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## CLOSING OF FIRST TRANCHE OF PRIVATE PLACEMENT OF CONVERTIBLE DEBENTURE AND APPOINTMENT OF NEW DIRECTORS

NR13-06

June 26, 2013

*Vancouver, British Columbia* - Indico Resources Ltd. ("**Indico**" or the "**Company**") (TSX-V: IDI) announces that further to its news release of May 22, 2013, the Company has closed the first tranche of a non-brokered private placement (the "**Private Placement**") of convertible debenture (the "**Convertible Debenture**") with Stonehouse Construction Private Limited, a Singapore company ("**Stonehouse**"), in the principal amount of \$574,769.03. The Convertible Debenture is due to mature on the earlier of the date upon which Stonehouse makes demand for payment in writing and June 24, 2014 and bears interest at an initial rate of 8% per annum. The Convertible Debenture is convertible in whole or in part into a maximum of 5,225,173 units (each a "**Unit**") at a price of \$0.11 per Unit. Each Unit will be comprised of one common share in the capital of the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder to purchase one Share at an exercise price of \$0.16 per Share for a period of 24 months from the date of the conversion of the Convertible Debenture, subject to Indico's right to accelerate the exercise of the Warrants (the "**Accelerated Expiry**") in the event the closing price of the Shares on the TSX Venture Exchange (the "**TSX-V**") is equal to or exceeds \$0.30 per Share for a period of 10 consecutive trading days between October 25, 2013 and the expiry of the Warrant. In the event that the Convertible Debenture from the first tranche is fully exercised and the Warrants issuable upon exercise of the Convertible Debentures are exercised, up to a total of 10,450,346 Shares would be issued.

Subject to the approval of TSX-V, Stonehouse may at its' sole discretion elect to receive units of Indico (the "**Interest Units**") in payment of all or any part of the accrued interest payable at the end of the term. Each Interest Unit shall be comprised of one Share and one Warrant (the "**Interest Warrant**") entitling the holder to acquire an additional Share for a period of 24 months from the date of conversion of the Debentures subject to the Accelerated Expiry. The conversion price on the Interest Units and the exercise price of the Interest Warrants shall be the lowest price allowable under the policies of the TSX-V at the time TSX-V approval is obtained for such interest conversion.

The Company expects to close the second tranche (the "**Second Tranche**") of the Private Placement for an additional Convertible Debenture with Stonehouse in the principal amount of \$925,230.97 at the end of July 2013.

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The Company will hold an Extraordinary Meeting of its shareholders on July 15, 2013 to approve the potential change in control (the "**Change of Control**") arising from the issuance of the Convertible Debentures in connection with the Private Placement. In the event that the shareholders of the Company do not resolve the conversion terms at the Extraordinary Meeting and under certain other event of default, the interest rate of the Convertible Debentures will be increased to 12% per annum.

Following completion of the Private Placement, Stonehouse now has direct ownership and control over the Convertible Debenture having an aggregate principal amount of CAD \$574,769.03 representing 100% of the convertible debentures of the Company currently issued and outstanding, and 0 Shares of the Company. If Stonehouse were to convert the entire principal amount of the Convertible Debenture, Stonehouse would have direct ownership and control over 5,225,173 Shares of the Company representing 8.39% of the then issued and outstanding Shares of the Company and Warrants to purchase a further 5,225,173 Shares of the Company. If Stonehouse were to exercise all of the Warrants, it would then own 10,450,346 Shares representing 15.48% of the then issued and outstanding common shares of the Company.

Stonehouse acquired the Debenture for investment purposes. Subject to receipt of all requisite approvals for the Change in Control, Stonehouse presently intends to acquire the Second Tranche having an aggregate principal amount of CAD \$925,230.97. Other than the foregoing, Stonehouse has no present intention to acquire further securities of the Company, although Stonehouse may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.

All securities issued under the first tranche of the Private Placement are subject to a statutory hold period expiring on October 25, 2013 in accordance with applicable Canadian securities laws.

The net proceeds from the Private Placement will be used to further exploration of the Company's Ocaña porphyry copper-gold project in Peru and for general working capital purposes.

The Company has also appointed Tareq Damerji and Eric Wardle, as nominated by Stonehouse, to the board of directors of Indico.

#### **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), Haqira (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.

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**About Stonehouse Construction Private Limited**

Stonehouse is an international EPCM company working in the minerals, oil and gas and civil infrastructure sectors. Stonehouse is headquartered in Kuala Lumpur, Malaysia with offices in Vancouver, Singapore, Accra and Astana. Current operations include the development of the Lomonosovskoye Iron deposit in Kazakhstan, an offshore gas pipeline construction project for Malaysia's national oil and gas company Petronas and the development of a gold project in Ghana. Stonehouse was formed by a team of experienced senior executives from the construction and mining sectors who have worked in developed and emerging markets for major companies such as The Leighton Group, Jacobs and Chevron. The executives of Stonehouse have mine development and operations experience in such locations as Peru, Vietnam, Indonesia, Papua New Guinea, Kazakhstan and several countries in Africa.

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. 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.