the year ended September 30, 2015 as compared to a loss of $2,302,178 ($0.05 per share) for the year ended September 30, 2014.

Differences in expenses of note include:

<u>Accounting and audit fees of $52,167 (2014 - $67,793).</u> Accounting and audit fees includes fees incurred in Canada and Burkina Faso, decreased due to a reduction in business activities.

<u>Filing fees of $16,330 (2014 - $13,819).</u> Filing fees includes fees incurred to maintain the Company's stock exchange listing as well as transfer agent fees, increased due to the timing of the Company's AGM.

<u>Office and miscellaneous of $33,143 (2014 - $51,695).</u> Office expenses, including those related to Sanu Burkina, decreased in the period due to a reduction in business activity.

<u>Write-down of mineral properties of $Nil (2014 - $2,121,835).</u> The write-down was a result of the uncertainty within the Burkino Faso Government in the prior year.

FOURTH QUARTER

The Company recorded a loss of $45,550 ($0.00 per share) for the three months ended September 30, 2015 as compared to a loss of $2,171,278 ($0.05 per share) for the three months ended September 30, 2014. The difference is primarily due to the increased write-down of mineral properties during the fourth quarter of fiscal 2014 ($2,121,835).

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

Financing Activities

During the year ended September 30, 2015, the Company completed three tranches of a non-brokered private placement as follows:

(i) On December 17, 2014, the Company closed the first tranche of 5,125,000 units at $0.02 per unit for gross proceeds of $102,500. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.05 per share, exercisable up to December 17, 2017. A value of $5,125 has been attributed to the warrants.

(ii) On December 24, 2014, the Company closed the second tranche of 1,000,000 units at $0.02 per unit for gross proceeds of $20,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.05 per share, exercisable up to December 24, 2017. A value of $1,000 has been attributed to the warrants.

(iii) On January 21, 2015, the Company closed the third and final tranche of the non-brokered private placement for 1,500,000 units at $0.02 per unit for gross proceeds of $30,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.05 per share, exercisable up to January 21, 2018. A value of $1,500 has been attributed to the warrants.

In connection with the three tranches, the Company paid finders' fees of $8,400 and incurred additional cash issue costs of $3,733.

(iv) On September 25, 2015, the Company closed a private placement for 15,000,000 units at $0.01 per unit for gross proceeds of $150,000. Each unit is comprised of one common share. In connection with the private placement, the Company paid finders' fees of $9,000 and incurred additional cash issue costs of $1,634.

During the year ended September 30, 2014, the Company closed a non-brokered private placement of 4,900,000 units at $0.05 per unit for gross proceeds of $245,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof the right to purchase one common share of the Company at $0.12 per share, exercisable up to November 4, 2016. A value of $98,000 has been attributed to the warrants. In connection with the private placement, the Company incurred cash issue costs of $1,975.

Capital Expenditures

The capital expenditures of the Company during the year ended September 30, 2015 included deferred mineral property expenditures of $98,923 (2014 - $163,914) on the Company's Burkina Faso projects. Refer to schedule I in the audited consolidated financial statements for the year ended September 30, 2015.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed $134,647 of cash (before working capital items) for the year ended September 30, 2015 (2014 - $168,494) with an additional $93,741 (2014 - $158,932) used on mineral property deferred exploration expenditures. The cash requirement was fulfilled from cash on hand at the beginning of the period and from the proceeds of the private placements.

The Company's aggregate operating, investing and financing activities during the year ended September 30, 2015 resulted in a net increase in its cash balance from $47,036 at September 30, 2014 to $142,784 at September 30, 2015. The Company's working capital increased to $34,023 at September 30, 2015 (September 30, 2014 – deficit of $12,140). The Company has no long term debt.

The Company has no further payments to make to acquire any of its Burkina Faso mineral properties. The Company has minimum exploration commitments in Burkina Faso in order to keep its properties in good standing. Aside from the minimum exploration commitments in Burkina Faso, 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

During the years ended September 30, 2015 and 2014, the Company incurred the following expenditures charged by directors and officers of the Company and by companies controlled by directors and officers of the Company:

	2015	**2014**
	$	**$**
Accounting fees[(1)]	15,660	23,162
Management and administration fees[(2)]	23,400	26,650
	39,060	49,812

(1) Includes fees billed by a company owned by the former Chief Financial Officer, Rob McMorran.
(2) Includes fees billed by a company owned by the Chief Executive Officer, Paul Cowley.

As at September 30, 2015, accounts payable and accrued liabilities includes an amount of $59,248 (September 30, 2014 - $35,211) due to companies controlled by directors and officers of the Company. These amounts are unsecured, non-interest bearing and due on demand.

Compensation paid or payable to the Chief Executive Officer, the former Chief Financial Officer and the directors of the Company for services during the years ended September 30, 2015 and 2014 is identical to the table above.

FINANCIAL INSTRUMENTS

Classification of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, other receivables, and accounts payable and accrued liabilities. Cash and cash equivalents 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, 2015, the Company believes that the carrying values of cash and cash equivalents, 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, 2015, 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, 2015	
	Canadian dollar	CFA
Cash and cash equivalents	142,317	467
Other receivables	611	679
Accounts payable and accrued liabilities	(91,220)	(18,831)
Net exposure	51,708	(17,685)

	September 30, 2014	
	Canadian dollar	CFA
Cash and cash equivalents	33,946	13,090
Other receivables	1,996	-
Accounts payable and accrued liabilities	(56,664)	(7,149)
Net exposure	(20,722)	5,941

Future changes in exchange rates could 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.

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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

i) New standards and amendments effective for the first time from October 1, 2014
The following revised standards and amendments became effective for the Company on October 1, 2014. The new and amended standards did not have a significant impact on the consolidated financial statements. The following is a brief summary of the principal new standards adopted by the Company:

IAS 32 – Financial instruments, Presentation. IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

IAS 36 – Impairment of Assets. IFRS 36 was amended by recoverable amount disclosures for nonfinancial assets.

IFRIC 21 – Levies. IFRIC 21 clarifies and provides guidance on when to recognize the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

ii) 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 Company has not completed its assessment of the impact that the new and amended standard will have on its financial statements. The following is a brief summary of the principal new or amended standards.

IFRS 7 – Financial Instruments disclosures. The Standard was amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

IFRS 9 – Financial Instruments: Classification and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial instruments and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

OUTSTANDING SHARE DATA

a) Authorized:
Unlimited common shares without par value.

b) Issued and outstanding:
70,585,982 common shares as at January 22, 2016.

c) Outstanding warrants and options as at January 22, 2016.

Type of Security	Number	Exercise Price	Expiry Date
Share purchase warrants	4,900,000	$0.12	November 4, 2016
Share purchase warrants	5,125,000	$0.05	December 17, 2017
Share purchase warrants	1,000,000	$0.05	December 24, 2017
Share purchase warrants	1,500,000	$0.05	January 21, 2018
Stock options	515,000	$0.30	November 3, 2016

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, 2015 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 drill campaign completed in February 2012 on the Lati permit and two large soil sampling programs completed during 2012 on the Kodyel and Moule/Loto permits generated new and sizeable drill targets. Since the spring of 2012, the Company has minimized its expenditures in order to conserve cash.

In December, January and September 2015, the Company closed non-brokered private placements for gross proceeds of $302,500 to provide working capital. Additional funding will be required in order to continue to advance the Burkina Faso permits.

A new Minister of Mines was appointed in January 2016 by the newly elected government of Burkina Faso. The Company is endeavouring to meet and dialogue with the newly appointed Minister of Mines in order to resolve pending permit extensions.

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 January 22, 2016.

- 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”.