INDIGO EXPLORATION INC.

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Third Quarter Ended June 30, 2010 and 2009
(unaudited)

INDIGO EXPLORATION INC.

NOTICE OF NO AUDITOR REVIEW OF

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements of the Company and all information contained in the third quarter 2010 report have been prepared by and are the responsibility of the Company's management.

The Audit Committee of the Board of Directors has reviewed the interim consolidated financial statements and related financial reporting matters.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

INDIGO EXPLORATION INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
(unaudited)

	June 30, 2010	September 30, 2009
ASSETS		
Current		
Cash and cash equivalents	$ 1,079,005	$ 36,214
GST recoverable and other receivables	34,808	3,164
Prepaid expenses	1,994	-
	1,115,807	39,378
Deferred financing costs	-	71,268
Equipment	15,981	-
Mineral properties (Note 4 and Schedule 1)	569,422	260,959
Other assets	3,500	3,500
	$ 1,704,710	$ 375,105
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 234,374	$ 71,091
Future income tax liability	88,250	52,000
	322,624	123,091
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	2,163,735	327,602
Contributed surplus (Note 5)	200,551	99,307
Deficit	(982,200)	(174,895)
	1,382,086	252,014
	$ 1,704,710	$ 375,105

Organization and nature of operations (Note 1)

Commitments (Notes 4 and 5)

Subsequent events (Note 10)

Approved by the Board of Directors

"R. Timothy Henneberry" Director   *"Paul S. Cowley"* Director

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

INDIGO EXPLORATION INC.

(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

(unaudited)

	Three months ended June 30,		Nine months ended June 30,	
	2010	2009	2010	2009
General and Administrative Expenses				
Accounting and audit fees (Note 6)	$ 10,045	$ 6,350	$ 29,353	$ 7,353
Bank charges and interest	439	108	628	217
Business investigation costs (Notes 3 and 6)	133,800	-	157,423	-
Consulting fees (Note 6)	9,100	3,375	35,350	4,425
Filing fees	8,066	-	25,155	-
Foreign exchange loss	133	-	133	-
Investor relations	5,042	-	5,042	-
Management and administration fees (Note 6)	6,300	5,500	10,150	7,500
Office and miscellaneous	6,938	3,089	10,424	10,181
Legal fees	37,331	1,533	46,822	3,862
Part XII.6 interest	-	-	725	-
Travel and accommodation fees	2,408	1,748	2,540	2,632
Loss before other item	(219,602)	(21,703)	(323,745)	(36,170)
Interest income	357	38	552	205
Write-off of mineral property	(484,112)	-	(484,112)	-
Net loss and comprehensive loss for the period	(703,357)	(21,665)	(807,305)	(35,965)
Future income tax recovery	-	52,000	-	52,000
Net (loss) income and comprehensive (loss) income for the period	(703,357)	30,335	(807,305)	16,035
Deficit - Beginning of period	(278,843)	(72,377)	(174,895)	(58,077)
Deficit - End of period	$ (982,200)	$ (42,042)	$ (982,200)	$ (42,042)
Basic and diluted (loss) earnings per share	$ (0.07)	$ 0.00	$ (0.09)	$ 0.00
Weighted average number of shares	10,631,970	6,420,709	8,911,713	6,420,709

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

INDIGO EXPLORATION INC.

(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three months ended June 30,		Nine months ended June 30,	
	2010	2009	2010	2009
Cash generated provided by (used in)				
Operating Activities				
Net (loss) income for the period	$ (703,357)	$ 30,335	$ (807,305)	$ 16,035
Add (deduct) items not involving cash:				
Future income tax recovery	-	(52,000)	-	(52,000)
Write-off of mineral property	484,112	-	484,112	-
	(219,245)	(21,665)	(323,193)	(35,965)
Changes in non-cash working capital items:				
GST recoverable and other receivables	(16,568)	557	(30,510)	(1,338)
Prepaid and deposits	-	(10,000)	-	(10,000)
Accounts payable and accrued liabilities	170,314	14,896	120,364	9,127
	(65,499)	(16,212)	(233,339)	(38,176)
Investing Activities				
Deferred exploration expenditures	(264,720)	-	(266,303)	(5,486)
Acquisition of Sanu Burkina Faso S.A.R.L., net of cash acquired (Note 3)	(52,462)	-	(52,462)	-
	(317,182)	-	(318,765)	(5,486)
Financing Activities				
Issuance of shares - net of costs	982,565	-	1,594,895	-
	982,565	-	1,594,895	-
Increase (decrease) in cash during the period	599,884	(21,698)	1,042,791	(43,662)
Cash and cash equivalents - Beginning of period	479,121	88,516	36,214	110,480
Cash and cash equivalents - End of period	$ 1,079,005	$ 66,818	$ 1,079,005	$ 66,818
Cash paid for interest	$ -	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -	$ -
Cash and cash equivalents are comprised of:				
Cash	$ 1,029,005	$ 66,818	$ 1,029,005	$ 66,818
Short-term investments	50,000	-	50,000	-
	$ 1,079,005	$ 66,818	$ 1,079,005	$ 66,818

Supplemental cash flow information (Note 9)

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

1 ORGANIZATION AND NATURE OF OPERATIONS

Indigo Exploration Inc. ("the Company") was incorporated on February 29, 2008 under the Business Corporations Act of British Columbia. The Company is listed for trading on the TSX Venture Exchange under the symbol "IXI".

The Company's principal activities include the acquisition, exploration and development of mineral properties. The Company is currently conducting exploration and development activities in Burkina Faso, Africa. The recoverability of amounts shown as mineral properties is dependent upon the conversion of mineral resources to economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

On June 30, 2010, the Company acquired all of the issued and outstanding common shares of Sanu Burkina Faso S.A.R.L., a private company located in Burkina Faso, Africa (see Note 3). The unaudited interim consolidated financial statements for the nine months ended June 30, 2010 include the results of operations of Sanu Burkina Faso S.A.R.L. from June 30, 2010.

These unaudited financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. 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. At June 30, 2010, the Company had not yet achieved profitable operations, had an accumulated deficit of $982,200 (September 30, 2009 - $174,895) since inception and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, its ability to obtain the necessary financing to develop the properties and to meet its ongoing levels of corporate overhead and commitments, keep its property in good standing 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.

2 SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"), following accounting policies consistent with the Company's audited financial statements and notes thereto for the year ended September 30, 2009. These financial statements do not include all the disclosures required by GAAP for annual financial statements and should be read in conjunction with the most recent audited financial statements of the Company. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. Actual results may vary from these estimates.

2 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

a) Recently adopted accounting policies

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.

Broker warrants and warrants

Warrants issued to agents or brokers in connection with a financing are recorded at fair value and charged to issue costs associated with the offering with an offsetting credit to contributed surplus in shareholders' equity.

Warrants included in units offered to subscribers in connection with financings are recorded at the residual value in contributed surplus in shareholders' equity 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.

Business combinations, consolidated financial statements and non-controlling interest

Effective October 1, 2009, the Company elected to early adopt CICA Handbook Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-controlling Interests". These sections replace the former CICA Handbook Section 1581, "Business Combinations" and Section 1600, "Consolidated Financial Statements" and establish a new section for accounting for a non-controlling interest in a subsidiary.

CICA Handbook Section 1582 establishes standards for the accounting for a business combination and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3, "Business Combinations" (January 2008).

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, "Consolidated and Separate Financial Statements" (January 2008).

To date there has been no impact on the Company's financial statements as a result of the adoption of these sections.

2 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

b) Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. The Company has begun an internal diagnostic review to understand, identify and assess the overall effort required to produce financial information under IFRS, however, at this time, the financial reporting impact of the transition to IFRS cannot be reasonably estimated.

3 ACQUISITION OF SANU BURKINA FASO S.A.R.L.

By an agreement dated May 27, 2010, effectively closed on June 30, 2010, the Company acquired (the "Acquisition") 100% of the issued and outstanding shares of Sanu Burkina Faso S.A.R.L. ("Sanu Burkina"), a company organized under the laws of Burkina Faso, Africa, in consideration for $65,000 and the issuance of 3,000,000 common shares of the Company.

The transaction has been accounted for using the purchase method of accounting as an acquisition of assets by the Company. The allocation of the purchase price is based on the assets acquired and liabilities assumed measured at the carrying values, which approximated their fair values, at the date of the Acquisition. The allocation of the purchase price to the assets acquired and liabilities assumed is as follows:

Cash	$	12,538
Other assets		3,128
Equipment		15,981
Mineral properties		517,577
Accounts payable and accrued liabilities		(34,224)
Fair value of assets acquired and liabilities assumed	$	515,000
Consideration paid:		
Cash	$	65,000
Value of shares issued		450,000
Total consideration paid	$	515,000

Transactions undertaken by Sanu Burkina are included in the unaudited interim consolidated financial statements from June 30, 2010.

During the nine months ended June 30, 2010, the Company incurred $157,423 (2009 - $nil) of business investigation costs pursuant to the Acquisition. This amount has been charged to the statement of operations.

4 MINERAL PROPERTIES (Schedule 1)

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.

Kodyel Exploration Permit and Other Permits

Pursuant to the acquisition of Sanu Burkina effective June 30, 2010 (Note 3), the Company acquired gold mineral properties located in Burkina Faso, Africa. The permits acquired were the Kodyel Exploration Permit, the Tordo Exploration Permit, the Lati Exploration Permit and the Loto Exploration Permit. The Company has no significant commitments with respect to these permits.

Moule Gold Permit, Burkina Faso

On May 12, 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, in consideration for cash payments totalling US$410,000 over a 3 year period as follows:

A. US$50,000 on May 12, 2010 (paid);
B. US$60,000 on or before May 12, 2011;
C. US$100,000 on or before May 12, 2012;
D. US$200,000 on or before May 12, 2013.

The Company has the right to purchase the entire 1.5% NSR royalty for US$1,800,000.

Fredy Creek Project

Pursuant to the terms of an option agreement dated May 1, 2008 and amended on April 23, 2009, July 1, 2009 and April 13, 2010, the Company acquired the right to earn a 100% interest in twelve (12) mineral claims ("the Fredy Creek Project") located in the Cariboo Mining Division in the Province of British Columbia.

The Company has issued 500,000 shares at a fair value of $30,000 pursuant to the option agreement.

During the six months ended June 30, 2010, the Company completed a diamond drill program, determined not to proceed with the Fredy Creek Project, and accordingly wrote-off $484,112 of accumulated deferred acquisition and exploration costs.

5 SHARE CAPITAL

Authorized:
Unlimited common shares without par value

a) Common shares issued and outstanding and contributed surplus:

	Number of Shares		Share Capital Amount		Contributed Surplus Amount
Balance – September 30, 2009	5,780,706	$	327,602	$	99,307
Issued:					
For cash					
Pursuant to Initial Public Offering	4,000,000		600,000		-
Less issue costs – cash	-		(190,899)		-
– agent's warrants	-		(23,027)		23,027
Pursuant to private placements	6,015,000		1,257,000		-
Allocation to warrants	-		(60,768)		60,768
Less issue costs – cash	-		(142,474)		-
– agent's warrants	-		(17,449)		17,449
Pursuant to acquisition of Sanu Burkina (Note 3)	3,000,000		450,000		-
Less: Future income tax on flow-through shares	-		(36,250)		-
Balance – June 30, 2010	18,795,706	$	2,163,735	$	200,551

b) Financings:

Pursuant to an agency agreement with Union Securities Ltd. (the "Agent") the Company filed a prospectus in British Columbia, Alberta and Ontario with respect to its Initial Public Offering ("IPO") for 4,000,000 common shares at $0.15 per share for gross proceeds of $600,000. The IPO closed on December 29, 2009 and the Company began trading on the TSX Venture Exchange ("TSXV") under the symbol "IXI" on December 31, 2009. In connection with the IPO, the Company paid the Agent a commission of $60,000 and paid a corporate finance fee of $16,000. The Agent was reimbursed for its legal fees and disbursements of $17,962. The Company also issued the Agent share purchase warrants entitling the holder thereof to purchase up to 400,000 common shares of the Company at $0.15 per share, exercisable up to December 31, 2010. A value of $23,027 has been attributed to these agent's warrants using the Black-Scholes option pricing model and has been credited to contributed surplus in shareholders' equity. The assumptions used in the option pricing model are as follows: risk-free interest rate – 0.28%; expected life – 1.0 years; expected volatility – 100%; and expected dividends – nil. The Company incurred other cash issue costs of $96,937.

On January 6, 2010, the Company closed a non-brokered flow-through private placement of 580,000 units at $0.25 per unit for gross proceeds of $145,000. Each unit is comprised of one flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional non-flow-through common share of the Company at $0.35 per share, exercisable up to January 6, 2011. A residual value of $8,918 has been attributed to the warrants. The Company incurred other cash issue costs of $13,039. The Company also issued finders' warrants entitling the holder thereof to purchase up to 26,000 common shares of the Company at $0.35 per share, exercisable up to January 6, 2011. A value of $926 has been attributed to these finders' warrants using the Black-Scholes option pricing model and has been credited to contributed surplus in shareholders' equity.

5 SHARE CAPITAL – (cont'd)

The assumptions used in the option pricing model are as follows: risk-free interest rate – 0.28%; expected life – 1.0 years; expected volatility – 100%; and expected dividends – nil.

On April 26, 2010, the Company closed a non-brokered flow-through private placement of 250,000 flow-through common shares at a price of $0.30 per flow-through share for gross proceeds of $75,000.

On June 25, 2010, the Company closed a brokered private placement of 5,185,000 units at $0.20 per unit for gross proceeds of $1,037,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common of the Company at $0.30 per share, exercisable up to June 25, 2011. A residual value of $51,850 has been attributed to the warrants. The Company incurred other cash issue costs of $129,435. The Company also issued finders' warrants entitling the holder thereof to purchase up to 344,800 common shares of the Company at $0.30 per share, exercisable up to June 25, 2011. A value of $16,523 has been attributed to these finders' warrants using the Black-Scholes option pricing model and has been credited to contributed surplus in shareholders' equity. The assumptions used in the option pricing model are as follows: risk-free interest rate – 0.88%; expected life – 1.0 years; expected volatility – 100%; and expected dividends – nil.

c) Commitments:

Stock option plan

The Company has a stock option plan (the "Plan") whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the Plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX Venture Exchange ("TSXV")).

Options may be granted for a maximum term of ten (10) years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

There were no changes in share purchase options during the nine-month period ended June 30, 2010. The balance outstanding and related information at September 30, 2009 and June 30, 2010 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (Years)
Balance, September 30, 2009	550,000	$0.15	4.95
Balance, June 30, 2010	550,000	$0.15	4.20

5 SHARE CAPITAL – (cont'd)

At June 30, 2010, the following share purchase options were outstanding entitling the holder thereof the right to purchase one common share of the Company for each option held:

Number	Exercise Price	Expiry Date
550,000	$0.15	September 10, 2014

During the nine-month periods ended June 30, 2010 and 2009, the Company did not record any stock-based compensation expense.

Warrants

Changes in share purchase warrants during the nine-month period ended June 30, 2010 are as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (Years)
Balance, September 30, 2009	-	-	-
Issued	6,245,800	$0.29	
Balance, June 30, 2010	6,245,800	$0.29	0.93

At June 30, 2010, the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share of the Company for each warrant held:

Number	Exercise Price	Expiry Date
400,000	$0.15	December 31, 2010
316,000	$0.35	January 6, 2011
5,529,800	$0.30	June 25, 2011
6,245,800		

d) Flow-through shares

In January 2010, the Company completed a flow-through financing of 580,000 flow-through units at $0.25 per unit for gross proceeds of $145,000 with respect to flow-through subscription agreements entered into in December 2009. Effective December 31, 2009, the Company renounced these expenditures to subscribers and these expenditures will not be available to the Company for future deduction from taxable income.

5 SHARE CAPITAL – (cont'd)

In April 2010, the Company entered into flow-through subscription agreements to issue an aggregate of 250,000 flow-through shares at $0.30 per share for gross proceeds of $75,000. Effective June 30, 2010, the Company renounced these expenditures to subscribers and these expenditures will not be available to the Company for future deduction from taxable income.

The Company has incurred qualifying expenditures in the aggregate amount of $220,000 at June 30, 2010 and accordingly has no further flow-through obligations.

e) Escrow shares

Pursuant to the IPO, on December 29, 2009, 2,259,043 common shares of the Company were placed into escrow. These escrow shares will be released as to ten percent (10%) on December 30, 2009 (released) and an additional fifteen percent (15%) tranches at six month intervals over a 36 month period with the final tranche being released on December 30, 2012. As at June 30, 2010, 1,694,282 (September 30, 2009 – nil) common shares remained in escrow.

6 RELATED PARTY TRANSACTIONS

The Company incurred the following expenditures charged by directors and officers of the Company and companies controlled by directors and officers of the Company:

	Three months ended June 30, 2010	Three months ended June 30, 2009	Nine months ended June 30, 2010	Nine months ended June 30, 2009
Accounting fees	$ 5,230	$ 350	$ 20,689	$ 1,353
Business investigation costs	21,475	-	31,610	-
Consulting fees	-	3,375	18,750	4,425
Management and administration fees	5,250	5,500	5,250	7,500
Mineral property expenditures - consulting	14,925	-	15,390	-
	$ 46,880	$ 9,225	$ 91,689	$ 13,278

These expenditures were measured at the exchange amount which is the amount agreed upon by the transacting parties.

As at June 30, 2010, accounts payable and accrued liabilities includes an amount of $9,516 (September 30, 2009 - $6,463) due to companies controlled by directors and officers of the Company.

7 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 TSXV.

8 FINANCIAL INSTRUMENTS

<u>Fair Value of Financial Instruments</u>

The Company's financial instruments consist of cash and cash equivalents, other receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to the immediate or short term maturity of these items.

During 2009, CICA Handbook Section 3862, "Financial Instruments – Disclosures", was amended to require disclosures about the inputs to fair value assessments, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. These amendments require a three-level hierarchy that reflects the significant of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measured. As at June 30, 2010, the Company's financial instrument which is measured at fair value on a recurring basis is cash and cash equivalents. This financial instrument has been classified as a "Level 1" financial instrument.

8 FINANCIAL INSTRUMENTS – (cont'd)

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities is denominated in Euros 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 approximately $(7,517) of net balance sheet exposure denominated in Euros. Based on this exposure as at June 30, 2010, a 5% change in the exchange rate would give rise to a change in net loss and comprehensive loss of approximately $400. 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:

	June 30, 2010	
	Canadian dollar	Euro
Cash and cash equivalents	$ 1,066,467	$ 12,538
GST recoverable and other receivables	33,674	1,134
Accounts payable and accrued liabilities	(213,185)	(21,189)
Net balance sheet exposure	$ 886,956	$ (7,517)

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. Accounts payable and accrued liabilities are all current.

9 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 statements of cash flows:

During the nine months ended June 30, 2010:

a) $8,695 of mineral property expenditures included in accounts payable and accrued liabilities.

b) the Company acquired all of the issued and outstanding common shares of Sanu Burkina in part through the issuance of 3,000,000 common shares of the Company (ascribed value of $450,000) (Note 3).

c) 400,000 agents' warrants issued by the Company (ascribed value of $23,027) pursuant to the Initial Public Offering.

d) Aggregate of 370,800 finders' warrants issued by the Company (aggregate ascribed value of $16,523) pursuant to private placements.

During the nine months ended June 30, 2009:

a) 500,000 common shares issued by the Company (ascribed value of $30,000) pursuant to a mineral property option agreement.

10 SUBSEQUENT EVENTS

Private Placement

On July 27, 2010, the Company closed a brokered private placement of 250,000 units at $0.20 per unit for gross proceeds of $50,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common of the Company at $0.30 per share up to July 27, 2011. The Company issued finders' warrants entitling the holder thereof to purchase up to 20,000 common shares of the Company at $0.30 per share, exercisable up to July 27, 2011.

Stock Option Grant

On August 9, 2010, the Company granted 1,075,000 stock options to directors, officers and consultants of the Company. Each stock option entitles the holder thereof to purchase one common share of the Company at $0.20 per share, exercisable up to August 9, 2015.

Schedule 1

INDIGO EXPLORATION INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES
June 30, 2010
(unaudited)

	BC, Canada	Burkina Faso, Africa			
	Fredy Creek Project	Moule Project	Kodyel Project	Other Projects	Total
Balance, September 30, 2009	$ 260,959	$ -	$ -	$ -	$ 260,959
Acquisition costs					
Cash	-	51,845	-	-	51,845
Pursuant to the acquisition of Sanu Burkina (Note 3)	-	-	284,667	232,910	517,577
	-	51,845	284,667	232,910	569,422
Deferred exploration costs					
Assaying	2,266	-	-	-	2,266
Consulting	45,572	-	-	-	45,572
Drilling	160,489	-	-	-	160,489
Equipment rental	3,735	-	-	-	3,735
Field supplies	197	-	-	-	197
Travel and accommodation	10,894	-	-	-	10,894
	223,153	-	-	-	223,153
Write-off	(484,112)	-	-	-	(484,112)
Balance, June 30, 2010	$ -	$ 51,845	$ 284,667	$ 232,910	$ 569,422