

INDIGO EXPLORATION INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2024

The following information, prepared as of March 3, 2025, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Indigo Exploration Inc. (the “Company” or “Indigo”) for the three months ended December 31, 2024 and 2023, together with the audited financial statements of the Company for the year ended September 30, 2024. The referenced consolidated financial statements have been prepared in accordance and using accounting policies in full compliance with IFRS Accounting 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 listed on the OTCQB under the symbol IXIXF and the Frankfurt Stock Exchange under the symbol INEN.

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 on uranium. The Company’s venture into lithium brines in Alberta, Canada has been discontinued due to low lithium prices resulting in an extreme reduction in investor interest in lithium project and companies focused on lithium. Added to that, the Alberta government changed the land holding agreements and cost in the new year with an unsustainable high rate. The Company allowed the Metallic and Industrial Minerals permits totaling 147,904 hectares (147.9 km² or 365,479 acres) covering lithium-bearing formation brine to expire on April 16, 2024.

The Company has 100% interest in the Hot Property, a highly prospective uranium project located in the past producing Shirely Basin of Wyoming, USA. The Hot Property, which is comprised of 71 unpatented mineral claims covering a 5.75 km² area.

The Company retains a gold permit in the Republic of Burkina Faso, West Africa through its operating company Sanu Resources Burkina Faso S.A.R.L. (“Sanu Burkina”).

RECENT HIGHLIGHTS

January 30, 2025, the Company announced that, subject to approval of the TSX Venture Exchange (the TSX-V), the company proposed to consolidate its common shares on a 2 for 1 basis.

January 30, 2025, the company announced a non-brokered private placement of up to 20,000,000 post-consolidated unites at a price of \$0.06 per unit for gross proceeds of up to \$1,200,000. Each unit will be comprised of one share and one warrant. Each warrant will be exercisable into a share for a period of two years at a price of \$0.10 per share. The Company expects to use the proceeds of the private placement to carry out exploration work on the Company’s Hot Property, a uranium project located in the past producing Shirley Basin of Wyoming, and for general working capital purposes.

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January 27, 2025, the Company announced drill results from Phase 1 48-hole drill program on its uranium project located in the past producing Shirley Basin of Wyoming. Greater than 90% of the holes encountered uranium intercepts. Forty-four of the 48 vertical holes completed by Indigo encountered 165 intercepts of uranium mineralization with a grade at or over 0.01% eU₃O₈, typically having 3-4 zones per hole. Forty of 48 holes encountered 133 intercepts of uranium mineralization 0.91-7.92m (3-26 ft) thick, similarly averaging 1.6m (5.2 ft) thick with a grade estimate of at or over 0.01% eU₃O₈.

January 16, 2025, the Company announced that it had completed 48 of the planned 50-hole drill program on the Hot Property.

January 8, 2025, the Company announced that it had commenced a planned 50-hole drill program on its Hot Property, its highly prospective uranium project located in the past producing Shirley Basin of Wyoming. This of Indigo's first drill campaign will systematically cover a 1.3km² area or a quarter of the property, with holes spaced roughly every 160 metres apart.

October 25, 2024, the Company announced it had entered into loan agreements with certain lenders pursuant to which an aggregate of \$170,000 (the "Loan") has been made available to the Company. The Company received TSXV approval on November 14, 2024.

July 9, 2024, the Company announced that it entered into an agreement to acquire a 100% interest in the Hot Property, a highly prospective uranium project located in the past producing Shirley Basin of Wyoming. The Hot Property is comprised of 71 unpatented mineral claims covering a 5.75 km² area. The Company received TSXV approval on July 26, 2024.

EXPLORATION AND EVALUATION ASSETS

Bradley Parkes, P.Geo, VP Exploration 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 related to uranium, including any technical information in this MD&A.

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 related to gold in Burkina Faso, including any technical information in this MD&A.

USA

The Hot Property in the Shirley Basin of Wyoming is comprised of 71 unpatented mineral claims covering a 5.75 km² area. The Hot Property claims have seen extensive historical exploration dating back to the 1960's with over 200 holes drilled. The Project is located adjacent to Uranium Energy Corp.'s (UEC-NYSE) Shirley Basin project, Ur-Energy Inc.'s (URG-NYSE) Shirley Basin mine, and Nuclear Fuels Inc.'s (NF-CSE) Bobcat Uranium Project. Ur-Energy's Shirley Basin project hosts an NI 43-101 Measured and Indicated Resource of 8.8 Mlb U₃O₈ grading 0.23% and is currently under construction and only 1.8km from Indigo's property. On January 27, 2025, the Company announced drill results from Phase 1 48-hole drill program on its uranium project located in the past producing Shirley Basin of Wyoming. Greater than 90% of the holes encountered uranium intercepts. Forty-four of the 48 vertical holes completed by Indigo encountered 165 intercepts of uranium mineralization with a grade at or over 0.01% eU₃O₈, typically having 3-4 zones per hole. Forty of 48 holes encountered 133 intercepts of uranium mineralization 0.91-7.92m (3-26 ft) thick, similarly averaging 1.6m (5.2 ft) thick with a grade estimate of at or over 0.01% eU₃O₈.

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On May 23, 2024, the Company entered into a Membership and Share Exchange Agreement (the “Agreement”) with Drakensberg Resources LLC (“Drakensberg”) and a private vendor (“Member of Drakensberg”), a limited liability company incorporate under the State of Arizona, to acquire the Hot Property claims. Under the Agreement, the Company will issue 200,000 common shares (issued) and pay \$20,000 (paid) to the Member of Drakensberg Resources LLC for a 100% interest in Drakensberg Resources LLC. The fair value of the common shares and cash paid for Drakensberg Resources LLC has been allocated to acquisition costs of this project.

January 8, 2025, the Company announced that it had commenced a planned 50-hole drill program on its 100% owned Hot Property. This of Indigo’s first drill campaign will systematically cover a 1.3km² area or a quarter of the property, with holes spaced roughly every 160 metres apart.

Canada

The Company was granted 18 Metallic and Industrial Minerals permits in central Alberta, Canada covering significant subsurface Devonian reef reservoir aquifers with the potential to produce large volumes of lithium-bearing formation brine. The permits granted by Alberta Department of Energy total 147,904 hectares (147.9 km²) and lie in the Fox Creek, Leduc and Grande Prairie areas. The acquired permits were selected based on their proximity to wells recording lithium brine levels between 72 and 130mg/l from the Leduc Carbonate Reef complex Woodbend Group and the underlying Beaverhill Lake Group rock. The aquifers in these units historically have been known to host the highest grades of lithium-in-brine in Alberta. There are over 700 wells that have been drilling on the Indigo permit areas.

The Company’s venture into lithium brines in Alberta, Canada has been discontinued due to low lithium prices resulting in an extreme reduction in investor interest in lithium project and companies focused on lithium. Added to that, the Alberta government changed the land holding agreements and cost in the new year with an unsustainable high rate. The Company allowed the Metallic and Industrial Minerals permits to expire April 16, 2024.

Burkina Faso

The Company holds the Hantoukoura permit 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 nine producing mines and several projects in the advanced and development stages. Burkina Faso relies primarily on farming and mining as its main sources of revenue.

Hantoukoura (previously Kodyel) Exploration Permit

During the year ended September 30, 2017 the Company secured the permit to the previously named Kodyel permit when the area was re-permitted as the Hantoukoura permit. The Hantoukoura permit is of equal size and position as the original Kodyel permit. The Hantoukoura permit is valid for three years and renewable for up to six additional years.

The 191 square kilometres Hantoukoura 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 Hantoukoura permit covers an extension of the Fada N’Gourma greenstone belt that extends into Niger. The Hantoukoura 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: the extensive Tangounga, Hantekoura (CFA) and Kodyel 1 artisanal workings. The Songonduari artisanal workings lie off the permit but lies in the same structure, continuing towards and into Niger.

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During the year ended September 30, 2018, the Company received notice from the Ministry of Mines of Burkina Faso that it had temporarily suspended access, including performing exploration activities on the Hantoukoura permit until the border with Niger is physically demarcated. The Minister has agreed the permit will remain in good standing through the suspension period and that the length of the suspension period will be added back onto the length of the permit. The Company intends to complete a sizable work program, once access is re-instated and is monitoring the progress of the demarcation of the border. As the Company has no certainty if the suspension will be lifted, the property was written down to \$Nil as at September 30, 2019. To date, the Company has not received an update and the suspension is still in effect.

QUARTERLY INFORMATION

The following is selected financial data from the Company's unaudited quarterly consolidated financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended December 31, 2024.

For the quarter ended (\$)	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024
Total revenues	-	-	-	-
Loss for the period	(102,575)	(69,733)	(323,588)	(63,682)
Loss per share (basic and diluted) ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	626,496	341,753	421,414	734,522

For the quarter ended (\$)	Dec 31, 2023	Sept 30, 2023	June 30, 2023	Mar 31, 2023
Total revenues	-	-	-	-
Loss for the period	(61,340)	(241,017)	(500,605)	(412,222)
Loss per share (basic and diluted) ⁽¹⁾	(0.00)	(0.00)	(0.01)	(0.01)
Total assets	840,792	982,256	1,167,279	491,839

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

The increase in total assets as at December 31, 2024 is due to exploration activity at Hot Property, the uranium project in Shirley Basin of Wyoming.

RESULTS OF OPERATIONS

The Company recorded a loss of \$102,575 and \$61,340 (\$0.00 and \$0.00 loss per share, respectively) for the three months ended December 31, 2024 and 2023 respectively.

The overall increase in general operating expenses is due to the increased activity of the company. Specifically, investor relations and filing fees, and financing fees.

The increase in general operating expenses is due to the following:

- a) Investor relations: \$7,031 (2023 – \$2,182)
The increase is due to the Company engaging investor relations consultants during the period.
- b) Filing fees: \$16,827 (2023 – \$9,524)
The increase in filing fees is due to the Company's AGM during the period.

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FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

Financing Activities

During the three months ended December 31, 2024, the Company received shareholder loans for gross proceeds of \$170,000. The loans were unsecured, bear interest of 10% per annum and are due 12 months from the date of receipt. A total of 340,000 bonus shares were issued to the holders upon TSXV approval. The value of \$20,400 was attributed to the bonus shares. The Company also paid a total of \$7,500 in cash finders' fee.

Exploration and Evaluation Expenditures

The exploration and evaluation assets expenditures of the Company during the three months ended December 31, 2024 included exploration and evaluation assets expenditures of \$219,584 (2023 – \$47,102) on the Company's Hot Property in Wyoming, USA. Refer to Note 4 in the condensed interim consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed \$134,328 of cash for the three months ended December 31, 2024 (2023 – \$62,910). The Company spent \$22,852 (2023 – \$117,144) on exploration and evaluation assets expenditures. The company received shareholder loans of \$170,000 during the three months ended December 31, 2024.

The Company's aggregate operating, investing and financing activities during the three months ended December 31, 2024, resulted in a net increase in its cash balance from \$199,750 as at September 30, 2024 to \$212,750 as at December 31, 2024. The Company has a working capital deficit of \$203,761 as at December 31, 2024 compared to a working capital of \$162,234 at September 30, 2024.

The Company has not put any of its exploration and evaluation assets into commercial production 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

Key management personnel are the persons 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 the President, Chief Executive Officer and a director of the Company.
- Whytecliff Resource Corp., a company owned by a director of the Company.

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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, 2024, and 2023 was as follows:

	2024	2023
	\$	\$
Accounting fees	3,044	4,051
Exploration and evaluation asset	15,000	45,339
Management and administration fees	18,000	18,000
Share-based compensation	-	-
	36,044	67,390

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

As at December 31, 2024, accounts payable and accrued liabilities include an amount of \$19,745 (September 30, 2024 – \$11,550) and loans payable included an amount of \$20,000 (September 30, 2024 - \$nil) due to officers and / or directors of the Company and/or companies they control or of which they were significant shareholders.

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, 2024, 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, 2024 and have not changed significantly during the three months ended December 31, 2024.

OUTSTANDING SHARE DATA

The following table discloses the Company's share capital structure as at the date of this MD&A.

- a) Authorized: Unlimited common shares without par value.
- b) Issued and outstanding: 33,269,010 common shares
- c) Outstanding options and warrants

Type of Security	Number	Exercise Price	Expiry Date
Stock options	1,400,000	\$0.165	February 14, 2028
Stock options	150,000	\$0.165	April 14, 2028

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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 three months ended December 31, 2024, and 2023, and this accompanying MD&A (together, the "Interim 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 filings on SEDAR+ at www.sedarplus.ca.

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 its exploration and evaluation asset 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 kilometer 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.

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OUTLOOK

The Company's focus is on uranium. The company acquired a 100% interest in the Hot Property, a highly prospective uranium project located in the past producing Shirley Basin of Wyoming is a significant new development for the Company. The completion of a 48 hole Phase 1 drilling program with the objective of a quick and low-cost test to verify uranium mineralization on the property was met with success. Company geologists will be working with this data for a more comprehensive interpretation and evaluation before a Phase 2 program is designed to target the nose of the roll fronts in the uranium-bearing stratigraphy on the property.

The Company will consider exploration on its Hantoukoura (formerly named Kodyel) permit subject to when the Minister of Mines reverses suspension and it is safe to work in the area.

OTHER INFORMATION

Additional information related to the Company is available for viewing on SEDAR+ at www.sedarplus.ca.

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 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 when a project is actually developed.

Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of the date of this MD&A.

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.

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".