INDIGO EXPLORATION INC.

(An Exploration Stage Company)

FINANCIAL STATEMENTS
December 31, 2009
(unaudited)

INDIGO EXPLORATION INC.

NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Company and all information contained in the first 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 financial statements and related financial reporting matters.

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

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

	December 31, 2009	September 30, 2009
ASSETS		
Current		
Cash	$ 446,013	$ 36,214
GST recoverable and other receivables	8,766	3,164
	454,779	39,378
Deferred financing costs (Note 9)	12,255	71,268
Mineral property (Note 3 and Schedule 1)	261,182	260,959
Other assets (Note 4)	3,500	3,500
	$ 731,716	$ 375,105
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 42,030	$ 71,091
Future income tax liability	52,000	52,000
	94,030	123,091
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	713,676	365,091
Contributed surplus (Note 5)	122,334	61,818
Deficit	(198,324)	(174,895)
	637,686	252,014
	$ 731,716	$ 375,105

Organization and nature of operations (Note 1)

Commitments (Notes 3 and 5)

Subsequent event (Note 9)

Approved by the Board of Directors

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

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

INDIGO EXPLORATION INC.

(An Exploration Stage Company)

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

(unaudited)

	Three months ended December 31, 2009	2008
General and Administrative Expenses		
Accounting and audit fees (Note 6)	$ 12,569	$ 741
Bank charges and interest	88	52
Consulting fees (Note 6)	8,950	1,050
Filing fees	290	-
Management and administration fees (Note 6)	1,400	2,000
Office and miscellaneous (Note 6)	2,304	981
Rent	(2,169)	3,150
Travel and accommodation fees	-	884
Loss before other item	(23,432)	(8,858)
Interest income	3	167
Net loss and comprehensive loss for the period	(23,429)	(8,691)
Deficit - Beginning of period	(174,895)	(58,077)
Deficit - End of period	$ (198,324)	$ (66,768)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of shares	5,823,817	6,420,709

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

INDIGO EXPLORATION INC.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended December 31, 2009	2008
Cash generated from (used in)		
Operating Activities		
Net loss for the period	$ (23,429)	$ (8,691)
Changes in non-cash working capital items:		
GST and other receivables	(5,602)	(395)
Accounts payable and accrued liabilities	(29,061)	(973)
	(58,092)	(10,059)
Investing Activities		
Deferred exploration expenditures	(223)	-
	(223)	-
Financing Activities		
Deferred financing costs	59,013	-
Issuance of shares - net of costs	409,101	-
	468,114	-
Increase (decrease) in cash during the period	409,799	(10,059)
Cash - Beginning of period	36,214	110,480
Cash - End of period	$ 446,013	$ 100,421
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Supplemental non-cash financing information		
400,000 agents’ warrants issued by the Company (Note 5) pursuant to the Initial Public Offering	23,027	-

The accompanying notes are an integral part of these interim 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 the Province of British Columbia, Canada. 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.

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 December 31, 2009, the Company had not yet achieved profitable operations, had an accumulated deficit of $198,324 (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. Subsequent to December 31, 2009, the Company completed a flow-through private placement of 580,000 units at a price of $0.25 per unit for gross proceeds of $145,000 (Note 10).

2 SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles, 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 generally accepted accounting principles 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) Future Accounting Changes

i) Business combinations, consolidated financial statements and non-controlling interest

In January 2009, the CICA issued CICA Handbook Section 1582, "Business Combinations", Section 1601, "Consolidations", 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). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

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).

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

ii) 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 January 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 MINERAL PROPERTY (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 property and, to the best of its knowledge, title to its property is in good standing.

Fredy Creek

Pursuant to the terms of an option agreement dated May 1, 2008 and amended on April 23, 2009 and July 1, 2009, 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 the right to earn a 100% interest in the Fredy Creek Project by paying consideration as follows:

i) issuing an aggregate of 4,000,000 shares of the Company to the vendor as to:

A. 500,000 shares upon signing this agreement (issued at the fair value of $30,000);
B. an additional 750,000 shares on or before May 1, 2010;
C. an additional 1,000,000 shares on or before May 1, 2011; and
D. an additional 1,750,000 shares on or before May 1, 2012

ii) completing exploration expenditures on the Property in the amount of $2,000,000 as follows:

A. $200,000 on or before May 1, 2010 (incurred);
B. an additional $300,000 on or before May 1, 2011;
C. an additional $500,000 on or before May 1, 2012; and
D. an additional $1,000,000 on or before May 1, 2013

The vendor also retained a net smelter royalty of 2% on all mineral products extracted from the property. The Company has the right to repurchase 50% of the net smelter royalty (1%) for $1,000,000.

4 OTHER ASSETS

	December 31, 2009 (unaudited)	September 30, 2009
Reclamation bond	$ 3,500	$ 3,500

The reclamation bond was posted with the Province of British Columbia with respect to the estimated cost to reclaim the Company's exploration sites located in British Columbia.

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
Balance – December 31, 2009	9,780,706	$	713,676	$	122,334

b) Financings:

During the period ended December 31, 2009, 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 a price of $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 to purchase up to 400,000 common shares, 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.

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")).

5 SHARE CAPITAL – (cont'd)

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.

Changes in share purchase options during the three-month period ended December 31, 2009 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life
Balance, September 30, 2009	550,000	$0.15	4.95
Balance, December 31, 2009	550,000	$0.15	4.70

At December 31, 2009, the following share purchase options were outstanding entitling the holder thereof the right to purchase one common share for each option held:

Number	Exercise Price	Expiry Date
550,000	$0.15	September 15, 2014

During the three-month periods ended December 31, 2009 and 2008, no share purchase options were granted.

Warrants

Changes in share purchase warrants during the three-month period ended December 31, 2009 are as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life
Balance, September 30, 2009	-	-	-
Issued	400,000	$0.15	
Balance, December 31, 2009	400,000	$0.15	1.00

5 SHARE CAPITAL – (cont'd)

At December 31, 2009, the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

Number	Exercise Price	Expiry Date
400,000	$0.15	December 31, 2010

d) Flow-through shares

During the three-month period ended December 31, 2009, the Company entered into flow-through subscription agreements to issue an aggregate of 580,000 flow-through units at $0.25 per unit for gross proceeds of $145,000 (Note 10). The Company must incur qualifying expenditures in this amount before December 31, 2010. 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.

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 December 31, 2009	Three months ended December 31, 2008
Accounting fees	$ 7,070	$ 741
Consulting fees	8,950	1,050
Management and administration fees	-	2,000
	$ 9,225	$ 3,791

During the three-month period ended December 31, 2009, the Company sub-let a portion of its office space to a company with common directors and received rent income of $3,454 (2009: $nil) from the related party.

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

As at December 31, 2009, accounts payable and accrued liabilities includes an amount of $4,790 (September 30, 2009 - $6,463) due 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.

8 FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The Company's financial instruments consist of cash 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.

Foreign Exchange Risk

As at December 31, 2009 and September 30, 2009, all of the Company's cash was held in Canadian dollars, the Company's functional currency. The Company has no operations in foreign jurisdictions outside of Canada at this time and as such has no currency risk associated with its 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 Company's cash is held with a large Canadian bank.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss is limited because at present the Company holds all of its surplus cash in an interest bearing account and has no other interest bearing financial assets or liabilities.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

9 SUBSEQUENT EVENT

Flow-through Private Placement

In January 2010, the Company closed a non-brokered private placement of 580,000 flow-through 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 up to January 6, 2011.

In conjunction with the private placement, a finder's fee of $6,500 was paid and 26,000 finder's warrants were issued. Each finder's warrant entitles the holder thereof to purchase an additional common share of the Company at $0.35 per share up to January 6, 2011.

Schedule 1

INDIGO EXPLORATION INC.
(An Exploration Stage Company)
SCHEDULE OF MINERAL PROPERTY
December 31, 2009
(unaudited)

	Fredy Creek Project, BC, Canada
Balance, September 30, 2008	$ 252,747
Deferred exploration costs	
Consulting	2,726
Filing fees	5,486
	8,212
Balance, September 30, 2009	260,959
Deferred exploration costs	
Consulting	223
	223
Balance, December 31, 2009	$ 261,182