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## **INDICO ANNOUNCES DEBT SETTLEMENT TRANSACTION**

**NR13-09**

**July 29, 2013**

**Vancouver, British Columbia - Indico Resources Ltd.** (“**Indico**” or the “**Company**”) (**TSX-V: IDI**) announces that further to the closing of the convertible debentures (the “**Convertible Debentures**”) private placement with Stonehouse Construction Private Limited (“**Stonehouse**”) as announced in the Company’s news release of July 25, 2013, the Company intends to settle an aggregate of \$12,633.43 in debt (the “**Loan**”) representing the interest on the loan advanced by Stonehouse to the Company under the Convertible Debentures and certain other debt relating to foreign exchange charges.

The Company will settle the Loan by issuing a total of 210,556 units (the “**Units**”) to Stonehouse at a deemed price of \$0.06 per Unit (the “**Shares for Debt**”). 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 \$0.10 per Share for a period of two years from July 24, 2013, the date of conversion of the Convertible Debentures, subject to Indico’s right to accelerate the exercise of the Warrants 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 the expiry date of the four month hold period and the date of expiry of the Warrants.

In light of the Company’s current working capital position and in order to preserve capital to fund the development of the Company’s projects, the Company has agreed to the conversion of the Loan into Units, subject to the approval of the TSX-V.

All securities issued in connection with the Shares for Debt Settlement will be subject to a statutory hold period of four months plus a day from either (i) the date of issuance of the underlying Convertible Debentures; or (ii) the date of issuance of the Units, in accordance with applicable securities legislation.

Closing of the Shares for Debt Settlement is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the TSX-V.

**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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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

**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.