INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2016 and 2015
(Unaudited – Expressed in Canadian dollars)

INDIGO EXPLORATION INC.

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company’s independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the 'Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditors.

INDIGO EXPLORATION INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Notes	June 30 2016	September 30 2015
		$	$
ASSETS			
Current			
Cash and cash equivalents		259,575	142,784
Taxes recoverable and other receivables		1,185	611
Prepaid expenses		529	679
		261,289	144,074
Mineral properties (Schedule 1)	**6**	754,594	828,071
		1,015,883	972,145
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**8**	95,474	110,051
EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Share capital	**7**	7,026,541	6,785,882
Contributed surplus		743,973	730,223
Deficit		(6,850,105)	(6,654,011)
		920,409	862,094
		1,015,883	972,145

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 condensed interim consolidated financial statements.

INDIGO EXPLORATION INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended June 30, 2016 and 2015
(Unaudited - Expressed in Canadian dollars)

		Three months ended	June 30	Nine months ended	June 30
	Note	**2016**	**2015**	**2016**	**2015**
		$	**$**	**$**	**$**
Accounting and audit fees	**8**	5,684	6,236	18,615	25,779
Depreciation		-	600	-	1,807
Filing fees		3,270	2,877	12,835	15,473
Foreign exchange loss		495	1,479	2,878	3,250
Investor relations		-	924	-	-
Legal fees		2,474	303	2,712	3,774
Management and administration fees	**8**	8,613	5,850	23,563	17,551
Office and miscellaneous		4,351	8,030	11,874	23,880
Travel and accommodation		-	-	949	-
Loss before other items		(24,887)	(25,349)	(73,426)	(91,514)
Interest income		-	-	-	10
Write-off of mineral properties		-	-	(122,668)	-
Total loss and comprehensive loss for the period		(24,887)	(25,349)	(196,094)	(91,504)
Loss per share					
- Basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding					
- Basic and diluted		76,932,136	55,585,982	71,489,738	53,217,392

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

INDIGO EXPLORATION INC.
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended June 30, 2016 and 2015
(Unaudited - Expressed in Canadian dollars)

	2016	**2015**
	$	**$**
Cash provided by (used in)		
Operating activities		
Loss for the period	(196,094)	(91,504)
Add items not involving cash:		
Depreciation	-	1,807
Write-down of mineral properties	122,668	-
	(73,426)	(81,697)
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	(574)	(2,698)
Prepaid expenses	150	126
Accounts payable and accrued liabilities	(8,873)	6,062
	(82,723)	(86,207)
Investing activities		
Deferred exploration expenditures	(54,895)	(81,691)
Financing activities		
Issuance of shares pursuant to private placement	275,000	152,500
Issuance costs	(20,591)	(10,633)
	254,409	141,867
Increase (decrease) in cash and cash equivalents	116,791	(26,031)
Cash and cash equivalents - beginning of period	142,784	47,036
Cash and cash equivalents - end of period	259,575	21,005

Supplemental cash flow information (Note 9)

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

INDIGO EXPLORATION INC.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Shares	Share Capital	Contributed Surplus	Deficit	Total
	Number	$	$	$	$
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	7,625,000	144,875	7,625	-	152,500
Less: cash issue costs	-	(10,633)	-	-	(10,633)
Loss and comprehensive loss	-	-	-	(91,504)	(91,504)
Balance – June 30, 2015	55,585,982	6,648,016	730,223	(6,608,461)	769,778
Issued during year:					
Pursuant to private placement of units	15,000,000	150,000	-	-	150,000
Less: cash issue costs	-	(12,134)	-	-	(12,134)
Loss and comprehensive loss	-	-	-	(45,550)	(45,550)
Balance – September 30, 2015	70,585,982	6,785,882	730,223	(6,654,011)	862,094
Issued during year:					
Pursuant to private placement of units	13,750,000	261,250	13,750	-	275,000
Less: cash issue costs	-	(20,591)	-	-	(20,591)
Loss and comprehensive loss	-	-	-	(196,094)	(196,094)
Balance – June 30, 2016	84,335,982	7,026,541	743,973	(6,850,105)	920,409

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

1 ORGANIZATION AND NATURE OF OPERATIONS

Indigo Exploration Inc. ("the Company") is in the business of the acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is listed for trading on the TSX Venture Exchange under the symbol "IXI". The Company is in the exploration stage and had interests in properties located in Burkina Faso, West Africa. The Company's corporate head office is located at Suite 880 – 580 Hornby Street, Vancouver, British Columbia, Canada.

2 GOING CONCERN

These condensed interim 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 June 30, 2016, the Company had not yet achieved profitable operations, had an accumulated deficit of $6,850,105 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 condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual audited consolidated financial statements for the year ended September 30, 2015.

These financial statements were approved by the board of directors for issue on August 25, 2016.

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, 2015. The new and amended standards did not have a significant impact on the condensed interim consolidated financial statements. The following is a brief summary of the principal new standards adopted by the Company:

IFRS 7 – Financial Instruments disclosures. The Standard was amended to require additional disclosures on transition from IAS 39 and IFRS 9.

ii) Accounting standards issued but not yet effective

At the date of approval of the condensed interim 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 9 Financial Instruments - In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on financial liabilities and derecognition of financial instruments. The mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018, with early adoption permitted.

IAS 7 Statement of Cash Flows - In January 2016, IASB amended IAS 7, "Statement of Cash Flows", The amendments require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This amendment will be mandatory for reporting periods beginning on or after January 1, 2017.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's September 30, 2015 annual consolidated financial statements.

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. The Company has not incurred sufficient expenditures on its Moule, and Loto 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 June 30, 2016.

The Kodyel, Tordo and Lati permits have expired. The Company submitted the documentation required to extend the permits, however, has not yet received the renewed permits. The Company believes it will obtain extensions on Kodyel and Lati permits. The Company received a rejection letter during the nine months ended June 30, 2016 from its Tordo permit extension application. The Company no longer holds the permits for Tordo and therefore recorded a write-down of $122,668.

(Unaudited - Expressed in Canadian dollars)

The Company believes it presently holds all necessary licenses and permits on Moule and Loto, and priority on pending licenses and permits, Kodyel and Lati, to carry on the activities which it will conduct, 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.

7 SHARE CAPITAL

a) Authorized:
Unlimited common shares without par value.

b) Financing:
On May 20, 2016, the Company closed a non-brokered private placement for 13,750,000 units at $0.02 per unit for gross proceeds of $275,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder the right to purchase one common share of the Company at $0.05 per share, exercisable up to May 20, 2019. A value of $13,750 has been attributed to the warrants. In connection with the private placement, the Company paid finder's fees of $16,500 and other share issuance costs of $4,090.

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.

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.

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 $2,233.

c) Stock options:
The Company's fully exercisable stock options outstanding as at June 30, 2016 and September 30, 2015 and the changes for the periods then ended is presented below:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, September 30, 2014	990,000	$0.25	1.50
Expired	(475,000)	$0.20	
Balance, September 30, 2015 and June 30, 2016	**515,000**	**$0.30**	**0.35**

(Unaudited - Expressed in Canadian dollars)

At June 30, 2016, 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 June 30, 2016 and September 30, 2015 and the changes for the periods then ended are as follows:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, September 30, 2014	**4,900,000**	**$0.12**	**2.10**
Issued	7,625,000	$0.05	
Balance, September 30, 2015	**12,525,000**	**$0.08**	**1.29**
Issued	13,750,000	$0.05	
Balance, June 30, 2016	**26,275,000**	**$0.06**	**2.19**

The balance of share purchase warrants outstanding as at June 30, 2016 was as follows:

Expiry Date	Warrants outstanding	Exercise price (per share)	Remaining life (years)
November 4, 2016	4,900,000	$0.12	0.35
December 17, 2017	5,125,000	$0.05	1.47
December 24, 2017	1,000,000	$0.05	1.48
January 21, 2018	1,500,000	$0.05	1.56
May 20, 2019	13,750,000	$0.05	3.23
	26,275,000	$0.06	2.19

8 RELATED PARTY TRANSACTIONS

Compensation paid or payable to the directors, the Chief Executive Officer and the Chief Financial Officer for services provided during the three and nine months ended June 30, 2016 and 2015 was as follows:

	Three months ended June 30		Nine months ended June 30	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Accounting fees	880	4,379	6,200	15,660
Management and administration fees	8,613	5,850	23,563	17,550
	9,493	**10,229**	**29,763**	**33,210**

(Unaudited - Expressed in Canadian dollars)

The Company incurred additional expenditures charged by related parties during the three and nine months ended June 30, 2016 and 2015 as follows:

	Three months ended June 30		Nine months ended June 30	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Accounting fees	-	4,379	-	15,660

As at June 30, 2016, accounts payable and accrued liabilities includes an amount of $83,988 (September 30, 2015 - $59,248) due to directors and officers of the Company and/or companies they control or of which they were significant shareholders. These amounts are unsecured, non-interest bearing and due on demand.

9 SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed interim consolidated statements of cash flow. During the nine months ended June 30, 2016 and 2015 the following transactions were excluded from the condensed interim consolidated statements of cash flows:

	2016	**2015**
	$	**$**
Non-cash investing and financing transactions		
Mineral property interest expenditures in accounts payable	6,627	-
Mineral property interest expenditures in accounts payable as at September 30	12,331	7,149

10 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:

	June 30, 2016	**September 30, 2015**
	$	$
Canada	327,286	209,773
Burkina Faso	688,597	762,372
Total assets	1,015,883	972,145

Geographic segmentation of the Company's loss during the three and nine months ended June 30, 2016 and 2015 is as follows:

	Three months ended June 30		Nine months ended June 30	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Canada	19,885	17,750	56,583	66,047
Burkina Faso	5,004	7,599	139,513	25,457
Loss	24,889	25,349	196,096	91,504

INDIGO EXPLORATION INC. **Schedule 1**

Condensed Interim Consolidated Schedule of Mineral Properties

(Unaudited - Expressed in Canadian dollars)

	Moule Project $	Kodyel Project $	Other Projects $	Total $
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**
Deferred exploration costs				
Other	2,681	417	2,628	5,726
Wages	11,494	3,474	28,497	43,465
	14,175	3,891	31,125	49,191
Write-off	-	-	(122,668)	(122,668)
Balance – June 30, 2016	**396,641**	**209,055**	**148,898**	**754,594**