



Announcement

# EXPLORATION - SOUTH AMERICA

## Takoradi / Hampton Mining Update

### Key Points

#### LOS CALATOS-Peru

- All results now received for recent 13 hole / 6,385 metre drill program, completed October/November 2008.
- New intersections include:
  - Hole 8 \* 256 metres at 0.71% Cu, 0.050% Mo (1.21% CuEq) (ended in mineralisation):
  - Hole 11 470 metres at 0.49% Cu, 0.083% Mo (1.32% CuEq) (ended in mineralisation):
- \* Cumulative intercept
- 10 holes intersected significant Cu-Mo mineralisation. 6 ended in mineralisation.
- Los Calatos deposit now potential to emerge as large mineralised Cu-Mo porphyry deposit.
- An initial JORC Code compliant estimate of mineral resources is being carried out by SRK Consulting (Engineers) Chile. Expected shortly

#### VALLECILLO-Chile

- A new 17 hole / 5,780 metre drill program now completed.
- Hole VD 08 intersected 184m @ 2.1 g/t Au, 27g/t Ag, 2.1% Zn and 1.29% Pb.
- Drilling, surface mapping indicates strike of at least 700metres.
- SRK preparing updated resource estimate to previously announced Inferred Resource of, 8.5million tonnes @ 1.42% Zn, 0.76g/t Au, 8.1g/t Ag and 0.25% Pb, using a cutoff grade of 0.5% Zn).

#### MOLLACAS-Chile

- Approximately 4,000 metres of infill drilling has now been completed, to upgrade resources as part of a feasibility study.

#### VICTORIA-Chile

- A revised diamond drill program of 2400 metres (6 x 400m holes on a 200 x 200m grid) is well underway at Victoria which is located adjacent to the Locia project.



## UPDATE ON EXPLORATION ACTIVITY

### LOS CALATOS

A 13 hole / 6,385 metres diamond (core) drilling program has now been completed at the Los Calatos Project, located in far south Peru (refer Figure 1), near to and in the same regional geology as the large Cuajone and Toquepala copper-molybdenum (Cu-Mo) mines.

Results from the first 5 holes of the program have been released previously. Drill analysis has now been received for holes 6 to 12, shown in Table 1. This Table includes, for comparison, results from diamond drilling at Los Calatos in 1995 and 1996.

All holes were drilled towards the south at an angle of approximately 50-60 degrees below the horizontal. All past drill holes were vertical. Figure 3 shows the location of drill holes.

Results from the recent drilling program are very encouraging. 10 of the 12 holes intersected significant Cu-Mo mineralisation, of which 6 ended in mineralisation.

Only limited drilling has been carried out so far within the targeted zone of interest which covers a surface area of approximately 600 metres x 500 metres and extends to a depth of approximately 500 metres (refer Figure 3).

Figure 1 - Los Calatos – location in Peru



Los Calatos

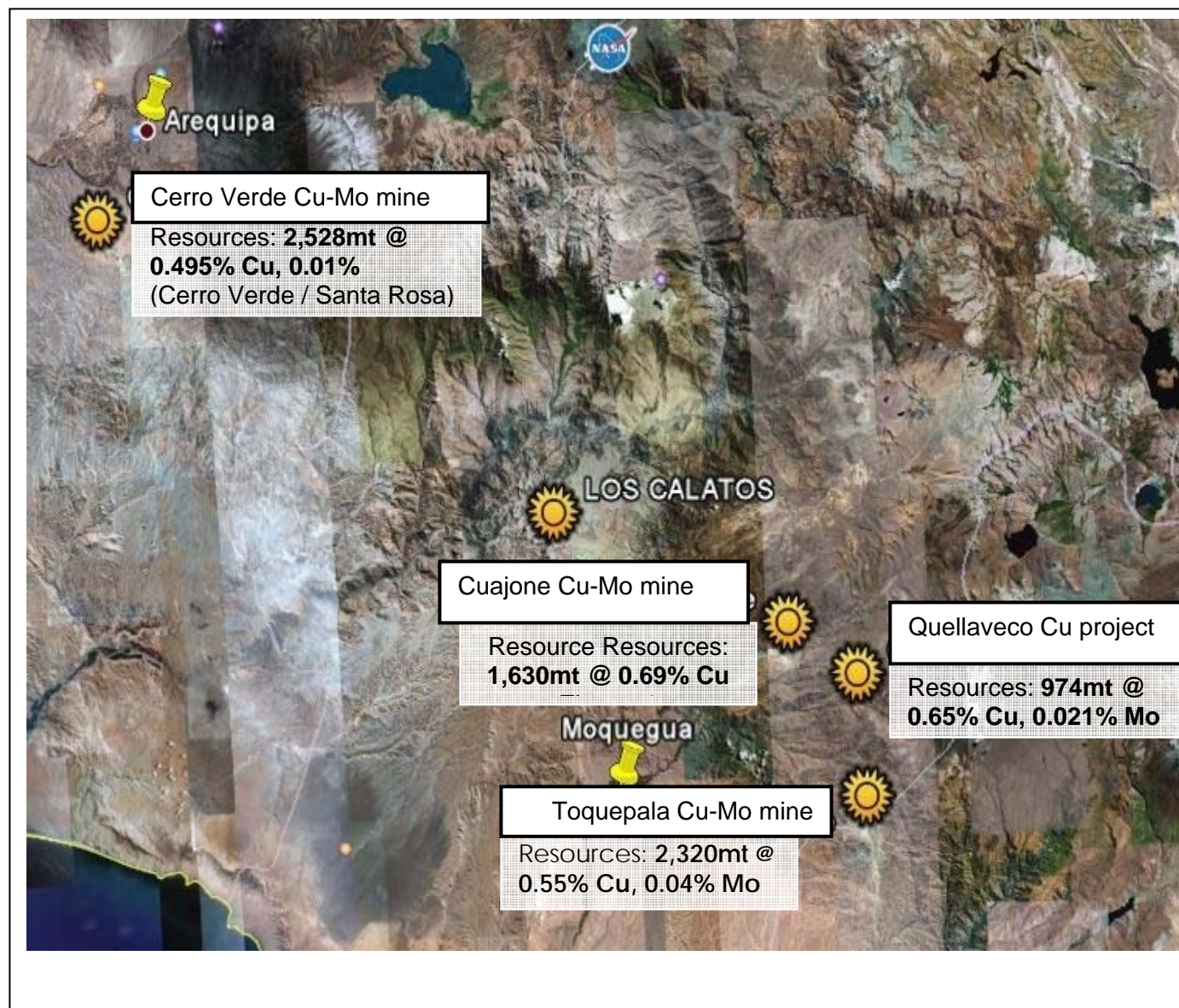


Results from the recent drilling, together with past drilling from the mid 1990s and also the important recent detailed surface geological mapping, have fundamentally changed the technical understanding of the occurrence of Cu-Mo mineralisation at the Los Calatos deposit.

The Los Calatos deposit now appears to be part of a large typical Cu-Mo porphyry system. Recent detailed surface mapping by Hampton suggests that the alteration associated with the Los Calatos porphyry system is approximately 6 km long, and up to one km wide, along a NW-SE orientation, or the same orientation as applies regionally, and locally, for all the main porphyry deposits in the Paleocene / early Eocene copper porphyry belt in far south Peru, notably Cerro Verde, Cuajone and Toquepala (refer Figure 2). An initial JORC Code compliant estimate of mineral resources is now being finalised, based on relevant past drilling and results from the recent drill program.



Figure 2 Los Calatos – location near other porphyry deposits



Notes: (1). Source for resources estimates: “*Porphyry Copper Deposits of the World: Database, and Grade and Tonnage Models*”, Donald A. Singer, Vladimir I. Berger, and Barry C. Moring; US Geological Survey Open-File Report 2008-1155, Version 1.0; <http://pubs.usgs.gov/of/2008/1155/>

(2). The data shown for the other porphyry deposits is intended for information purposes only and not meant to imply anything about the possible future status of Los Calatos. This will depend on exploration and other work.



**Table 1 Los Calatos Project – drilling results**

Hole No	Angle degrees	Depth metres	Intersections					
			From m	To m	Intercept m	Cu %	Mo %	CuEq %

**Historic drilling (1995 and 1996)**

DDH 02	90	680	50	180	130	0.93	0.029	1.22
DDH 04	90	810	60	772	712	0.53	0.044	0.97
DDH 29 (2)	90	252	28	252	224	0.22	0.047	0.69
DDH 31	90	240	82	220	138	0.36	0.013	0.49
DDH 32 (2)	90	184	90	184	94	0.52	0.038	0.90
DDH 33 (2)	90	258	34	258	224	0.42	0.05	0.92
DDH B	90	224	82	204	122	0.54	0.044	0.98
<i>Average grades (weighted by intercept length)</i>						<i>0.49</i>	<i>0.041</i>	<i>0.90</i>

**Hampton Mining drilling (2008)**

1	60	450	74	213	139	0.60	0.045	1.05
2	55	340	84	247	163	0.35	0.053	0.88
3	50	258	No significant intersections, drilled above mineralised porphyry					
4	50	431	137	420	283	0.39	0.050	0.89
5 (2)	60	801	211	801	590	0.29	0.054	0.83
		including:	238	613	375	0.32	0.078	1.11
6 (1)	55	474	64	468	347	0.22	0.018	0.40
7 (1,2)	65	455	238	426	371	0.26	0.020	0.46
8 (2)	60	750	494	750	256	0.71	0.05	1.21
9 (1,2)	50	450	91	450	287	0.33	0.042	0.75
10	60	745	652	745	93	0.20	0.007	0.27
		including:	260	375	115	0.92	0.161	2.53
		and:	416	514	98	0.36	0.127	1.63
12	60	303	No significant intersections, drilled peripheral to mineralised porphyry					
<i>Average grades (weighted by intercept length)</i>						<i>0.39</i>	<i>0.048</i>	<i>0.87</i>

**Total drilling**

<i>Average grades (weighted by intercept length)</i>						<i>0.43</i>	<i>0.045</i>	<i>0.88</i>
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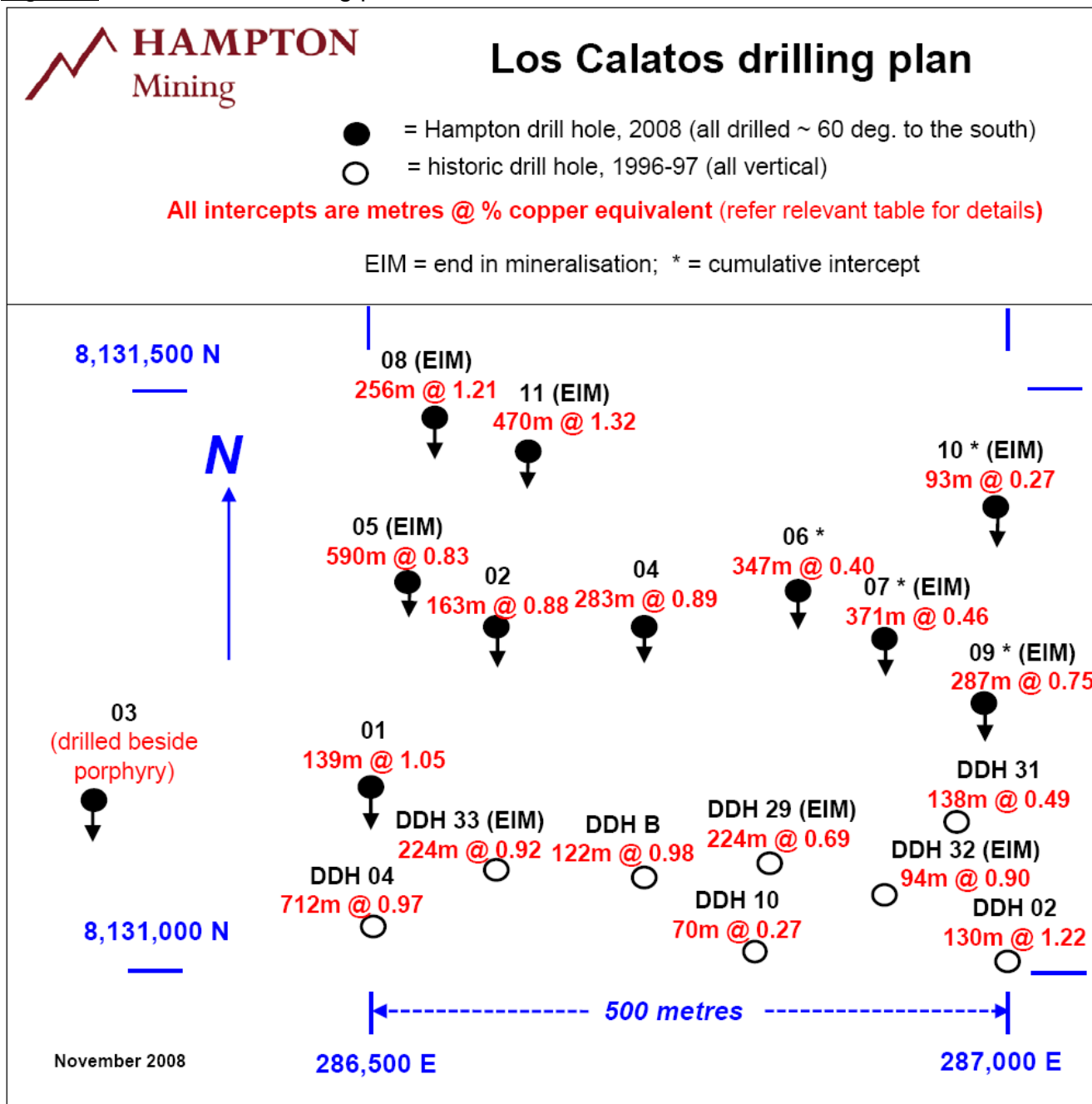
Notes: (1) Cumulative intercept, (2) Hole ends in mineralisation.

Note on copper equivalence: Copper equivalent (CuEq) grades are calculated assuming CuEq % = Cu % + Mo % x 10.

Actual copper equivalence of Mo grades will depend on: (1) the ratio of received Mo and Cu prices, (2) % recoveries of Cu and Mo into saleable Cu and Mo concentrates respectively, and (3) the commercial terms for payment of Cu and Mo contained in saleable concentrates



Figure 3 Los Calatos – drilling plan





## VALLECILLO

A 17 hole / 5,780 metres of diamond (core) drilling program has now been completed at the Vallecillo Project. This drill program tested extensions to the south and north, and at depth. Significant intersections are shown in Table 3 below, and include recently available results from holes 10 and 16. Figure 4 shows the location of all holes drilled in 2006 and 2008.

Results from the recent Vallecillo drilling program indicate that the mineralisation reflected in the 2006 resources estimate by SRK has been significantly extended, to the north and at depth, and remains open in both these directions. Significant mineralisation has now been encountered by drilling over a total strike of 350 metres, compared to 200 metres previously. Refer Figure 4.

The drilling and surface mapping indicates that the breccia is continuous over a strike length of at least 700 metres of which only 350 meters has been tested by drilling to date although indications from the recent drilling suggests that the breccia is narrowing northwards.

Two holes towards the south intersected significant copper mineralisation at depth:

- VD 11 on section 6,622,050: 71m at 0.32% Cu, from 284m to 355m
- VD 13 on section 6,622,100: 21m at 0.44% Cu, from 258m to 279m

Grades for Zn and Pb over these intercepts were <0.1%, suggesting that the copper porphyry system is located close to the La Colorada project area.

Plans are now underway to update the resource estimate undertaken by SRK Consulting, Chile in 2006 which resulted in estimated Inferred Resources of 8.45 million tonnes at 1.42% Zn, 0.76 g/t Au, 8.1 g/t Ag and 0.25% Pb at a cut off grade of 0.5% Zn, based on 8 holes from a 2006 program of 12 holes / 2,710 metres of reverse circulation (RC) drilling.



**Table 2 Vallecillo Project – drilling results**

Hole no	Depth metres	From m	To m	Intercept m	Au g/t	Ag g/t	Zn %	Pb %	Cu %	AuEq g/t
VD 01	350	No significant intersection								
VD 02	490	No significant intersection								
VD 03	360	No significant intersection								
VD 04	485	265	344	79	0.1	5	0.45	0.05	0.05	0.68
VD 05 *	340	91	229	79	1.0	16.9	2.03	0.49	0.08	3.41
VD 06 *	200	57	113	44	0.77	13.4	0.83	0.66	0.02	2.12
VD 07 *	350	149	257	17	0.61	7.4	0.55	0.33	0.03	1.44
VD 08	400	77	261	184	2.1	27	2.1	1.29	0.01	5.09
VD 09	389	248	250	2	1.5	20	1.27	1.56	0.04	3.92
VD 10	120	12	92	80	0.3	6	0.34	0.32	0.01	0.90
VD 11	426	179	284	105	0.36	5.4	0.96	0.03	0.1	1.44
VD 12 *	150	22	150	100	0.91	8.2	1.27	0.25	0.07	2.38
VD 13 *	530	70	253	75	0.1	2.2	0.75	0.03	0.03	0.83
VD 14	120	47	101	54	1.4	8	1.55	0.48	0.03	3.17
VD 15	140	32	141	109	0.6	6	0.95	0.24	0.02	1.67
VD 16	440	165	202	37	0.14	5	0.79	0.41	0.02	1.17
VD 17 *	489	204	321	80	0.38	6.8	0.59	0.38	0.02	1.25

Note: Gold equivalent (AuEq) grades are calculated assuming  $AuEq\ g/t = Au\ g/t + Ag\ g/t \times 0.016 + Zn\ \% \times 0.85 + Pb\ \% \times 0.50 + Cu\ \% \times 4.0$ , taking account only of assumed metal prices as follows: Au US\$750/oz, Ag US\$12/oz, Zn 2000 US\$/t, Pb US\$1500/t and Cu US\$4410 /t (US\$2.0/lb). In practice actual gold equivalence of Ag, Zn, Pb and Cu grades will depend on: (1) respective received metal prices, (2) % recoveries of metals into saleable concentrates and (3) the commercial terms for payment of metals contained in saleable concentrates.

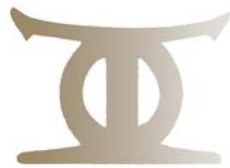
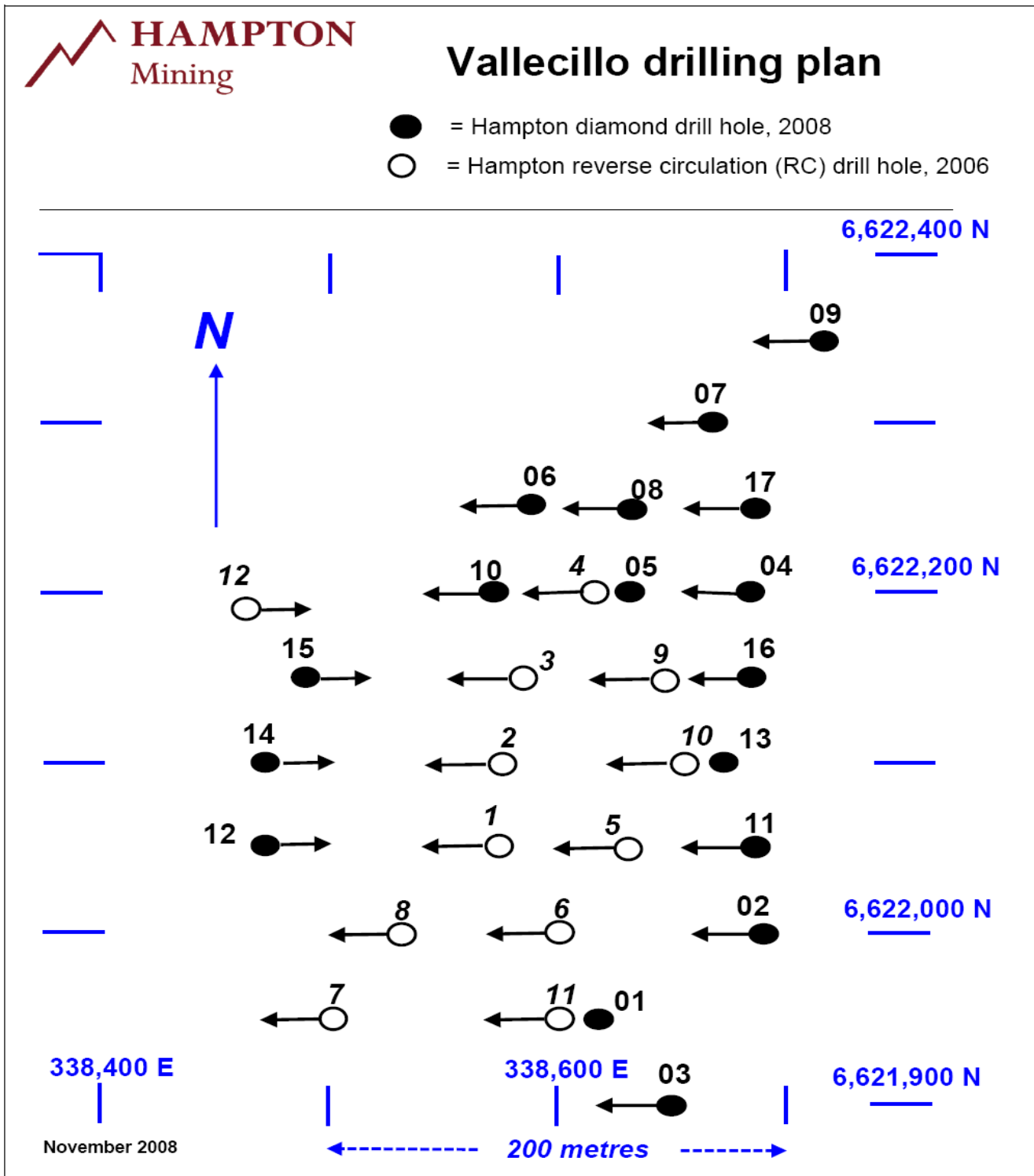


Figure 4 Vallecillo – drilling plan





## MOLLACAS

Approximately 4,000 metres of infill drilling, to upgrade resource classification from Inferred to Measured and Indicated, and to provide material for further detailed leach testing, has now been completed. It is anticipated that sample preparation and column leach testing will commence early 2009

A scoping study undertaken by SRK Consulting, Chile, in 2007 estimated that current resources at Mollacas could be mined over a 6 year operation producing approximately 12,000 tonnes per year cathode, at an operating cost of approximately US\$0.90 per lb. There is potential to increase mining life beyond 6 years through acquisition of other resources located in close proximity to Mollacas.

## VICTORIA

At Victoria, a 6 hole / 2400 metre diamond drilling program has commenced on a 200 x 200 metre grid towards the north end of the 4km long north-south Loica-Victoria Cu-Mo porphyry system.

The south end of this system was drilled in 2006, higher up the valley at Loica, and intersected significant widths of lower grade Cu-Mo mineralisation, around 0.4% CuEq (copper equivalent).

At the Victoria property initial exploration activities, including 4 shallow core holes, were undertaken in the mid 1960s. Following negotiation in 2007 of an option to acquire the Victoria tenements (which are located within the Loica tenements) surface sampling was undertaken at the Victoria deposit which resulted in significant Cu and Mo grades.

The grades from the 1960's drilling and the recent surface sampling suggest mineralisation at Victoria may be higher grade than Loica, further up the valley. The apparent surface area of the deposit is 900 metres x 600 metres.

## STATEMENT

Technical information contained in this report was prepared by Mr Colin Sinclair, Consulting Geologist and others who are members of the Australasian Institute of Mining and Metallurgy and/or Geological Society of Australia and accurately reflects the information compiled by them. Mr Sinclair has in excess 30 years relevant experience in mineral exploration and mine development and qualifies as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Reserves.

The reports prepared by these Competent Persons have been overviewed by T V Willsteed, BE (Min, Hons BA FAusIMM as a Competent Person for Takoradi Limited. Mr Willsteed consents to the inclusion in this report of these matters based on the information in the form and context in which it appears.