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## INDICO SIGNS FINAL SHAREHOLDERS AGREEMENT WITH ARUNTANI ON THE IRMIN PROJECT

NR15-06

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**Vancouver, British Columbia – Indico Resources Ltd.** (“Indico” or the “Company”) (TSX-V: IDI) is pleased to announce that it has signed the final shareholders agreement with Aruntani (“Aruntani”) with respect to the development of the Irmin Copper Project (formerly Acana), located in the Arequipa region of Peru.

Pursuant to the terms of the agreement, it is expected that Aruntani will own 70% of the Irmin Project after completion of expenditures totaling US\$18.7 million, with Indico owning the remaining 30%. The partnership will continue work to develop the leachable copper resource at Irmin with the aim of constructing a 25 Mtpa SXEW plant. Immediate plans will include additional drilling to expand the leachable copper resources and conduct metallurgical testing to complete a PEA on the leachable copper project and form a new company to be named IRMIN S.A.C for the purpose of the project development.

The shareholders agreement allows for the expenditures of US\$18.7 million to be spent on the following activities:

- Property payments to underlying optioners
- Acquisition and lease payments of surface rights
- Resource calculations and evaluation
- Updating the existing semi detailed Environmental Impact Assessment for continued exploration.
- Preparation of a Pre Feasibility Study for the project development
- Preparation of an Environmental Impact Assessment for project development.
- Diamond drilling programs and construction of road access
- Detailed Engineering
- Mine Plan development
- Mining Permit
- Government Permits and Authorisations.

The new company IRMIN S.A.C. will be administered by a board of 5 including 4 Aruntani nominees and 1 Indico nominee. The constitution of the board is a transitory position and is subject to review after 2 years. Supermajority votes are required for the sale and or transfer of shares of IRMIN S.A.C., increases or reductions in share ownership by way of increases or decreases in expenditures and any company reorganization, fusion or dissolution of IRMIN S.A.C. and authorization of any project debt.

Robert Baxter, Indico’s CEO and President, comments: “We are extremely pleased to have finalized the partnership with Aruntani to develop the Irmin Cu-Au-Mo project. Aruntani is owned by Peruvian mining identity Mr. Guido Del Castillo.

Aruntani have spent in excess of US\$800,000 so far on project access and community related activities, camp relocation and project assessment. A metallurgical test program is about to be initiated on the project site.

Mr. Del Castillo has more than 35 years of experience in open pit and underground mining operations and is a prominent and highly respected personality in Peruvian mining. He began his long and illustrious career in mineral engineering having graduated from the Escuela Nacional Ingenieros in Lima followed by graduate studies at the Colorado School of Mines. Mr. Del Castillo is currently President and CEO of Aruntani and 3 other mining companies in operation.

The Irmin Property consists of 23 concessions covering 123 km<sup>2</sup> and is located on the northwest extension of the Southern Peru Porphyry Copper Belt, a trend defined in part by the Toquepala, Quellaveco, Cuajone, and Cerro Verde Mines to the southeast. Most recent exploration of the belt has resulted in discovery of the Zafranal copper-porphyry deposit, located approximately 75 km to the southeast of the Irmin Property. Indico has diamond-drilled a total of 9903 metres in 57 holes at Irmin.

In July 2014, Indico announced the maiden independent resource estimate for the supergene portion of Irmin. The Technical Report is available for review on the SEDAR website at [www.sedar.com](http://www.sedar.com) under “Company Profiles – Indico Resources Ltd.” and on the Company’s website at [www.indicoresources.com](http://www.indicoresources.com). Table 1 lists the estimated resources following Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) classification definitions at the cut-off grade of 0.1% recoverable (acid and cyanide soluble) copper. The recoverable copper cut-off, using sequential copper leach analysis, is used because it reflects a more conservative estimate of economically extractable material.

**Table 1. Irmin Supergene Resources at 0.1% Recoverable Copper Cut-off**

Classification	Millions of Tonnes	Total Cu %
Indicated	13.7	0.46
Inferred	36.1	0.34

Highlights of the mineral resource estimate are:

- Indicated mineral resource of 139 million pounds (63,000 tonnes) of total copper grading 0.46% Cu
- Inferred mineral resource 270 million pounds (122,000 tonnes) of total copper grading 0.34% Cu
- Supergene mineralization remains open to the south and east

Significant hypogene (primary sulphide) mineralization underlies the shallow supergene mineralization at Irmin, with intersections of >0.2% copper occurring over 800 metres east-west, and 600 metres north-south. Mineralization continues to the north onto the neighbouring property, and this year was drilled by Pembroke Mining Corp. as part of their Pecoy project.

As the mineralization remains open to the east, four additional long holes (400 metres each) and eleven additional short (100-150 metres) holes are currently planned to test the eastern limits of the hypogene and supergene mineralization, respectively; these will total about 3000 metres. One of the best supergene intercepts from the last drill programme is from this area: hole OCA13-27 with 31.5 metres of 0.70% total copper, and 0.63% recoverable copper.

Once the above drilling is complete, Indico intends to complete an updated supergene resource estimate and Preliminary Economic Assessment for a 15,000 – 25,000 tpd, heap-leach, SX/EW operation, producing copper cathode at site.

**About Indico Resources Ltd.**

Indico is a mineral resource exploration company focused in the discovery and exploration of porphyry copper-gold deposits in South America. The Irmin Porphyry Project, located in the Arequipa Region of Peru, is the Company's primary exploration project and is currently the main focus of exploration activities.

**Qualified Person**

John Drobe, P.Geo., Indico's Chief Operating 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.

On behalf of Indico Resources Ltd.

*Robert Baxter*

President and Chief Executive Officer

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