

Wednesday, 29 August 2012

**The Manager – Companies**  
**ASX Limited**

**FOR RELEASE TO MARKET**

Dear Sir

**Proposed Acquisition of Indian Pacific Resources Limited (IPR) by APA Financial Services Limited (APP)**

**Update by IPR to its shareholders regarding aeromagnetic survey at the Ambodilafa project**

As previously announced APA Financial Services Limited has agreed terms with Indian Pacific Resources Limited to facilitate the previously announced acquisition of IPR.

IPR has today released details of the re-interpreted aeromagnetic survey at the Ambodilafa project and other information about the proposed acquisition of IPR by APP.

The details released to IPR shareholders are potentially market sensitive and as such are now released to market

APP cannot confirm the information given to IPR shareholders by IPR regarding the expected timetable or sequence of the future steps in the acquisition consideration by APP shareholders or by ASX other than to confirm that the parties are working cooperatively to fulfil the conditions precedent and progress the acquisition.

Any queries regarding this release to market announcement should be directed to the writer.

Yours faithfully

**APA Financial Services Limited**



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**SAMELAHY PROSPECT, AMBODILAFA  
AEROMAGNETICS HIGHLIGHTS POTENTIAL FOR MAJOR IRON DEPOSIT**

**Highlights**

- **Samelahy magnetic anomaly is very intense and extends for 5km north-south with the Western Limb adding a further 2km in length.**
- **The anomaly indicates a source with a depth extent of more than 500m.**
- **Preliminary geophysical modelling indicates that the source of the magnetic anomaly is 300-400m wide.**
- **Areas with potential for high grade hematite mineralisation have been identified.**
- **Surface rock chip sampling has confirmed extensive magnetite mineralisation and also some high grade hematite.**
- **The aeromagnetics has highlighted that Samelahy has exploration potential for 1.4-2.4Bt grading 25-35% Fe<sup>1</sup>.**

Further to Indian Pacific Resources (“IPR”) announcement to shareholders on 23<sup>rd</sup> August, the Company is pleased to advise shareholders that it has received the results of the reprocessing and 3D inversion modelling of the detailed aeromagnetic survey over the Ambodilafa Project area.

The Samelahy anomaly has been highlighted as a very intense magnetic feature which has a north south strike length of 5 kilometres plus a Western Limb which adds a further 2 kilometres in length. Field rock chip sampling and reconnaissance geological mapping currently underway has confirmed that the anomaly is caused by magnetite mineralisation and has also highlighted potential for high grade hematite. Areas with potential for hematite mineralisation have been interpreted from the aeromagnetics.

<sup>1</sup> The potential quality and grade of iron deposits reported as exploration potential is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if future exploration will result in the determination of a Mineral Resource.

Data Reprocessing and Interpretation

IPR has completed reprocessing and 3D inversion modelling of detailed airborne magnetic geophysical data which was collected over the Ambodilafa Project area. The survey has highlighted the Samelahy prospect as a very intense, broad and long magnetic anomaly.

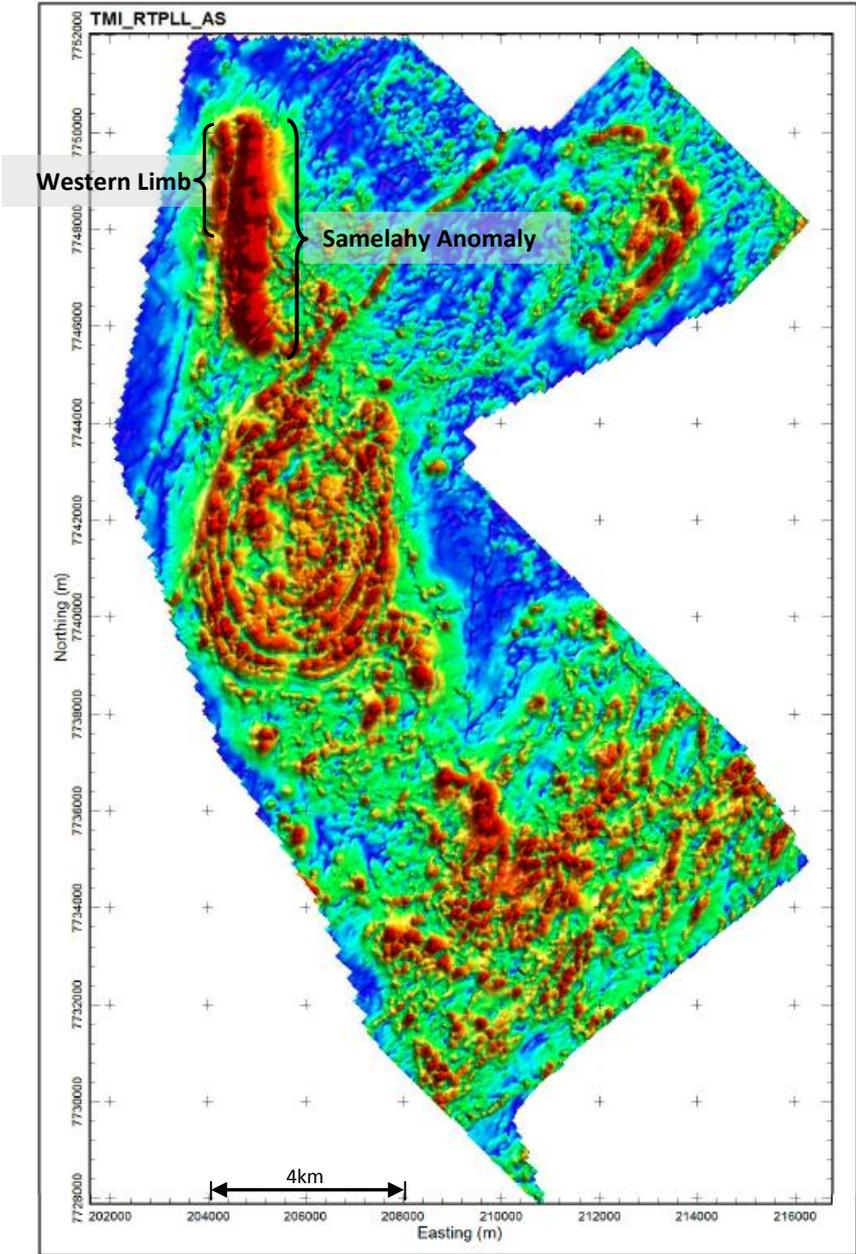
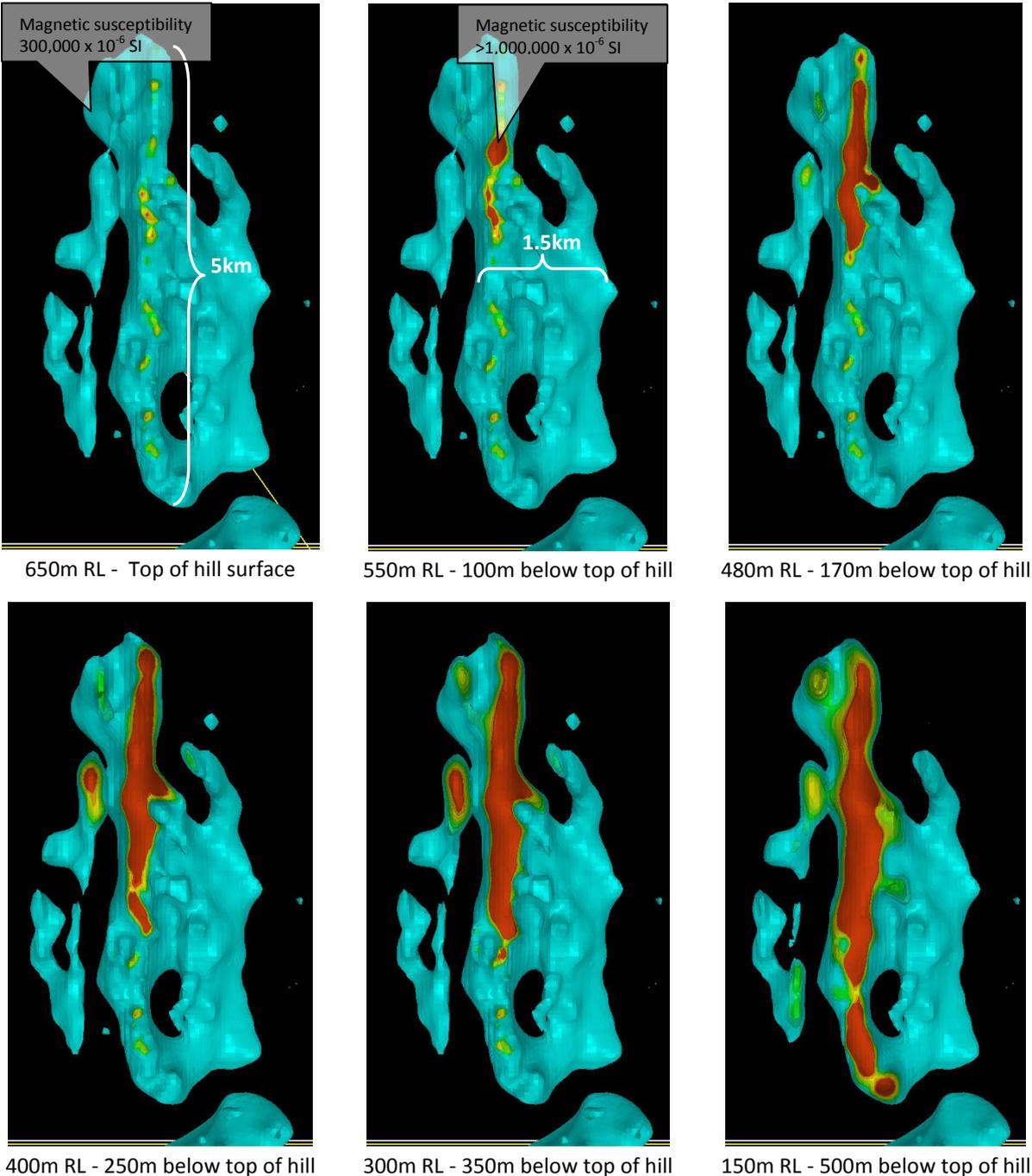


Figure 1: Total magnetic intensity reduced to pole analytic signal image of Ambodilafa which shows anomalies closest to their actual source. Note the very high intensity Samelahy anomaly in the northwest where the Western Limb can be clearly identified.



The 5km long Samelahy anomaly is very intense with depth slices (Figure 2) showing a large area with a magnetic susceptibility of  $>1,000,000 \times 10^{-6}$  SI units. Preliminary magnetic modelling indicates that the magnetic zone is 300-400m wide below surface – wider than the 150-300m zone identified during geological mapping to date. For reference, a magnetic susceptibility of  $>300,000 \times 10^{-6}$  SI units is typically an indicator of magnetite mineralisation.

Figure 2: Depth slices through an unconstrained 3D inversion model derived from the Samelahy aeromagnetic anomaly which highlight depth continuity, strike length and width of the  $>300,000 \times 10^{-6}$  SI units magnetic susceptibility zone.



650m RL - Top of hill surface

550m RL - 100m below top of hill

480m RL - 170m below top of hill

400m RL - 250m below top of hill

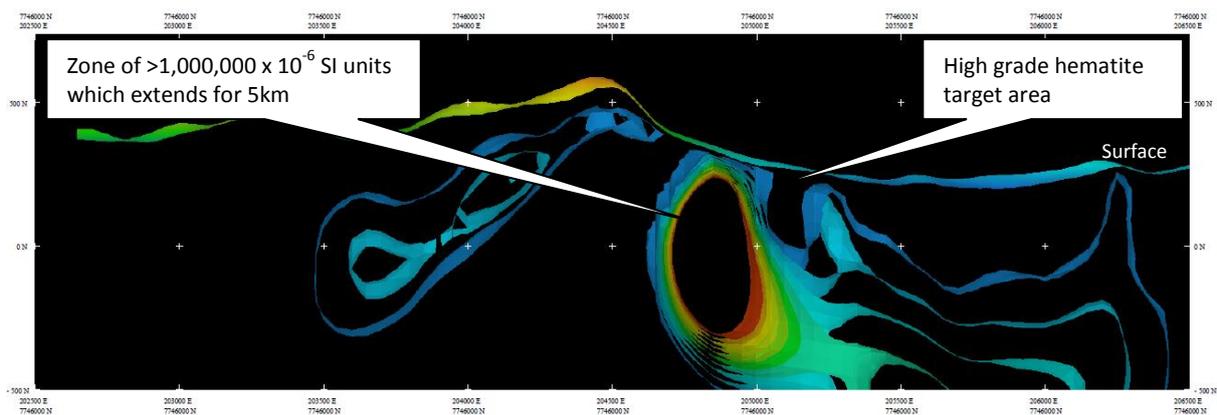
300m RL - 350m below top of hill

150m RL - 500m below top of hill

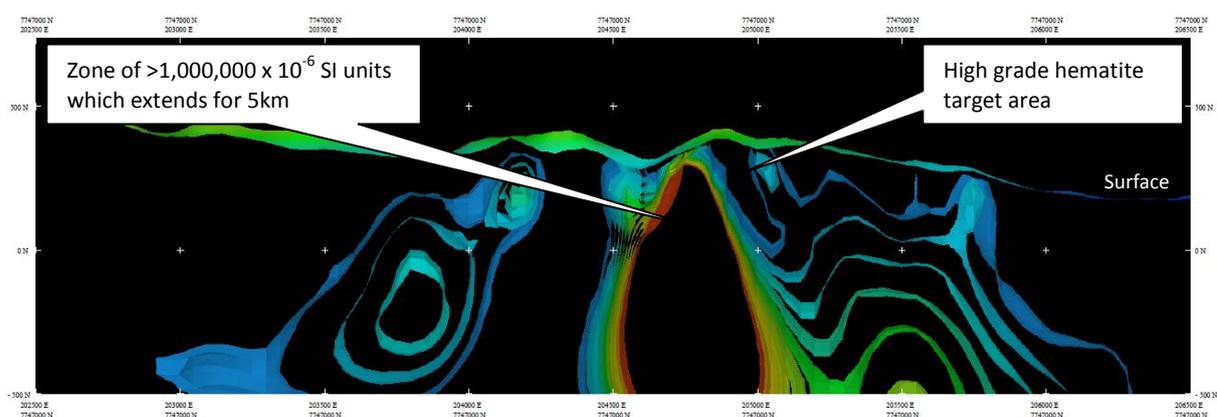
The modelling has also confirmed the 2 kilometre long Western Limb in the north and highlighted a number of areas for further investigation for high grade hematite mineralisation.

Figure 3 below shows a series of one kilometre spaced east-west cross sections through the Samelahy 3D magnetic inversion model. The sections highlight the intensity and depth of the magnetic source which is interpreted to extend below 500m from surface. The sections also highlight zones of reduced magnetic susceptibility which may be caused by alteration of magnetite to less magnetic iron minerals such as hematite and goethite. Sampling carried out on the prospect to date has indicated potential for high grade hematite mineralisation with rock chip samples grading up to 64.95% Fe<sup>2</sup> using hand held XRF.

Figure 3: East-west sections through the Samelahy 3D magnetic inversion model; Sections start at the southern end of the anomaly and are spaced at 1 kilometer (see Figure 1 for coordinates). The sections show magnetic susceptibility surfaces from 100,000 to 1,000,000 x 10<sup>-6</sup> SI units to assist in interpreting stratigraphy and structural controls.

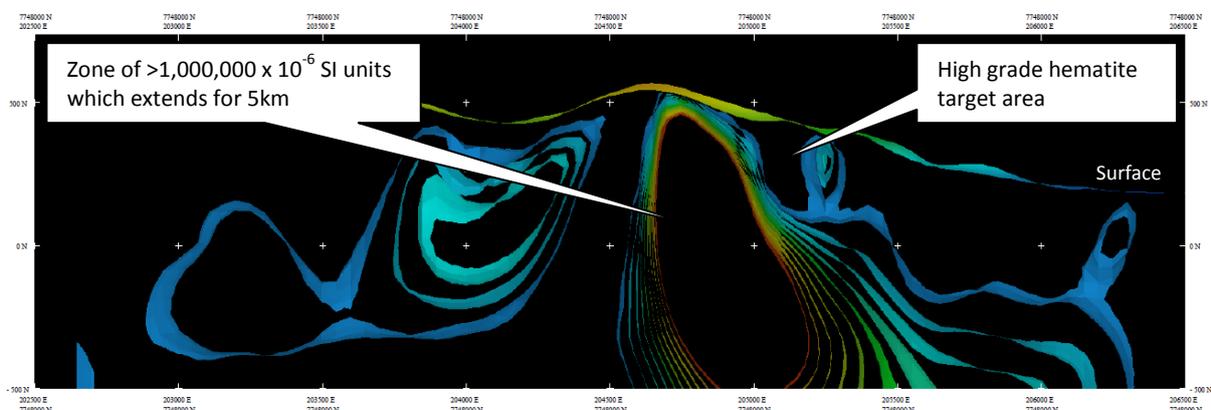


Samelahy Aeromagnetics 3D Inversion Model Cross Section at 7746000N

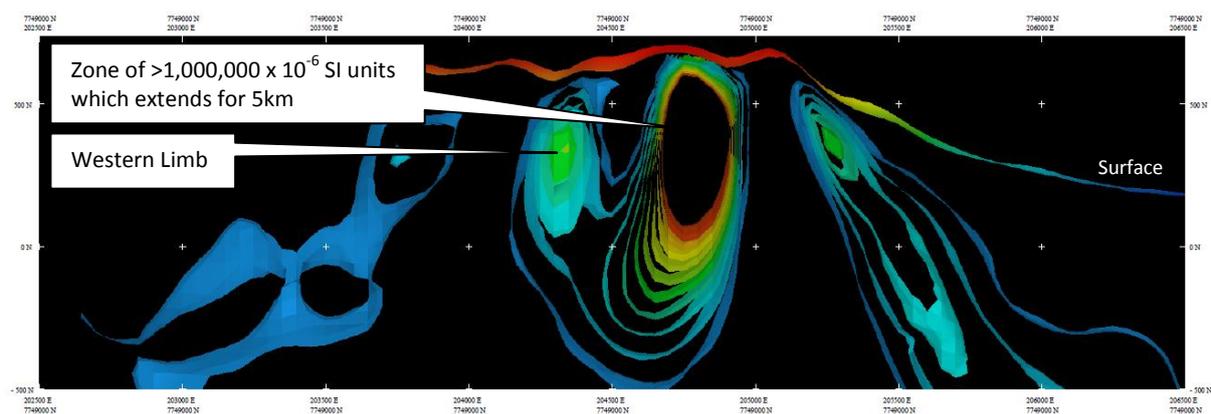


Samelahy Aeromagnetics 3D Inversion Model Cross Section at 7747000N

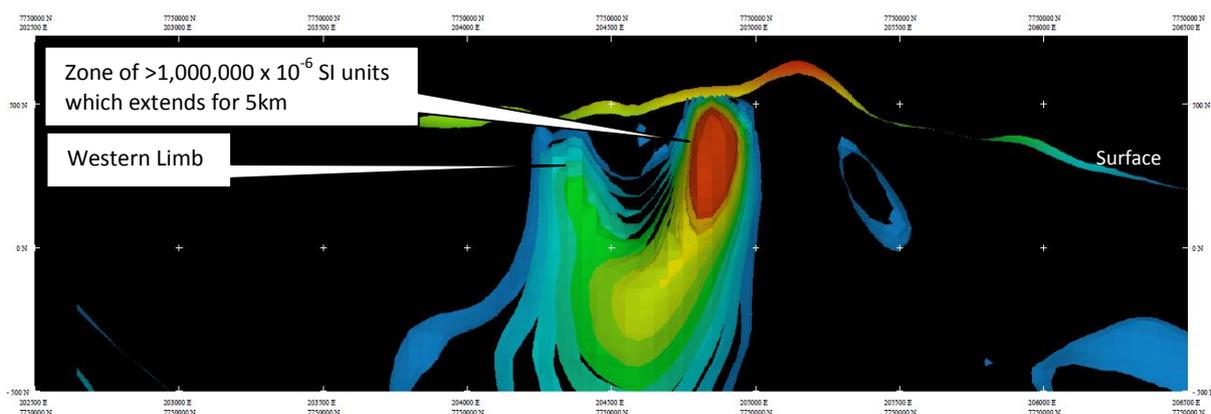
<sup>2</sup> All sample analyses have been collected using a hand held XRF on samples ground to 80 microns and are regarded as indicative only.



Samelaha Aeromagnetics 3D Inversion Model Cross Section at 7748000N



Samelaha Aeromagnetics 3D Inversion Model Cross Section at 7749000N



Samelaha Aeromagnetics 3D Inversion Model Cross Section at 7750000N

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### Aeromagnetic Survey Specifications

Key specifications for the helimag geophysical survey flown by Jubilee Platinum plc in July 2008 include:

Line spacing and trend:	100m and 135°
Tie line spacing and trend:	1,000m and 225°
Sensor terrain clearance:	~15-25m
Maximum operating airspeed:	100 knots
Data recorded:	Horizontal magnetic gradient, radiometric and positional data
Data sampling:	Magnetic ~2.5m (0.05 sec), radiometric ~50m (1 sec), altimetric ~5m (0.1 sec), GPS ~25m (0.5 sec)
Magnetometer:	Cs vapour, 0.05nT
Radiometric detector:	Exploranium GPX 256, 1,024 in <sup>3</sup> down

### Future Programme

The initial geological mapping and sampling programme at Samelahy is ongoing with work now completed on the southern extent of the aeromagnetic anomaly and preliminary hand held XRF assays are expected before the end of August. The programme over the northern extent of the aeromagnetic anomaly and the Western Limb will commence next week.

Following completion of the sampling programme and interpretation of the assay results and the aeromagnetics, work will commence on design of an initial drilling programme to commence as soon as funds are available following completion of the prospectus raising as part of IPR's reverse takeover of APA Financial Services Limited (ASX: "APP").

### APP Takeover Update

APP and IPR are currently awaiting advice from the Australian Stock Exchange regarding a term of their reverse takeover transaction. The advice is expected before the end of the week and subject to the advice confirming that the transaction can go ahead as agreed, APP will be forwarding the offer document to IPR shareholders immediately.

**Background - The Ambodilafa Project**

IPR executed a Farm-in Agreement on 22 August 2012 with AIM listed Jubilee Platinum Plc (AIM: "JLP") covering the Ambodilafa Project in Madagascar. The Ambodilafa Project is made up of 3 granted research permits, PRs 6595, 13011 and 21910 which cover an area of 48km<sup>2</sup>. The project is located approximately 45km west of the coastal town of Nosy Varika and 68km south

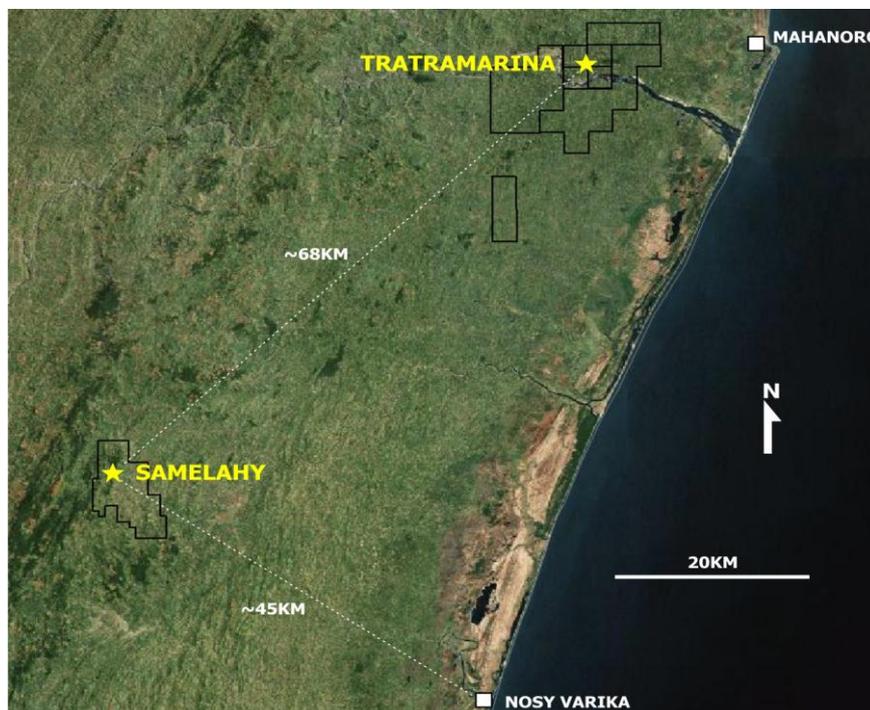


Figure 4: Samelaha – Location Plan

west of IPR’s high priority Tratramarina Project on the central east coast of Madagascar (see Figure 4). The Samelaha prospect lies within the northern portion of the tenement area.

Under the terms of the Farm-in Agreement between IPR and JLP, IPR can earn up to a 90% equity interest in all commodities (“Commodities”) other than platinum group metals, metals traded on the London Metals Exchange and chrome (“PGEs and Metals”) in the Ambodilafa Project area, Madagascar.

The key terms of the Farm-In Agreement are:

Stage	Expenditure Programme (US\$)	Timetable	IPR Interest Earned in Commodities	IPR Cumulative Interest Earned in Commodities
Stage 1	1,000,000	18 months	51%	51%
Stage 2	1,000,000	12 months	30%	81%
Stage 3	1,000,000	12 months	9%	90%

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JPL has the opportunity at the end of each stage to retain its residual equity interest in the project through contributing to future exploration. If JLP elects not to contribute at the end of Stage 3, then IPR has the right to acquire the residual 10% interest for US\$1,500,000 or convert it to a 1.5% net sales revenue royalty.

In the event that IPR's exploration at Ambodilafa discovers a PGEs and Metals deposit, JPL has rights to farm-in to the project as if IPR was the owner for the same farm-in terms and conditions.

### **Competent Person Statement**

*The information in the release relating to exploration results is based on information compiled by Mr Scott Caithness who is the Managing Director of Indian Pacific Resources Limited, a member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Caithness consents to the inclusion in the report for the matters based on his information in the form and context in which it appears.*

For further information, please contact:

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