
INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022
(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	December 31, 2023 \$	September 30, 2023 \$
ASSETS			
Current			
Cash		563,282	743,336
Taxes recoverable		11,775	7,400
Prepaid expenses		55,698	48,585
		630,755	799,321
Exploration and evaluation advances		-	20,000
Exploration and evaluation assets	4&7	210,037	162,935
Total assets		840,792	982,256
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	91,875	171,998
Loans payable	5	30,000	30,000
Total liabilities		121,875	201,998
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6	11,032,223	11,032,223
Reserves	6	1,506,542	1,506,542
Deficit		(11,819,848)	(11,758,507)
Total shareholders' equity (deficiency)		718,917	780,258
Total liabilities and shareholders' equity		840,792	982,256

Nature and continuance of operations (Note 1)

Approved by the Board of Directors*"Paul S. Cowley"*

Paul S. Cowley, Director

"Marino J. Sveinson"

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****Three months ended December 31, 2023 and 2022***(Unaudited - Expressed in Canadian dollars)*

	Note	2023	2022
		\$	\$
Accounting and audit fees	7	13,037	9,758
Filing fees		9,524	1,040
Foreign exchange loss		1,215	-
Interest expense		32	3,879
Investor relations		2,182	-
Legal fees		9,676	-
Management and administration fees	7	18,000	-
Office and miscellaneous		5,648	4,918
Travel and accommodation		2,027	-
Total loss and comprehensive loss		(61,341)	(19,595)
Loss per share			
- Basic and diluted		(0.00)	(0.00)
Weighted average number of shares outstanding			
- Basic and diluted		65,658,020	42,469,020

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

INDIGO EXPLORATION INC.**Condensed Interim Consolidated Statements of Cash Flows****Three months ended December 31, 2023 and 2022***(Unaudited - Expressed in Canadian dollars)*

	2023	2022
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(61,341)	(19,595)
Add items not involving cash:		
Interest expense	-	3,799
Changes in non-cash working capital items:		
Taxes recoverable	(4,375)	48
Prepaid expenses	12,887	-
Accounts payable and accrued liabilities	(10,081)	2,890
Net cash used in operating activities	(62,910)	(12,858)
Investing activities		
Exploration and evaluation expenditures	(117,144)	(5,000)
Increase in cash during the period	(180,054)	(17,858)
Cash - beginning of period	743,336	65,104
Cash - end of period	563,282	47,246

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 Shareholder's Equity (Deficiency)***(Unaudited - Expressed in Canadian dollars)*

	Common shares	Share capital	Reserves	Deficit	Total
	Number	\$	\$	\$	\$
Balance – September 30, 2022	42,469,020	9,028,901	1,278,812	(10,585,068)	(277,355)
Loss for the year	-	-	-	(19,595)	(1,173,439)
Balance – December 31, 2022	42,469,020	9,028,901	1,278,812	(10,604,663)	(296,950)
Shares issued for private placement	10,000,000	600,000	-	-	600,000
Share issuance costs	-	(9,297)	-	-	(9,297)
Warrant exercises	13,189,000	1,412,619	(93,719)	-	1,318,900
Share-based compensation	-	-	321,449	-	321,449
Loss for the period	-	-	-	(1,153,844)	(1,153,844)
Balance – September 30, 2023	65,658,020	11,032,223	1,506,542	(11,758,507)	780,258
Loss for the period	-	-	-	(61,341)	(61,341)
Balance – December 31, 2023	65,658,020	11,032,223	1,506,542	(11,819,848)	718,917

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

INDIGO EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements

Three months ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

1 NATURE AND CONTINUANCE 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 (the “Exchange”) under the symbol “IXI”, the OTCQB under the symbol IXIXF, and the Frankfurt Stock Exchange under the symbol INEN. The Company is in the exploration stage and has interests in Metallic and Industrial Minerals permits in central Alberta, Canada covering lithium-bearing formation brine and one property located in Burkina Faso. The Company’s corporate head office is located at Suite 1100 – 1199 West Hastings Street, Vancouver, British Columbia, Canada.

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. During the three months ended December 31, 2023, the Company incurred a loss of \$61,341 (December 31, 2022 - \$19,595). As at December 31, 2023, the Company had not yet achieved profitable operations, had a deficit of \$11,819,848 (September 30, 2023 - \$11,758,507) since inception, a working capital of \$508,880 (September 30, 2023 – \$597,323), and expects to incur further losses in the development of its business. These circumstances indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the Company 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 explore its the mineral property interests 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.

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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, 2023, which have been prepared in accordance with IFRS.

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, 2023.

These financial statements were approved by the board of directors on February 29, 2024.

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no revisions to the nature of judgements and amount of estimates reported in the Company’s September 30, 2023 annual consolidated financial statements.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three months ended December 31, 2023 and 2022***(Expressed in Canadian dollars)***4 EXPLORATION AND EVALUATION ASSETS**

	Lithium Brine, Alberta
	\$
Balance – September 30, 2022	6,250
Acquisition costs	
Cash	5,000
Exploration costs	
Assaying	24,050
Field	3,301
Sampling	33,990
Geological consultants	90,344
Total exploration costs	151,685
Balance – September 30, 2023	162,935
Exploration costs	
Field	2,343
Sampling	(7,559)
Geological consultants	52,318
Total exploration costs	47,102
Balance – December 31, 2023	210,037

Lithium Brine Project – Alberta, Canada

The Company has been granted 18 metallic and industrial minerals permits in Fox Creek, Leduc and Grande Prairie areas of Alberta, Canada.

Hantoukoura Project – Burkina Faso, West Africa

The Company holds a 100% interest in the Hantoukoura (previously Kodyel). On March 2, 2017, the Kodyel permit area was re-permitted as the Hantoukoura permit of equal size and position as the Kodyel permit. On December 4, 2017, the Minister in charge of Mines in Burkina Faso suspended all activity on the permit in light of the security issues related to border issues between Niger and Burkina Faso. The length of the suspension period will be added back onto the length of the permit. As the Company was unable to confirm title to the property and there is no certainty if the suspension will be lifted, the property was written down to \$Nil as at September 30, 2019. As at December 31, 2023 the suspension has not been lifted.

5 LOANS PAYABLE

During April 2020, the Company received loans for total proceeds of \$20,000. The loans are unsecured, non-interest bearing and due on demand. The Company received a further advance under the same terms during January 2022, for \$10,000. As at December 31, 2023, \$30,000 (September 30, 2023 - \$30,000) is still outstanding.

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three months ended December 31, 2023 and 2022***(Expressed in Canadian dollars)***6 SHARE CAPITAL**

a) Authorized:

Unlimited common shares without par value.

b) Financing:

There were no financing activities during the three months ended December 31, 2023 and 2022.

c) Stock options:

The Company's stock options outstanding as at December 31, 2023 and September 30, 2023 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, 2022	-	-	-
Issued	3,100,000	\$0.08	-
Balance September 30, 2023	3,100,000	\$0.08	4.39
Balance December 31, 2023	3,100,000	\$0.08	4.14

As at December 31, 2023, the Company had the following options outstanding:

Expiry Date	Exercise price	Remaining life (years)	Options outstanding and exercisable
February 14, 2028	\$0.0825	4.13	2,800,000
April 14, 2028	\$0.0825	4.29	300,000
		4.14	3,100,000

d) Warrants:

The Company's share purchase warrants outstanding as at December 31, 2023 and September 30, 2023 and the changes for the years then ended is presented below:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, September 30, 2022	18,247,333	\$0.11	0.90
Issued	5,000,000	\$0.10	-
Exercised	(13,189,000)	\$0.10	-
Balance September 30, 2023	10,058,333	\$0.12	1.01
Balance December 31, 2023	10,058,333	\$0.12	0.76

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three months ended December 31, 2023 and 2022***(Expressed in Canadian dollars)*

As at December 31, 2023, the Company had the following warrants outstanding:

Expiry Date	Exercise price	Remaining life (years)	Warrants outstanding
May 11, 2024	\$0.15	0.36	5,058,333
February 27, 2025	\$0.10	1.16	5,000,000
		0.76	10,058,333

7 RELATED PARTY TRANSACTIONS

Key management personnel are the people responsible for the planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company's key management personnel include all directors, officers and companies associated with them including the following:

- Buena Tierra Development Ltd ("Buena Tierra"), a company owned by Paul Cowley, the President, Chief Executive Officer and a director of the Company;
- Whytecliff Resources Corp., a company owned by a director of the Company.

Compensation paid or payable to the directors, the Chief Executive Officer and the Chief Financial Officer for services provided during the three months ended December 31, 2023 and 2022 was as follows:

	2023	2022
	\$	\$
Accounting fees	4,051	1,711
Exploration and evaluation asset	45,339	-
Management and administration fees ⁽¹⁾	18,000	-
	67,390	1,711

⁽¹⁾ The charge includes consulting fees to Buena Tierra with which the Company has an on-going agreement with.

As at December 31, 2023, accounts payable and accrued liabilities include an amount of \$11,550 (September 30, 2023 \$22,790) due to officers and directors 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.

8 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:

	December 31, 2023	September 30, 2023
	\$	\$
Canada	839,478	981,802
Burkina Faso	1,314	454
Total assets	840,792	982,256

INDIGO EXPLORATION INC.**Notes to the Condensed Interim Consolidated Financial Statements****Three months ended December 31, 2023 and 2022***(Expressed in Canadian dollars)*

Geographic segmentation of the Company's loss during the three months ended December 31, 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Canada	47,890	16,330
Burkina Faso	13,451	3,265
Loss and comprehensive loss	61,341	19,595

9 SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flow. The following transactions were excluded from the condensed interim consolidated statements of cash flows as at December 31, 2023 and September 30, 2023:

	December 31, 2023	September 30, 2023
	\$	\$
Non-cash investing and financing transactions		
Exploration and evaluation assets included in accounts payable	19,425	89,467

10 FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities and loans payable. All are measured at amortized cost. As at December 31, 2023, the Company believes that the carrying values of financial instruments approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company's risk exposures and the impact on the Company's financial instruments are discussed in the consolidated financial statements for the year ended September 30, 2023 and have not changed significantly during the three months ended December 31, 2023.