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## INITIAL DRILL RESULTS FROM PHASE 2 DRILLING CAMPAIGN OCAÑA PORPHYRY CU-MO-AU PROJECT

**Supergene target intercepts include:**  
**OCA007 with 53.6 metres of 0.81% copper**  
**OCA006 with 50 metres of 0.65% copper**  
**-including 18 metres of 1.2% copper**  
**OCA003 with 51 metres of 0.51% copper**

NR12-16

December 10, 2012

**Vancouver, British Columbia** - Indico Resources Ltd. ("Indico" or the "Company") (TSX-V: IDI, OTCQX: IDIFF) is pleased to provide initial drill results from the Phase 2 drilling campaign at the Ocaña Cu-Au-Mo porphyry in Arequipa Region, Southern Peru. The Phase 2 programme, now complete, tested the thickness and grade of sulphide and oxide supergene mineralization intersected by two holes in Phase 1, delineated higher-grade hypogene zones that occur mainly within the breccia target at the centre of the system, and extended the southern and eastern edges of both hypogene and supergene mineralization. The supergene mineralization is the main target, as it is amenable to low-cost, acid heap leaching, based on soluble copper tests on core samples from two Phase 1 drill holes.

All 19 holes of Phase 2 have been completed, with assay results received for the first 7 holes (Table 1). A total of 4733 metres were drilled (Figure 1). The supergene target was successfully tested by six vertical holes along the crest of the southern ridge and expanded into the centre of the system by three angled holes (OCA004, 5 & 6). Under the southern ridge, the supergene blanket is consistently approximately 50 metres thick, dips to the west subparallel to the ridge crest, and has an east-west dimension of over 700 metres, with a width over 200 metres at the west end, increasing to 400 metres on the east end. Under the central part of the system the blanket averages about 30-45 metres thick and thins to the east as the slope steepens. The blanket consists of copper oxide and sulphate minerals near the top, grading down into dominantly chalcocite at the base, where it transitions sharply to hypogene chalcopyrite mineralization (Figure 2).

This programme also intersected the strongest hypogene grades yet encountered on the property, with the highest grades occurring in the eastern half within the east-west trending breccia. The breccia comprises mostly fine diorite (diabase) fragments with dacite fragments increasing toward the contact with the main dacite host rock. The highest copper grades are within strong potassic alteration with a weak to moderate quartz-sericite overprint. Significant gold grades accompany the copper within the breccia (see Table 1), for example, OCA004 which intersected 264 metres of 0.36% copper and 0.15 g/t gold, including 39 metres of 0.69% copper and 0.20 g/t gold. Hole OCA005 intersected 111.5 metres of 0.5% Cu and 0.12 g/t gold, or 0.67% Cu Eq.

Bob Baxter, President and CEO commented, “We are extremely pleased to have seen the high grade copper results in the oxide and supergene enriched zones overlying the sulphide mineralization at our Ocaña project. Oxide copper discoveries have not been common in recent years. We believe it is important that additional drilling be undertaken in 2013 to further delineate the high grade zones and define a resource that is amenable to SXEW processing. We are also delighted to see the consistency of the gold credit along with good copper mineralisation in the sulphide mineralisation. Further drilling of the sulphide mineralisation will allow for definition and proper modeling of the higher and lower grade mineralisation in order to calculate a NI 43-101 compliant resource”.

Based on the successful Phase 2 results, Indico plans to continue with a Phase 3 program of about 30 short (100 metre) infill drill holes at about 100-metre spacing to further delineate the supergene blanket. This programme is expected to start in early 2013.

Hole	From (m)	To (m)	Interval	Cu%	Mo (ppm)	Au g/t	Ag g/t	CuEq*	Zone
OCADH001	27.4	56.3	28.9	0.187	20	0.021	0.6	<b>0.217</b>	mixed
	89	440	351	0.231	83	0.030	1.0	<b>0.304</b>	hypogene
<i>including</i>	89	146	57	<i>0.240</i>	190	<i>0.032</i>	<i>0.8</i>	<b>0.366</b>	<i>hypogene</i>
OCADH002	87	294	207	0.219	151	0.091	0.9	<b>0.370</b>	hypogene
<i>including</i>	168	195	27	<i>0.291</i>	557	<i>0.083</i>	<i>1.6</i>	<b>0.645</b>	<i>hypogene</i>
<i>and</i>	234	294	60	<i>0.348</i>	102	<i>0.157</i>	<i>1.3</i>	<b>0.528</b>	<i>hypogene</i>
OCADH003	1.3	27	25.7	0.207	79	0.051	1.5	<b>0.299</b>	oxide
	<b>27</b>	<b>78</b>	<b>51</b>	<b>0.491</b>	71	0.049	1.9	<b>0.582</b>	<b>mixed</b>
	78	366.1	288.1	0.226	68	0.026	1.1	<b>0.290</b>	hypogene
<i>including</i>	200	272	72	<i>0.297</i>	95	<i>0.031</i>	<i>1.3</i>	<b>0.380</b>	<i>hypogene</i>
OCADH004	4	37.5	33.5	<b>0.509</b>	121	0.115	1.1	<b>0.665</b>	mixed
<i>including</i>	4	24	20	<b>0.694</b>	124	0.087	1.1	<b>0.831</b>	oxide
	37.5	301.45	263.95	0.360	112	0.153	1.8	<b>0.546</b>	hypogene
<i>including</i>	94	133	39	<i>0.689</i>	160	<i>0.198</i>	<i>2.9</i>	<b>0.943</b>	<i>hypogene</i>
<i>and</i>	184	301.45	117.45	<i>0.400</i>	120	<i>0.149</i>	<i>2.3</i>	<b>0.569</b>	<i>hypogene</i>
OCADH005	7	33.5	26.5	0.626	130	0.104	1.2	<b>0.779</b>	mixed
	33.5	145	111.5	0.501	118	0.121	2.6	<b>0.675</b>	hypogene
<i>including</i>	59	94.8	35.8	<i>0.659</i>	101	<i>0.177</i>	<i>3.3</i>	<b>0.872</b>	<i>hypogene</i>
	145	300.25	155.25	0.203	80	0.020	1.0	<b>0.267</b>	hypogene
OCADH006	11	61	50	<b>0.646</b>	115	0.171	2.7	<b>0.856</b>	mixed
<i>including</i>	26	44	18	<b>1.211</b>	199	0.224	3.6	<b>1.511</b>	<i>mixed</i>
	114	299	185	0.251	67	0.076	0.9	<b>0.349</b>	hypogene
<i>including</i>	114	177	63	<i>0.356</i>	71	<i>0.183</i>	<i>1.0</i>	<b>0.535</b>	<i>hypogene</i>
OCADH007	34	87.6	53.6	<b>0.809</b>	108	0.046	1.9	<b>0.916</b>	mixed
	108	250.05	142.05	0.151	103	0.014	0.7	<b>0.220</b>	hypogene

\*Copper equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made from recovery losses that may occur should mining eventually result. These equivalent grades should not be interpreted as actual grades since the conversion ratios vary with the volatile prices of Cu and Mo and the economic recoveries of Cu and Mo can vary significantly in actual extraction and processing. However, it is the company's opinion that elements considered here have a reasonable potential to be recovered. The three-year, moving-average metal prices used for the purposes of the equivalency calculations are copper \$US3/pound, gold \$US1500/ounce, molybdenum \$US15/pound and silver \$US21/ounce.

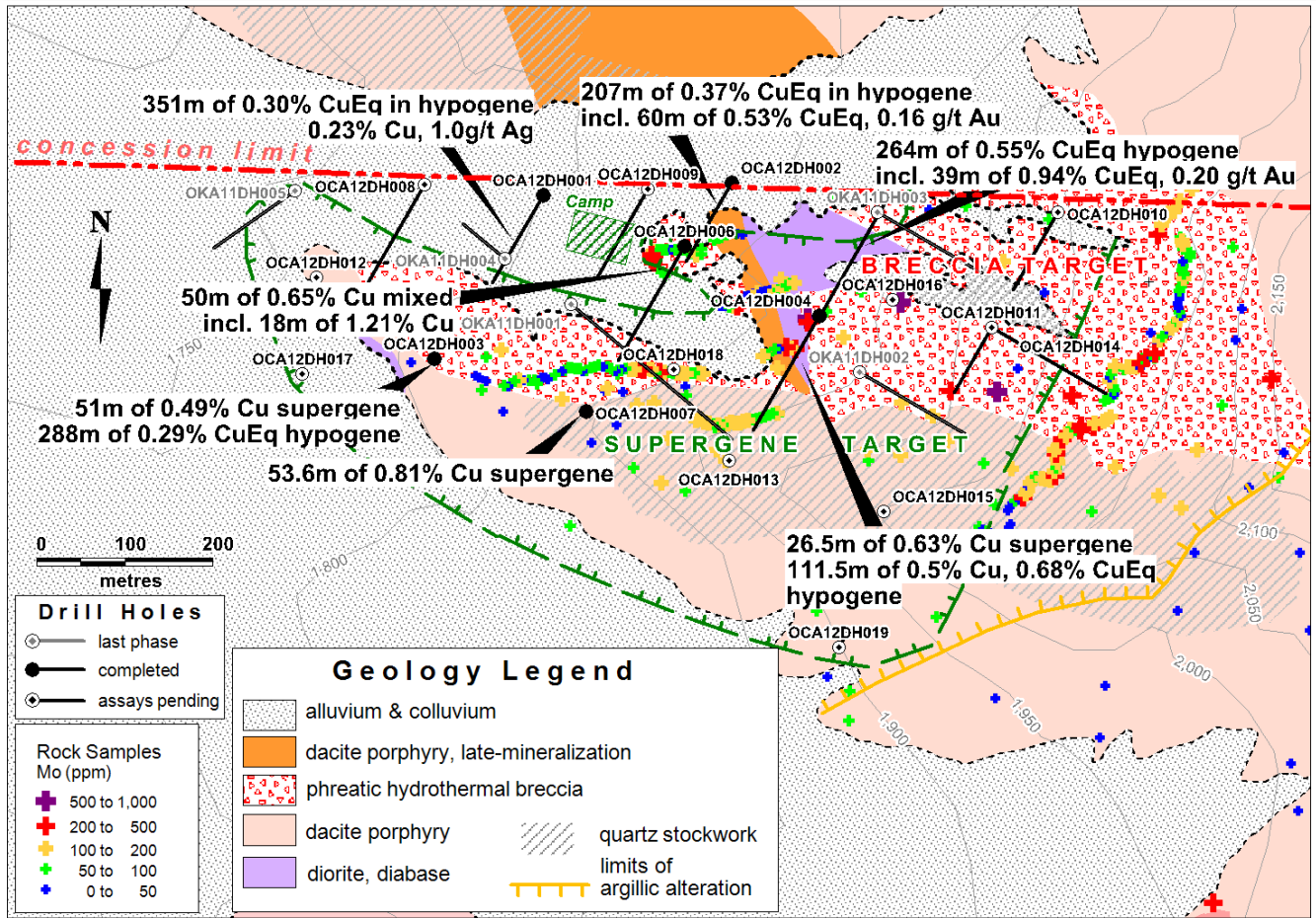


Figure 1. Significant assay results from Phase 2 drilling at the Ocaña Project; the outline of the supergene blanket with thickness > 10m is shown in green.

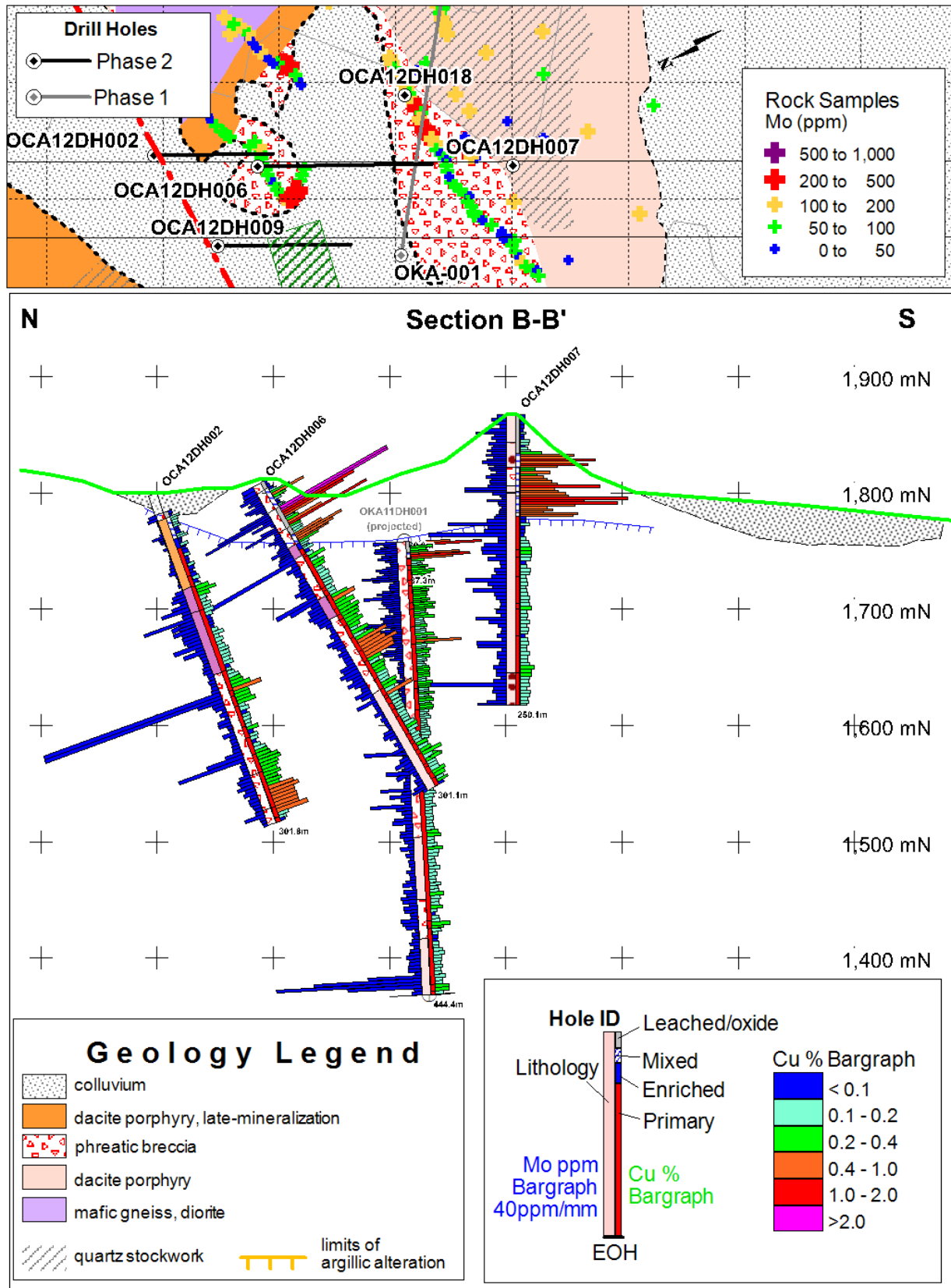


Figure 2. Cross section and plan view along holes OCA002, 6, and 7, illustrating down-hole copper and molybdenum grades.

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**Qualified Person**

John Drobe, P.Geo., Indico's Chief Operations Officer and a qualified person as defined by National Instrument 43-101, has reviewed the scientific and technical information that forms the basis for this news release. Mr. Drobe is not independent of the Company as he is an officer and a shareholder.

**Diamond Drilling and Sampling Procedures**

The diamond drilling was completed using exclusively HQ core size. Core recovery was estimated to be greater than 95% for any given hole. Core was evenly split with a diamond saw, with one half collected for sample preparation and analysis, and the other half retained for future reference. Samples were collected on a 2.0m and 3.0m sample interval. Indico on-site personnel rigorously mark, collect, and track samples which are then security sealed and shipped to Acme, Lima, Peru for preparation. Pulps are then forwarded to Acme's analytical lab in Santiago, Chile.

Analytical accuracy and precision are monitored by the analysis of reagent blanks, certified reference material, and duplicate (coarse rejects and quarter core) samples. Indico inserts blind certified reference material at regular intervals (1 in 20) into the sample sequence by field personnel in order to independently assess analytical accuracy. In addition, representative blind duplicate samples are routinely forwarded to Acme for additional quality control (1 in 20 coarse rejects, and 1 in 40 quarter core). Quality control is further assured by the use of certified reference material inserted 1 in 20 samples. Multi-elements were assayed using Acme's 1E package which includes 4-acid digestion and ICP-ES finish; samples with >1% copper are reassayed using an atomic absorption (AA) finish. Lower detection limits are as follows: Cu >0.001%, Mo >0.001%, Ag >0.5g/t. Gold is assayed by fire assay, in which fusion of a 30-gram aliquote is followed by AA finish; with a lower detection limit of 0.005 g/t. Acme has an 9001:2008 and 17025 International Standard Organization rating.

The geochemical results were compiled and reviewed by John Drobe.

**About Indico Resources Ltd.**

Indico Resources Ltd. is a resource exploration company focused in the discovery and exploration of porphyry copper-gold deposits in South America. The Ocaña Porphyry Project is the Company's primary exploration project and is currently the main focus of exploration activities. Recently, the Company entered into a Memorandum of Understanding to acquire 51% initially and up to 100% eventually by fulfilling the conditions set out in the press release dated 22 October, 2012 of the Maria Reyna Cu-Mo porphyry-skarn project in the Andahuaylas-Yauri Belt, Cusco Region. This belt hosts several significant deposits, including the Las Bambas porphyry-skarn cluster (1.7 billion tonnes of 0.60% Cu), Haquira (690 million tonnes at 0.59% Cu), and the neighbouring Constancia porphyry deposit (reserves of 450 million tonnes at 0.36% Cu). For more information, please visit our website at [www.indicoresources.com](http://www.indicoresources.com); follow us on Twitter: @indicoresources and Facebook: Indico Resources Ltd.

The technical information provided in this news release was reviewed and approved by Robert. W. Baxter (FAusIMM), a director of the Company and a qualified person for the purposes of National Instrument 43-101.

On behalf of Indico Resources Ltd.,

*Robert Baxter*  
President and Chief Executive Officer

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**Cautionary Statement Regarding Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward looking information" within the meaning of the British Columbia Securities Act and the Alberta Securities Act. There can be no assurance that the Private Placement will be completed as proposed. Generally, the words "expect", "intend", "estimate", "will" and similar expressions identify forward-looking information. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward looking information. Statements in this press release regarding Indico's business or proposed business, which are not historical facts, are forward-looking information that involve risks and uncertainties, such as estimates and statements that describe Indico's future plans, objectives or goals, including words to the effect that Indico or management expects a stated condition or result to occur. Since forward-looking statements address events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made. All of the Company's Canadian public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties. The foregoing commentary is based on the beliefs, expectations and opinions of management on the date the statements are made. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.