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**TAKORADI LIMITED AND CONTROLLED ENTITIES**  
**ACN 006 708 676**

**FINANCIAL REPORT**  
**FOR THE**  
**HALF-YEAR ENDED**  
**31 DECEMBER 2010**

The half-year financial report is to be read in conjunction with the financial report for the year ended 30<sup>th</sup> of June 2010.



## **Takoradi Limited and Controlled Entities Directors' Report For the half year ended 31 December 2010**

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The Directors present their report together with the financial report of the consolidated entity consisting of Takoradi Limited ("Takoradi") and the entities it controlled for the half year ended 31 December 2010 and independent auditors review report thereon.

### **DIRECTORS NAMES**

The names of the directors in office at any time during or since the end of the half year are:

Rodney T. Hudspeth (Executive Chairman)  
Albert G. Harris  
John S. McIntyre

The Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

### **REVIEW OF OPERATIONS**

The consolidated operating profit of the economic entity comprising Takoradi and its controlled entities after tax for the period ended 31 December 2010 was \$44,761,198. A profit of \$44,792,573 is attributable to the shareholders of Takoradi with a loss of \$31,375 being attributable to non-controlling interests.

During the half year, Takoradi entered into a binding agreement with Metminco to acquire all of its 25.4% interest in Hampton for a cash consideration of \$3.35 million and 195 million fully paid ordinary shares in Metminco subject to Metminco shareholder approval. The closing price of Metminco shares, at the time of receipt on 24 November 2010, was 34 cents, implying a transactional value of \$69.65 million for Takoradi (\$62,669,769 profit on disposal).

On 24 November 2010, Metminco shareholders approved the allotment of the above 195 million shares. In accordance with the binding agreement, 35 million of these Metminco fully paid ordinary shares were also directed to the Sentient Group, in full satisfaction of outstanding loans that Takoradi owed Sentient.

Following the Hampton – Metminco Transaction, Takoradi now has an exposure to mineral interests in Peru and Chile through its 11.60% interest in the issued capital of Metminco.

### **PRINCIPAL ACTIVITIES**

The Company's principal activity is the exploration for minerals, specifically for gold, copper and base metal resources in Namibia, South-Western Africa and Ghana, West Africa, and maintaining an exposure to mineral tenements in Chile, Peru, South America, through the company's investment interests held through Metminco Limited.

### **MINERAL INTERESTS**

The Company's African mineral investments are located in Namibia and Ghana. In Namibia, the Company is focused on exploration activities at its Kuiseb copper, gold project in which Takoradi holds a 70% interest through its wholly owned subsidiary Nimrod Metals Limited (Nimrod). In Ghana the Company holds an 80% interest in the Bole gold project through Northern Goldfields Limited and a 100% interest in the Kutukrom gold project through Takoradi Gold (Ghana) Limited. The rights to tenure at Bole were subject to renewal applications as at 31 December 2010, which have been favourably recommended by the Minerals Commission to the Minister of Lands and Natural Resources, to grant the licences. As at the date of this report, the licences are currently waiting formal approval from the Minister. Capitalised exploration costs associated with the company's Ghana exploration assets were fully provided for in the 30 June 2009 financial year and the company is currently reviewing its options with respect to its Ghanaian and Namibian interests.

As at 31 December 2010, the Company has an exposure to mineral interests in Chile and Peru through its shareholding in Metminco which holds 100% of the issued capital in Hampton Mining Limited ("Hampton"). Hampton holds a 50% interest in a highly regarded portfolio of exploration properties located in the prime, well established copper/gold/molybdenum geological environment, of Chile. The principal properties Mollacas, Vallecillo, Camaron, Isidro as well as Loica - Victoria are each continuing to be evaluated through extensive drilling programs, resource assessment and pre-feasibility studies.



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**For the half year ended 31 December 2010**

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**MINERAL INTERESTS (CONT'D)**

Hampton's mineral portfolio also includes the highly prospective Los Calatos project in Peru that has the potential for a significant copper / molybdenum resource.

In several of the areas in Chile, Hampton has also entered into option agreements to earn equity by meeting specific expenditure commitments on the properties and making certain cash payments over several tranches.

**AFRICA PROJECTS**

**NAMIBIA, SOUTH WEST AFRICA**

The Kuiseb Copper / Gold Project is located at the southwest end of the Matchless Amphibolite Belt ("MAB"), a narrow regional feature which runs northeast to the capital city Windhoek and beyond.

The Project contains a number of mineralized targets the most important of which are the Hope, Gorob, Vendome and Anomaly Deposits. Past drilling of each of the deposits has identified a copper/gold resource. The Company will continue evaluation and extensive drilling programs to establish a copper / gold resource of sufficient size to support a commercial mining operation.

**Drilling Activity**

The South African mining company JCI Limited (JCI), in the early 1980's, completed a previous drilling program of 19,000 metres(m) of diamond holes and 55,000m of percussion holes which identified the potential of the Kuiseb Project area.

A further 106 diamond drill holes for 34,370m have been completed on the Hope deposit since Takoradi, through its wholly owned subsidiary Nimrod, acquired its 70% ownership of the Kuiseb Project. The latest drilling shows the eastward continuity of the geology and mineralization at the Hope deposit over a plunge of 2.6 kilometres(km), being 1600m beyond historical work.

**Hope Deposit - Resources**

As at 31 December 2010 the JORC Code Complaint resources established at the Hope deposit are approximately 3,600,000 tonnes at a grade of 2.5% Copper (Cu) and 0.64g/t Gold (Au) at a 0.2% Cu cut-off based on the following:

Indicated Resources of	1,807,463 tonnes at 2.4% Cu	and	0.59g/t AU	at a 0.2% cut off
Inferred Resources of	1,789,368 tonnes at 2.6% Cu	and	0.65g/t Au	at a 0.2% cut off

Good correlation has been established between plunge length and cumulative metal volumes indicating that the mineralization is evenly distributed overall, along the plunge of the body.

Comparisons to other Matchless belt deposits strongly suggests continuity of mineralization down plunge at Hope for more than 4km, an increase of a further 50% of strike, with expected resources of approximately "plus" 6,000,000 tonnes at @ 2.5% Cu, to a depth of 700m.

Wide spaced drill holes could be successful in extending the mineralized envelope without the expense of detailed drilling. This could provide inferred volumes of mineralization of between 5 – 8,000,000 tonnes that could be used for mine planning purposes.

During the second half of the reporting period to 30 June 2009, the Company's drilling programs were temporarily curtailed. Management, however, has continued to evaluate technical data for ongoing work programs. At the date of this report, the Company has renewed the Kuiseb existing mineral licence and is now committed to future expenditure.

A scoping study is expected to be done in due course in order to determine the economic parameters of the ore body. Further drilling of the shallow open – pit resource will be done in conjunction with the study. Subsequently, an additional further limited wide spaced diamond drill program will be carried out.



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**NAMIBIA, SOUTH WEST AFRICA (CONT'D)**

***Metallurgical Test work - Hope***

A 140m deep shaft with two levels of underground development was established at the Hope deposit by previous owners. Underground drilling and bulk sampling was conducted from the underground development for metallurgical test work and resource assessment. Beneficiation flotation test work on several samples, totaling over 1000kg of material, resulted in the following:

*“Excellent chalcopyrite recovery (96%) and pyrite recovery was achieved with conventional all-wet crushing-grinding-flotation treatments. The test work provided the amenability of a mill feed water consisting of clarified sewerage, high saline mine water, and recycled filtrates from all floatation products.”*

***Other Kuiseb Targets***

***Gorob and Vendome Deposits***

Diamond drilling of the Gorob Deposit supported the concept of plunging shoot-like mineralization and confirmed a high grade – variability over short distance. These deposits have a high potential for combined resources of more than 3,000,000 tonnes. These targets will complement the Hope deposit.

***Anomaly Area***

Shallow volumes of low to moderate grade copper mineralization are available which may be accessed within the more magnetic parts of a strike extensive magnetic horizon.

***Future Development***

The Company's prime objective is to establish an initial copper/gold mining operation at the Hope deposit supplemented by the mineralized deposits at Gorob, Vendome and Anomaly. This will be dependent on the planned pre-feasibility study along with additional drilling to determine the parameters for such potential future operation.

**GHANA, WEST AFRICA**

Four of the company's prospecting licences are located in the north western region of the country near the township of Bole, while the fifth is located at Kutukrom in the south western region of the country near the township of Tarkwa. The Kutukrom area is adjacent to the border of the Prestea/Bogasu Gold mine.

The Company intends to further evaluate the gold tenements at Bole, including the Dokrupe Gold Project within the Yakomba Prospecting License. Discussions are continuing with several parties that have expressed interest in acquiring equity in these licences.

The JORC Code Compliant resources identified to date at the Dokrupe Gold Project at Bole include Proven and Probable Reserves of 145,000ozs Au and Inferred Resources of 17,000ozs Au. At the Baju Licence area approximately 160,000 of gold has been identified within a mineralized resource.

During the period covered by this report, field and administration staff in Ghana carried out care and maintenance on the mineral tenements, camps and equipment.

**SOUTH AMERICA PROJECTS - HAMPTON MINING LIMITED (Metminco Limited as of November 2010)  
LOS CALATOS**

Takoradi has an exposure to South American mineral interests held through Takoradi's interest in the issued capital of ASX listed Metminco. The most advanced of these is the Los Calatos Project.

The Los Calatos Project is a copper-molybdenum porphyry style mineral complex located in an established mining region in southern Peru, close to existing infrastructure, with access to labour and mining support services. Indications from exploration activity to date shows that there is potential for the development of a significant commercial mining operation, subject to continuing positive results from current and future drilling programs as well as a feasibility study.



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**LOS CALATOS (CONT'D)**

The Project is located in an established copper porphyry belt that hosts three major producing mines, Toquepala, Cuajone and Cerro Verde. Another copper-molybdenum deposit, Quellaveco, which also lies in the general region, is currently being evaluated for development.

Through 1995 to 1998 the major resource companies Phelps Dodge and Barrick Gold Corporation (Barrick) completed over 9000m of drilling on the tenements. Phelps Dodge drilled 26 Reverse circulation holes totaling 4188m and nearly 3000m in 7 diamond cored holes. Barrick diamond drilled a total of 1939m in 8 holes at an approximate spacing of 100m in the main target identified by Phelps Dodge, an area covering approximately 600 by 300m. Since that time Hampton (Metminco) has continued further diamond drilling and detailed surface evaluation studies on the tenements.

**Resources and Tenements**

The current JORC Compliant resource established to date at Los Calatos, (Indicated plus Inferred) is 926 million tonnes at 0.37% copper and 0.026% molybdenum at a 0.2% copper cut-off. This resource is based on 21,261m of diamond core drilling, including 15,903m of drilling completed by Hampton. The resources are defined as follows:

Indicated Resources	111 million tonnes at 0.39% Cu and 0.038% Mo
Inferred Resources	815 million tonnes at 0.37% Cu and 0.026% Mo

**Drilling and sampling**

Ongoing, detailed surface mapping and geochemical sampling by Hampton over the whole tenement area has now revealed additional zones of alteration, with strong indications of brecciation and associated copper mineralisation. The total zone of anomalous geochemistry now covers an area of approximately 8km by 3km, with the current drilled resources covering a strike length of only, approximately, 600m.

A new 50,000 metre diamond drilling program commenced at Los Calatos in December 2010.

**MOLLACAS PROJECT**

The Mollacas Project is located approximately 80km southeast of the town of La Serena, or approximately 450km north of Santiago. Hampton holds a 50% interest in the project, with the balance beneficially held by Chilean corporation MN Ingenieros Limitada. Tenements cover 32.55 sq kms.

Initial drilling of 10 reverse circulation and 46 diamond core drill holes generated JORC Compliant resources as follows:

Indicated Resources	7.2 million tonnes at 0.56% Cu
Inferred Resources	9.8 million tonnes at 0.52% Cu,

The above gives total copper resources of 17.0 million tonnes, at 0.54% Cu at a 0.2% Cu cut-off for 92,000 tonnes of copper metal in-situ.

A Scoping Study undertaken by SRK Consulting in 2008 estimated that current resources at Mollacas could be mined over a 7 year mine life producing approx 13,500 tonnes pa cathode at a unit operating cost of approximately US\$0.91 per lb. At copper prices of US\$2.50/lb and a discount rate of 8% pa the Net Present Value of the project is US\$103 million (or US\$93 million at 10% pa) with an Internal Rate of Return of 70%.

**Infill drilling and leach testing**

In November 2008, Hampton completed a 3,970m infill drilling program to upgrade the resource classification from Inferred to Measured and Indicated. This program also provided material for further detailed leach testing.

Initial leach test work on representative samples from Mollacas drill core, produced good leach results and copper recovery. Hampton is currently proceeding with further and more detailed metallurgical leach test work on oxide and supergene ores for the Mollacas deposit. This will provide information for leaching and solvent extraction/electrowinning design as part of a final feasibility study. The additional work will refine copper recoveries and provide more accurate estimates of operating and capital costs.

Column leach test work was completed in late October 2010 using CIMM laboratories in Santiago. Analysis of the leach results is currently being completed.



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**VALLECILLO PROJECT**

The Vallecillo gold-zinc project, covering a tenement area of 54.5 km<sup>2</sup>, is located approximately 70km southeast of La Serena and some 25km north of the Mollacas deposit. Vallecillo is a porphyry related mineralised breccia system, comprising 4 discrete hydrothermal alteration zones, known as Chiffon, Potrero Colorado, Las Pircas and La Colorada respectively, of which the most advanced is La Colorada.

As with Mollacas, Hampton holds a 50% interest in the project, with the balance beneficially held by MN Ingenieros Limitada.

Hampton drilled 12 reverse circulation holes on the La Colorada deposit during 2006, totalling 2,170m. This generated initial JORC-compliant Inferred Resources of 8.5 million tonnes @ 1.42% zinc, 0.76 g/t gold, 8.1 g/t silver and 0.25% lead.

Following a second round of drilling in 2008 of 17 diamond core holes totalling 5,782m, a revised Resource Estimation for the La Colorada Au-Zn-Ag-Pb deposit at Vallecillo was completed by SRK Consulting. Contained metal has increased by approximately 40% on the previous estimate (2006).

At a cut-off grade of 0.3g/t Au, total resources are estimated as 10.1 million tonnes and can be broken down into;

- Indicated Resources: 7.9 million tonnes at 1.14g/t Au; 1.4g/t Ag; 1.32% Zn; 0.29% Pb
- Inferred Resources: 2.2 million tonnes at 0.78g/t Au; 8.2g/t Ag; 0.58% Zn; 0.26% Pb

Preliminary metallurgical testwork for La Colorada, completed early 2010, indicates a gold recovery on site of more than 90% into Dore bullion, via gravity and leach of concentrates, and recovery of more than 90% zinc into a zinc concentrate averaging more than 50% zinc.

Surface mapping and geochemical sampling of Vallecillo during 2009 and first half 2010 identified an additional seven exploration targets which Hampton will continue to further explore in 2011.

**CAMARON PROJECT**

The Camaron Project is located to the north of the Vallecillo Project, some 20km south of the town of Vicuna. Hampton has an extensive tenement holding of some 133.7 km<sup>2</sup>. Hampton holds most of these tenements in its own right (100 sq. kms) and has an option (expiring 23 August 2011) to purchase 100% of the Genesis tenements (30 sq. kms).

The Camaron Project is a large anomalous untested low sulphidation gold mineralised system that may be related to a porphyry hydrothermal system.

The project contains many surface gossans and large areas of hydrothermal alteration. No known previous exploration work has been undertaken on the property, apart from a few small prospecting pits. The regional Vicuna Fault transects the area. This feature is a known controlling factor on mineralisation further to the south.

Broad spaced geochemical sampling along 400 metre spaced lines has returned anomalous copper, gold and molybdenum values over extensive areas. Visible copper oxide mineralisation has been observed on the traverses and in the prospecting pits.

The Camaron Project is prospective for hosting copper-gold-molybdenum mineralisation. The presence of large alteration zones and intrusives along a major regional fault trend, suggests good potential for porphyry style or related mineralisation. Future exploration includes RC drilling of a number of significant low-sulphidation gold anomalies identified by surface geochemical sampling.

**RC drilling program**

RC drilling is planned over a number of significant low-sulphidation gold anomalies identified by initial geochemical sampling.



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**ISIDRO PROJECT**

Isidro is a predominantly copper gold manto (blanket) style early exploration project, located 85km east of La Serena. Hampton owns 100% of the Isidro tenements (269 km<sup>2</sup>), as well as a 50% interest in the San Lorenzo tenements (20.5sq km).

Like Camaron, the north trending Vicuna Fault bisects the project area. The Vicuna Fault is the major regional control on mineralisation. The area is characterised by small copper-gold-silver bearing hydrothermal hematitic breccias as well as larger manto style deposits.

Hampton has completed a wide spaced surface sampling program over manto style prospects, ahead of possible future exploration drilling. Future exploration will include prospect scale mapping, as well as broader reconnaissance mapping, assisted by satellite imagery and broad scale geochemical sampling, leading to further definition of drilling targets and planned drilling in 2011.

**LOICA / VICTORIA, CHILE**

The tenements cover 40 square kilometers including the previously optioned area of Victoria. They are located approx. 96 km south east of Ovalle and 40km south of the Mollacas Project. The Loica and Victoria prospects are located in a spur valley approx 7 km long, running south off the east-west oriented Rio Grande Valley. Loica is at an elevation between 2000 and 3000m and Victoria between 1500 and 1700m.

The project is a large partly drilled mineralised Cu-Mo porphyry system which has previously intersected lower grade Cu-Mo mineralisation. Zoned hydrothermal alteration systems express themselves over an area of approx 2km long by 0.5 to 1.5km wide at Loica and approx 600m by 300m at Victoria.

Future exploration will comprise mapping and geochemical sampling of the breccia zones as a prelude to possible further drill testing.

*Additional Technical Information provided to the market*

7 July 2010	Update on significant resource upgrade by Hampton
11 August 2010	Exploration update – Los Calatos Project
22 December 2010	Los Calatos 50,000m Drilling Program Commences

**OTHER INTEREST**

Matchtip Limited (100% owned UK Subsidiary)

The Company's subsidiary Matchtip Limited (Matchtip) was a dormant company during the period but was previously a developer of software applications for use in the mobile telecommunications industry.

The Company intends to divest or Joint Venture this investment.



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**CORPORATE**

The following announcements were lodged with the Australian Securities Exchange (ASX) in regards to the corporate activity of the Company during the half year ended 31 December 2010, and to the date of this financial report.

2 July 2010	Takoradi announced a Letter to Shareholders of the Company to the ASX.
16 July 2010	Takoradi announced that all Appendix 5B quarterly reports had been completed in accordance with the ASX requirements.
16 July 2010	Takoradi submitted half yearly reports and accounts of 31 December 2008, 31 December 2009 and the 30 June 2009 Annual Financial Report to the ASX.
30 September 2010	Takoradi announced Metminco will take 100% ownership of Hampton.
1 October 2010	Takoradi announced the Board agreed to swap its Hampton interest for a 195 million shares in Metminco, plus \$3.35 million cash.
29 October 2010	Quarterly Cashflow Report for the quarter ended 30 September 2010.
30 November 2010	Takoradi announced that shareholders of Metminco agreed all resolutions at its recent General Meeting to enable the completion of the acquisition of Takoradi's 25.4% interest in Hampton.
28 January 2011	Quarterly Cashflow Report for the quarter ended December 2010.
7 March 2011	Takoradi provided a Corporate Update on the Company to the ASX.
23 March 2011	Takoradi provided a Corporate Update on the Company to the ASX.
28 April 2011	Quarterly Cashflow Report for the quarter ended March 2011.



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**DECLARATION**

Aspects of this report on Takoradi Limited that relate to Mineralisation, Mineral Resources or Ore Reserves are based on information compiled by persons who are Fellows or Members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and have sufficient relevant experience of the activity undertaken and of the mineralisation style and type of deposit described. They qualify as Competent Persons as defined in the 2004 Edition of the "Australian Code of Reporting of Identified Mineral Resources and Ore Reserves" (JORC Code). The above statement fairly reflects the reports prepared by these Competent Persons for Takoradi Limited.

Mr. Terence V Willstead, BE (Min) Hons BA AusIMM, as a Competent Person, has overviewed the technical information in this report and consents to the inclusion of these matters based on the information in the form and context in which it appears.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration is attached to this report.

For and on behalf of the directors

RODNEY T HUDSPETH  
Chairman

Sydney

Date: 7 June 2011



Chartered Accountants  
& Business Advisers

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Takoradi Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Takoradi Limited and the entities it controlled during the half-year.

**D J Garvey**  
Partner  
PKF

7 June 2011  
Melbourne

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**TAKORADI LTD AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Note	Half-year 2010 \$	2009 \$
Revenue	2 (a)	41	28
Other income	2 (a)	62,704,177	-
Share of (loss)/profit of equity accounted associate		-	(375,871)
Expenses from continuing operations	2 (b)	(2,779,625)	(714,626)
Finance costs		(548,610)	(484,324)
<b>Profit/(Loss) before income tax</b>		59,375,983	(1,574,793)
Income tax expense		(14,614,785)	-
<b>Profit/(Loss) for the half-year</b>		44,761,198	(1,574,793)
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations, net of tax		(296,838)	129,940
Share of change in associates foreign currency translation reserve		-	(669,670)
De-recognition of fair value adjustment recorded in Asset Revaluation Reserve on disposal of investment in associate		(2,904,371)	-
Net gain on revaluation of financial assets to fair value, net of tax		7,280,000	-
<b>Other comprehensive income for the half year</b>		4,078,791	(539,730)
<b>Total comprehensive income for the half year</b>		48,839,989	(2,114,523)
<b>Profit/(Loss) is attributable to:</b>			
Members of the parent		44,792,573	(1,529,663)
Non-controlling interest		(31,375)	(45,130)
		44,761,198	(1,574,793)
<b>Total comprehensive income attributable to:</b>			
Members of the parent		48,842,138	(2,300,947)
Non- controlling interest		(2,149)	186,424
		48,839,989	(2,114,523)
Basic earnings profit/(loss) per share (cents)		66.69	(2.27)
Diluted earnings profit/(loss) per share (cents)		60.53	(2.27)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



**TAKORADI LTD AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2010**

	Note	31 December 2010 \$	30 June 2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,688,247	15,535
Trade and other receivables		40,804	52,600
<b>TOTAL CURRENT ASSETS</b>		<u>2,729,051</u>	<u>68,135</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		6,544	7,557
Exploration expenditure	5	7,023,023	7,246,190
Other Financial Assets	6	64,800,000	9,913,989
<b>TOTAL NON-CURRENT ASSETS</b>		<u>71,829,567</u>	<u>17,167,736</u>
<b>TOTAL ASSETS</b>		<u>74,558,618</u>	<u>17,235,871</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,769,682	4,724,505
Borrowings	7	1,733,441	9,634,298
<b>TOTAL CURRENT LIABILITIES</b>		<u>6,503,123</u>	<u>14,358,803</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	7	1,185,082	2,581,429
Deferred tax liabilities	3	17,734,785	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>18,919,867</u>	<u>2,581,429</u>
<b>TOTAL LIABILITIES</b>		<u>25,422,990</u>	<u>16,940,232</u>
<b>NET ASSETS</b>		<u>49,135,628</u>	<u>295,639</u>
<b>EQUITY</b>			
Issued capital	8	39,351,423	39,351,423
Foreign Exchange Translation Reserve		(1,834,855)	(1,508,791)
Asset Revaluation Reserve		7,280,000	2,904,371
Accumulated profit/(losses)		5,120,265	(39,672,308)
Parent entity interest		49,916,833	1,074,695
Non-controlling interest	9	(781,205)	(779,056)
<b>TOTAL EQUITY</b>		<u>49,135,628</u>	<u>295,639</u>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**TAKORADI LTD AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Issued Capital \$	Foreign Exchange Translation Reserve \$	Asset Revaluation Reserve \$	Accumulated Profit/(Losses) \$	Non- controlling interest \$	Total Equity \$
Balance as at 1 July 2009	39,351,423	(1,213,143)	2,904,371	(38,471,894)	(918,237)	1,652,520
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency	-	(101,614)	-	-	231,554	129,940
Share of change in associate's foreign currency translation reserve	-	(669,670)	-	-	-	(669,670)
Loss after income tax for the period	-	-	-	(1,529,663)	(45,130)	(1,574,793)
Balance as at 31 December 2009	<u>39,351,423</u>	<u>(1,984,427)</u>	<u>2,904,371</u>	<u>(40,001,557)</u>	<u>(731,813)</u>	<u>(462,003)</u>
Balance as at 1 July 2010	39,351,423	(1,508,791)	2,904,371	(39,672,308)	(779,056)	295,639
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transaction currency to the reporting currency	-	(326,064)	-	-	29,226	(296,838)
De-recognition of previous revaluation upon disposal of financial asset	-	-	(2,904,371)	-	-	(2,904,371)
Gain on revaluation of financial assets to fair value net of income tax	-	-	7,280,000	-	-	7,280,000
Profit/(Loss) after income tax for the period	-	-	-	44,792,573	(31,375)	44,761,198
Balance as at 31 December 2010	<u>39,351,423</u>	<u>(1,834,855)</u>	<u>7,280,000</u>	<u>5,120,265</u>	<u>(781,205)</u>	<u>49,135,628</u>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**TAKORADI LTD AND CONTROLLED ENTITIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Half-year	
	2010	2009
	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(848,329)	(226,490)
Interest received	41	28
<b>Net cash used in operating activities</b>	<u>(848,288)</u>	<u>(226,462)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from the sale of equity investments	<u>3,350,000</u>	-
<b>Net cash provided by investing activities</b>	<u>3,350,000</u>	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	211,000	261,000
Repayments of borrowings	(40,000)	-
<b>Net cash provided by financing activities</b>	<u>171,000</u>	<u>261,000</u>
<b>Net increase in cash and cash equivalents</b>	2,672,712	34,538
Cash and cash equivalents at beginning of half year	<u>15,535</u>	<u>30,424</u>
<b>Cash and cash equivalents at end of the half-year</b>	<u><u>2,688,247</u></u>	<u><u>64,962</u></u>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

This general purpose half year financial report consists of Takoradi Limited ("Takoradi") and its controlled entities as an economic entity. Takoradi is a listed public company, incorporated and domiciled in Australia and is the parent entity whose shares publicly trade on the Australian Securities Exchange ("ASX").

The principal activity of the economic entity during the half year was exploration and its investment in Metminco Limited, an ASX listed company.

This half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2010 and any public announcements made by Takoradi Limited during the half-year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

**STATEMENT OF ACCOUNTING POLICIES**

The significant policies, which have been adopted in the preparation of this financial report, are

**(a) Statement of compliance**

The half year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Act 2001.

**(b) Basis of accounting**

The half year financial report is prepared in accordance with the historical cost convention and is presented in Australian dollars and rounded to the nearest dollar. The accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

**GOING CONCERN**

The consolidated entity has incurred a net profit of \$44,761,198 for the half year ended 31 December 2010 (Loss of \$1,574,793 for the 31 December 2009 half year) and had negative cash outflows from operating activities of \$848,288 for the period then ended (Negative cash outflows of \$226,462 for the 31 December 2009 half year). It also has an excess of current liabilities over current assets of \$3,774,072.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial statements.

The directors believe the consolidated entity will continue as a going concern for the following reasons:

- During the half year Takoradi concluded a binding agreement with Metminco Limited ("Metminco", "MNC") a listed entity on the Australian Securities Exchange, to exchange Takoradi's equity interest in Hampton for cash and equity in the issued capital of MNC;
- Under this agreement Takoradi received \$3.35 million in cash and 195 million fully paid ordinary shares in Metminco, of which 35 million were directed to the Sentient Group in full satisfaction of loans totalling \$9,893,632. The closing price of Metminco shares, at the time of receipt on 24 November 2010, was 34 cents, implying a value of \$54.4 million for Takoradi's 160 million remaining MNC shares. At 6 June 2011 the value of these shares implied by the ASX closing price of 34 cents is \$54.4 million;
- Under the terms of the above agreement, the company now has the ability to convert up to 160 million Metminco shares into cash at any time to fund its working capital requirements and to meet its financial commitments. Based on the closing price on 6 June 2011 this equates to \$54.4 million of shares able to be converted into cash;
- The company's directors are also continuing to seek opportunities to sell or joint venture certain of the company's assets; and
- If presented with opportunities requiring further capital, the directors believe the company could obtain additional equity funding for appropriate projects.



**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONT'D)**

Based on the above matters, the directors are satisfied that the 'going concern' basis of preparation is appropriate. The financial statements have therefore been prepared on a going concern basis assuming that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business.

**(c) Principles of Consolidation**

The half year financial statements incorporate the assets and liabilities of all entities controlled by the company as at 31 December 2010 and the results of all controlled entities for the half year then ended. The company and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

**NOTE 2: PROFIT/(LOSS) BEFORE TAX**

Net profit/(loss) before tax includes the following:

	Dec 2010	Dec 2009
	\$	\$
<b>(a) Revenue</b>		
Interest	41	28
Profit on disposal of investment (i)	62,669,769	-
Foreign currency gain	34,408	-
	<u>62,704,218</u>	<u>28</u>
<b>(b) Expenses from continuing operations</b>		
Impairment of exploration costs	(54,779)	(89,065)
Consulting fees	(120,185)	(88,819)
Administration expenses	(372,018)	(493,688)
Loss on settlement of loans (ii)	(2,006,368)	-
Other expenses	(226,275)	(43,054)
	<u>(2,779,625)</u>	<u>(714,626)</u>

(i) Further details at Note 6.

(ii) Further details at Note 7.

**NOTE 3: INCOME TAX EXPENSE**

As at 31 December 2010, the consolidated entity has recognised a deferred tax liability of \$17,734,785 in connection with the recognition of the fair value of Other Financial Assets. The consolidated entity is currently reviewing prior period tax losses to determine their availability for recognition as a deferred tax asset. This review will be finalised during preparation of the 30 June 2011 Annual Financial Report.

**NOTE 4: SEGMENT INFORMATION**

**Primary reporting – business segments**

**(a) Description of segments**

Management has determined the operating segments based on reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from a product perspective and has identified two reportable segments – Minerals and Software Development. Minerals consist of exploration activities for minerals, specifically for gold, copper and base metals in Chile and Peru, South America, Namibia, South-western Africa and Ghana, West Africa. The Board reviews the minerals business as a whole as they are not separately included in the reports provided to the Board.



NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
31 DECEMBER 2010

**NOTE 4: SEGMENT INFORMATION (CONT'D)**

The Company's investment in Metminco has been recorded as an asset of the minerals segment due to the nature of the investment including Metminco's interest in various exploration assets.

Due to the Company's investment in Hampton being recorded within the minerals segment at 30 June 2010, the gain on disposal of Hampton has been recorded within the minerals business segment.

Software Developments consists of activities conducted by Matchtip Limited to develop mobile software applications.

Takoradi incurs head office administrative costs such as Director's remuneration, legal fees and listing fees which are included as corporate in the segment report below.

(b) Segment information

The segment information provided to the Board for the reportable segments for the half-year ended 31 December 2010 is as follows:

	Minerals		Software Development		Corporate		Consolidated	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009
	\$	\$	\$	\$	\$	\$	\$	\$
Segment Revenue	62,704,218	-	-	-	-	28	62,704,218	28
Segment Result	(382,685)	(790,286)	(90,595)	(99,906)	45,234,478	(684,601)	44,761,198	(1,574,793)

	Minerals	Software Development	Corporate	Consolidated
Total Segment Assets				
31 December 2010	74,558,618	-	-	74,558,618
30 June 2010	17,200,259	-	35,612	17,235,871

	Minerals	Software Development	Corporate	Consolidated
Total Segment Liabilities				
31 December 2010	20,368,330	-	5,054,660	25,422,990
30 June 2010	1,899,868	714,786	14,325,578	16,940,232

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.



**NOTE 5: EXPLORATION EXPENDITURE**

	Half Year Ended 31 December 2010	Year Ended 30 June 2010
	\$	\$
Opening Exploration Expenditure - At Cost	7,246,190	7,395,377
Exploration expenditure current period	896	1,248
Revaluation due to foreign currency movement	(224,063)	(150,435)
	7,023,023	7,246,190

The ultimate recoupment of these costs is dependent upon either the successful development and commercial exploitation or the sale of the respective areas of interest.

**NOTE 6: OTHER FINANCIAL ASSETS**

	Half Year Ended 31 December 2010 \$	Consolidated Year Ended 30 June 2010 \$
<b>Available-for-sale investments</b>		
NON-CURRENT		
Available – for – sale financial assets		
Shares in Unquoted Investments at Cost *	-	9,913,989
Shares in quoted investments at Fair Value**	64,800,000	-
	<u>64,800,000</u>	<u>9,913,989</u>

\* As at 12 March 2010, Takoradi discontinued the use of the equity accounting method for its investment in Hampton and re-classified it to Other Financial Assets accounted for as an Available-For-Sale Investment due to the company no longer having significant influence (Refer to disclosure on Note 12 of 30 June 2010 Annual Financial Report).

As Hampton was a non-quoted unlisted public company, the fair value of Takoradi's investment in Hampton could not be reasonably determined as at 12 March 2010. Accordingly per AASB 139 'Financial Instruments: Recognition and Measurement', Takoradi re-valued its investment in Hampton to cost and re-classified it as an available-for-sale, Other Financial Asset.

There was no change to the carrying value of Takoradi's investment from 12 March 2010 to 30 June 2010 and the investment continued to be carried at cost.

\*\* During the half-year ended 31 December 2010, Takoradi entered into a binding agreement with Metminco to exchange Takoradi's 25.4% interest in the issued capital of Hampton for a cash consideration of \$3.35 million and 195 million Metminco fully paid ordinary shares subject to Metminco shareholder approval.

On 24 November 2010, Metminco shareholders approved the allotment of the above 195 million shares (160 million shares being retained directly by Takoradi and 35 million shares being allocated to Sentient Group for debt retirement).

The closing share price as at 24 November 2010 of Metminco was \$0.34, giving Takoradi's 160 million shares a value of \$54.4 million.



**NOTE 6: OTHER FINANCIAL ASSETS (CONT'D)**

The closing share price as at 31 December 2010 of Metminco was \$0.405, giving Takoradi's 160 million shares a value of \$64.8 million. Accordingly, there has been an increase in fair value of the investment by \$10.4 million from the closing share price as at 24 November 2010.

**NOTE 7: BORROWINGS**

	31 December 2010 \$	30 June 2010 \$
<b>CURRENT</b>		
Secured Liabilities		
Sellers Holdings Pty Ltd (i)	355,459	-
Allstates Secretariat Pty Limited (i)	344,344	-
City Natural Resources High Yield Trust PLC (i)	1,033,638	-
Unsecured Loan (iii)	-	424,372
Short term facility (iv)	-	324,281
Convertible Note (v)	-	8,885,645
	1,733,441	9,634,298
<b>NON-CURRENT</b>		
Secured Liabilities		
Sellers Holdings Pty Ltd (i)	-	332,925
Allstates Secretariat Pty Limited (i)	-	322,514
City Natural Resources High Yield Trust PLC (i)	-	968,111
Unsecured Liabilities		
Amount due to Director related entity (ii)	1,185,082	957,879
	1,185,082	2,581,429

**Secured Notes**

(i) On 4 April 2008 Takoradi issued a secured note to Sellers Holdings Pty Ltd for the amount of \$250,000. The secured note was secured by a fixed charge over 1,562,500 shares in Hampton Mining Limited held by Takoradi. Following the exchange of the Hampton shares, during the half year, the secured notes are now secured by a fixed charge over 2,500,000 shares in Metminco held by Takoradi. The initial term of the secured note was for 12 months with interest at 13.5% per annum. Interest of \$105,459 has been accrued in the balance of financial liabilities.

On 4 July 2008 and 7 July 2008 Takoradi issued secured notes to Allstates Secretariat Pty Limited for the sum of \$250,000. The secured notes were secured by a fixed charge over 1,562,500 shares in Hampton Mining Limited held by Takoradi. Following the exchange of the Hampton shares, during the half year, the secured notes are now secured by a fixed charge over 2,500,000 shares in Metminco held by Takoradi. The initial term of the secured note was for 12 months with interest at 13.5% per annum. Interest of \$94,344 has been accrued in the balance of financial liabilities.

On 4 July 2008 Takoradi issued a secured note to City Natural Resources High Yield Trust PLC for the amount of \$750,000. The secured notes were secured by a fixed charge over 4,687,500 shares in Hampton Mining Limited held by Takoradi. Following the exchange of the Hampton shares, during the half year, the secured notes are now secured by a fixed charge over 7,000,000 shares in Metminco held by Takoradi. The initial term of the secured note was for 12 months with interest at 13.5% per annum. Interest of \$283,638 has been accrued in the balance of financial liabilities.

Prior to 30 June 2010, the Company successfully renegotiated extensions of time with all of its secured note holders for the repayment of the secured notes, totalling \$1,250,000 including interest, to 4 July 2011.

**Unsecured loans**

(ii) Takoradi has received advances by way of unsecured loans totalling \$1,185,082 from Notesan Pty Limited, a related entity of Mr Rodney T Hudspeth. This amount includes accrued interest of \$56,203. As at the date of this report, Notesan had made no further advances to Takoradi. At 31 December 2010, these advances were not due for repayment per the terms of the arrangement with Notesan Pty Ltd for a period of 12 months from the date of signing the 31 December 2010 financial report.



NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
31 DECEMBER 2010

**NOTE 7: BORROWINGS (CONT'D)**

**Borrowings from Sentient Group**

(iii) Takoradi had received advances by way of unsecured loans totalling \$309,513 from Sentient Group. Interest of \$133,557 had been accrued up to 24 November 2010 in the balance of financial liabilities.

(iv) Takoradi had received a short term facility of unsecured loans totalling \$250,000 from Sentient Group. Interest of \$89,384 had been accrued up to 24 November 2010 in the balance of financial liabilities.

(v) On 12th December 2006 Takoradi raised \$3,750,000 by issue of a convertible note with a coupon rate of 8% per annum from the Sentient Group. Interest was not payable until the repayment date or upon conversion of the Note, however it accumulated in addition to the loan owing. The Note could have converted to 5,000,000 Takoradi shares at \$0.75 (post consolidation) per share on or before 12th December 2009. Under the arrangement, should Takoradi's share price have traded at any time over the life of the Note, at a 60 day weighted average price of \$0.90 (post consolidation) per share, Takoradi could have elected to call for conversion of the Note into equity at \$0.75 (post consolidation) per share. If this occurred, within the first six months period of the issuance of the Note there would have been no interest due on the Note at the time of conversion.

On 16th May 2007 Takoradi raised a further \$3,250,000 by an amendment to the abovementioned Convertible Note with the Sentient Group, under the same terms and conditions. The note could have converted into 4,333,333 Takoradi shares at \$0.75 per share on or before 12 December 2009. Interest of \$2,111,178 has been accrued up to 24 November 2010 in the balance of financial liabilities. Both notes expired on 12th December 2009 and the company defaulted on its repayment obligation at 30 June 2010.

However, on 24 November 2010, Takoradi entered into an agreement with the Sentient Group and all of the abovementioned Sentient loans were repaid in full for the consideration of 35 million shares in Metminco, which were received from the sale of its interest in Hampton. The value of the 35 million Metminco shares at 24 November 2010 was \$11.9 million and has exceeded the book value of Sentient debt (including interest) settled at 24 November 2010. Accordingly, a loss on settlement of loan of \$2,006,368 has been reflected in the profit for the half year.

**NOTE 8: CONTRIBUTED EQUITY**

	Half Year Ended Dec 2010		Year Ended June 2010	
	Qty	\$	Qty	\$
Opening balance	67,162,219	39,351,423	67,162,219	39,351,423
Movements during the period	-	-	-	-
Closing balance	67,162,219	39,351,423	67,162,219	39,351,423

**Options Issued:**

	Exercise Prices \$	Number	Expiry Date
<b>OPTIONS (Unlisted)</b>			
Issued 23 December 2008	\$0.50	6,790,127	23 December 2011
Outstanding as at 31 December 2010	\$0.50	6,790,127	23 December 2011

At the AGM of the company on 25 November 2008, 6,790,127 options were issued to Notesan Pty Ltd, a company associated with Mr R. T Hudspeth, at an exercise price of \$0.50, for a period of three years expiring 23 December 2011. These options replaced 6,790,127 previously issued options to Notesan Pty Ltd, as part of a debt for equity swap, with an expiry date of 19 December 2008.



**NOTE 9: NON-CONTROLLING INTEREST**

	<b>Consolidated Half year ended Dec 2010</b>	<b>Year Ended June 2010</b>
	\$	\$
<b>NON-CONTROLLING INTEREST</b>		
Ordinary shares	388,519	388,519
Revaluation reserve	801,390	801,390
Foreign currency translation reserve	359,665	330,439
Accumulated losses	<u>(2,330,779)</u>	<u>(2,299,404)</u>
	<u>(781,205)</u>	<u>(779,056)</u>

**NOTE 10: CONTINGENT LIABILITIES AND COMMITMENTS**

- a) The company is currently in negotiation with the Executrix of the Estate of George Blay Kwofie in respect to the Insamankaw Joint Venture Agreement which has expired. The following issues are being renegotiated: - the amount outstanding for payment; and renewal of the Joint Venture Agreement for an additional period. The Directors are confident that the Company and its subsidiaries will not incur a material liability.
- b) In December 2009 the Company reached agreement with a former consultant to its technology subsidiary Matchtip Limited (Matchtip) whereby the total claim for outstanding services and costs of A\$749,464 would be settled for a payment of A\$305,000 (in default A\$390,000). The terms of the settlement are payment of A\$305,000 by way of:
- A\$25,000 within 30 days of execution of agreement – (paid)  
A\$25,000 on 31 March 2010 – (paid)  
A\$50,000 on 30 June 2010 – (paid)  
A\$150,000 on 31 December 2010 – (paid)  
A\$55,000 on 30 June 2011 – (recorded as a liability at 31 December 2010)
- A contingent liability of \$90,000 applies if the repayment arrangements are not met.
- c) Subsequent to year end, and as at the date of this report, applications for the renewal of the Bole Exploration Tenements in Ghana were granted. Since balance date, US\$60,000 has been paid to the Government of Ghana for the renewals. This amount was not recorded as a liability at 31 December 2010.
- d) Minimum expenditures required to maintain exploration properties in Africa are approximately \$US100,000 per annum for Ghana and \$US80,000 per annum for Namibia.



**NOTE 11: SUBSEQUENT EVENTS**

- a) In March 2011, the Company reached agreement with a mining services contractor (Drillcon) contracted by and with Takoradi's subsidiary, Kuiseb Mining and Processing Pty Limited (Kuiseb), whereby the total claim for outstanding services and costs of N\$14,281,715.31 together with interest at 10% per annum calculated and capitalised monthly would be settled by payment of the following:

N\$350,000 in December 2010 – (paid)  
N\$700,000 on 31 January 2011– (paid)  
N\$1,000,000 on or before 25 February 2011– (paid)  
N\$1,450,000 within 10 business days of renewal of Kuiseb's existing mineral licence – (paid)  
N\$3,500,000 on 31 May 2011 – (paid)  
N\$3,500,000 on 31 August 2011  
N\$3,500,000 on 30 November 2011  
N\$281,715.31 being the balance of principal debt on 31 December 2011  
Residual of aforementioned interest on or before 31 March 2012

At the date of this report, Kuiseb's existing mineral licence had been renewed and pursuant to the agreement, the Company is now subjected to guarantee to Drillcon in respect of the aforementioned outstanding payment obligations.

- b) Subsequent to year-end, and as at the date of this report, applications for the renewal of the Bole Exploration Tenements in Ghana have been favourably recommended by the Minerals Commission to the Minister of Lands and Natural Resources, to grant the licences. All licence fees and ground rents have been paid in accordance with the Minerals Commission written advice. Formal confirmation on the renewals is awaited from the Minister.
- c) Subsequent to year-end, and as at the date of this report, applications for the renewal of the Kuiseb Exploration Tenements in Namibia were granted.

Other than the matters noted above, there are no material events subsequent to the end of the half year that have not been recognised in the half year financial statements.



NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
31 DECEMBER 2010

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DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 11 to 22 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2010 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion, there are reasonable grounds to believe that Takoradi Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

RODNEY T HUDSPETH  
Chairman

Sydney

Date: 7 June 2011

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF TAKORADI LIMITED**



Chartered Accountants  
& Business Advisers

**Report on the Half-Year Financial Report**

We have reviewed the accompanying consolidated half-year financial report of Takoradi Limited, which comprises the consolidated statement of financial position as at 31 December 2010, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and explanatory information and the directors' declaration of the consolidated entity. The consolidated entity comprises Takoradi Limited ("the company") and the entities it controlled at 31 December 2010 or from time to time during the half year ended on that date.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Takoradi Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Takoradi Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PKF

PKF

7 June 2011  
Melbourne

**D J Garvey**  
Partner

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