

For personal use only



TAKORADI LIMITED
ACN 006 708 676

2011 ANNUAL REPORT



Contents

Chairmans' Report

Directors' Report

Corporate Governance Statement

Auditor's Independence Declaration

Directors' Declaration

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Independent Audit Report

Shareholder Information

Corporate Directory



CHAIRMAN'S REPORT

The Board of Directors of Takoradi Limited had great pleasure in announcing the Company's return to trading on the Australian Securities Exchange on 26 July 2011. It has been relaunched with significant uplift in asset value and with a very positive future outlook.

During the 2010 - 2011 financial year, the company continued the expansion of its mineral resource portfolio which is now focused on Namibia and Ghana in Africa along with indirect interests in Chile and Peru in South America. Each of these countries has well established mining industries with a long history of successfully developed mineral resource projects.

In Namibia, at the Kuiseb copper gold project, the Company has established significant resources at the principle target, the Hope Deposit, which from diamond drilling has identified a resource of 3,600,000 tonnes grading 2.5%Cu, 0.64g/tAu and 8.7g/tAg along a strike length of 2.6 kilometres. Additional drilling further along strike has confirmed that the resources continue at a similar grade and the geophysics shows that the mineralisation could continue for well over 3 kilometres. Other targets are now also being evaluated within the Kuiseb project area where it is anticipated additional mineralised resources will be identified. Over 106 holes for 34,000 metres of diamond drilling has now been completed at the Kuiseb project by Takoradi in addition to previous drilling by other companies. This gives a high level of confidence in the project where it is targeting a potential, early open-pit, shallow underground mining operation.

The company's copper, gold and molybdenum exploration activities in Chile and Peru are now held through Metminco Limited in which Takoradi holds an 11% interest. Takoradi invested approximately \$7million into Hampton Mining Limited (now 100% owned by Metminco). Full details on Metminco and its projects can be seen at www.metminco.com.au

The gold interests held in Ghana, primarily through its 80% owned subsidiary Northern Goldfields Limited continue to be systematically evaluated. The principle project located at Bole in the Northern region of Ghana has identified mineralisation of Proven and Probable Reserves of 145,000ozs of gold and Inferred Resources of 17,000 ozs at the Dokrupe Deposit along with additional potential mineralisation containing another 140,000 ozs of gold within the nearby Bajju prospect. Various alternatives are being considered to assess the most appropriate way forward to enhance the value of this exploration asset.

The Kutukrom exploration prospect is now being re-evaluated following further on-ground work activity carried out during the last twelve months. This has included bulk testing of materials extracted from river alluvials.

Takoradi has achieved significant exploration success in the last few years as well as enhancing the value of its asset base through the investment in Metminco. The Company has diversified its mineral resources portfolio with interests in very stable, highly regarded countries of mineral resource history. This has positioned the Company extremely well for the future in which you're Directors, who have contributed greatly to the company's activities, will continue to seek the best way forward to enhance shareholder value.

Yours Sincerely

RODNEY T HUDSPETH
Chairman



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

The Directors present their report together with the financial report of the consolidated entity consisting of Takoradi Limited ("Takoradi" or "Company") and the entities it controlled for the year ended 30 June 2011, and the Independent Auditors report thereon.

DIRECTORS NAMES

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

Rodney T. Hudspeth (Executive Chairman)
Albert G. Harris
John S. McIntyre
Terence V. Willsted (Appointed 25 July 2011)

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

COMPANY SECRETARY

The name of the company secretary in office at the date of this report and throughout the year is Robert Blake (since November 2002).

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 in Metminco Limited.

TRADING RESULTS

The consolidated operating profit of the economic entity comprising Takoradi Limited ("Takoradi") and its controlled entities after tax for the financial year ended 30 June 2011 was \$36,309,693 (2010: net loss of \$1,287,414) of which \$36,378,929 (2010: net loss of \$1,200,415) is attributable to shareholders of Takoradi. The non-controlling interest's share of the consolidated operating loss of the economic entity for the financial year ended 30 June 2011 was \$69,236 (2010: \$86,999).

DIVIDENDS

No dividends were paid or declared during the year by the Company and no recommendation is made as to dividends.

REVIEW OF OPERATIONS

The consolidated operating profit of the economic entity comprising Takoradi and its controlled entities after tax for the year ended 30 June 2011 was \$36,309,693 of which \$36,378,929 is attributable to shareholders of Takoradi. A review of the company's activities for the financial year ended 30 June 2011 is presented below.

During the year, Takoradi entered into a binding agreement with Metminco for it to acquire all of Takoradi's 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 30 June 2011, was 34 cents, with a value of \$44 million for Takoradi.

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 10.94% interest in the issued capital of Metminco.



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

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 30 June 2011, 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. The Company is currently reviewing its options with respect to its Ghanaian and Namibian interests.

As at 30 June 2011, 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 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 and La Piedra are each continuing to be evaluated through extensive drilling programs, resource assessment and pre-feasibility studies.

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 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 south-west end of the Matchless Amphibolite Belt ("MAB"), that has a strike length of 350kms which runs northeast to the capital city Windhoek and beyond. Takoradi through its wholly owned subsidiary, Nimrod, has a 70% interest in 150km of that strike length.

Importantly, the Kuiseb Project is close to the TransNamib railway and less than 150km from the major sea port Walvis Bay in Namibia. Roads connect the port to the site and rail transport is available to the local smelter and/or for export. Namibia is politically one of the most stable African nations.

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 important copper/gold resources. The Company will continue evaluation and drilling programs designed 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 km, being 1600m beyond historical work.

Hope Deposit - Resources

As at 30 June 2011 the JORC Code Compliant resource established at the Hope deposit is 3,596,831 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:

JORC COMPLIANT	TONNES	Cu	Au	Cut Off
Indicated Resource	1,807,463	2.4%	0.59g/t	0.2% Cu
Inferred Resource	1,789,368	2.6%	0.65g/t	0.2% Cu
Total	3,596,831	2.5%	0.64g/t	0.2% Cu



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

NAMIBIA, SOUTH WEST AFRICA (CONT'D)

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 6 to 8 million 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 6 to 8 million tonnes that could be used for mine planning purposes.

The 'Hope Deposit' initial targeted mineralised resource is around 6 to 8 million tonnes at an average grade of 2.5% Cu and 0.68g/t Au, with the conceptual possibility of achieving an exploration target of 20 million tonnes of mineralisation with extensions in depth and from nearby additional targets based on geological analysis. This would enable a potential commercial mining operation producing a throughput of 750,000 to 1,000,000 tonnes per annum.

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, pre-feasibility planning and development options for the Hope Deposit will be given major consideration as part of the strategic review to be undertaken now that the Hampton buyout by Metminco has been completed and Takoradi has a significantly improved financial position.

Metallurgical Test work - Hope

A 140m deep shaft with two levels of underground drives totaling 111m 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. They also extracted a 5,711 kg bulk sample and then carried out extensive beneficiation flotation test work, that reported:

"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 million 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 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.



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

GHANA, WEST AFRICA (CON'D)

As at the date of this report, the licences near Bole 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.

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 145,000 ounces [ozs] Au and Inferred Resources of 17,000ozs Au. At the Bajou Licence area approximately 160,000 ozs 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.

The company is evaluating the most beneficial way forward by either re-commencing an exploration program and/or joint venturing the project.

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

LOS CALATOS [PERU]

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 [Mo] 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.

The Project is located in an established copper porphyry belt that hosts three major producing mines, Toquepala, Cuajone and Cerro Verde. Another 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 Los Calatos 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 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



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

LOS CALATOS (CONT'D)

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 at least approximately 8km by 3km, with the current drilled resources covering a strike length of only, approximately, 600m.

A new 50,000m diamond drilling program commenced at Los Calatos in December 2010. Recently released deep drilling results from this drilling program at the Los Calatos project included a drill hole of 1,340m containing mineral grades of 0.64% Cu and 360ppm Mo. Within this hole is a high grade section of 255m at 1.68% Cu and 310ppm Mo near surface.

On 11 July 2011, the Peruvian government declared the Los Calatos project a project of national interest.

This further confirms Los Calatos to be a world class potential Cu-Mo resource project.

MOLLACAS PROJECT [CHILE]

The Mollacas Project is located approximately 80km southeast of the town of La Serena, or approximately 450km north of Santiago. Hampton holds a 100% interest in the project, with the balance beneficially held by Chilean corporation MN Ingenieros Limitada. The tenements cover 32.55 squarekilometres [sq km].

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

A new 3,000m diamond-drilling (DD) program commenced in late June 2011. As at the date of signing, Metminco had completed drilling of 24 DD holes (2,250 metres) to provide information for an updated JORC resource estimate expected to be completed by December 2011.

VALLECILLO PROJECT [CHILE]

The Vallecillo gold-zinc project, covering a tenement area of 54.5 sq km 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 100% 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 at 1.42% zinc [Zn], 0.76 g/t Au, 8.1 g/t silver [Ag] and 0.25% lead [Pb].

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).



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

VALLECILLO PROJECT (CONT'D)

At a cut-off grade of 0.3g/t Au, total resources are estimated as 10.1 million tonnes which 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% Zn.

Surface mapping and geochemical sampling of Vallecillo during 2009 and first half 2010 identified an additional seven exploration targets. At 25 September 2011, Metminco commenced a 9,000m DD hole and 4,000m reverse circulation drilling program comprising 41 holes in total.

CAMARON PROJECT [CHILE]

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 sq km. Hampton holds most of these tenements in its own right (100 sq km) and has an option (expiring 23 August 2011) to purchase 100% of the Genesis tenements (30 sq km).

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 400m 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

A 7,000m RC drilling program is planned over a number of significant low-sulphidation gold anomalies identified by initial geochemical sampling.

ISIDRO PROJECT [CHILE]

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 sq km), as well as a 50% interest in the San Lorenzo tenements (20.5 sq 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 2012.



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

LOICA / VICTORIA [CHILE]

The tenements cover 40 sq km 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 IN RESPECT OF SOUTH AMERICAN ACTIVITIES

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
28 April 2011	Successfully secured 100% of Chilean assets and raised \$A30.4 million
4 July 2011	Deep drilling at Los Calatos confirms classic major porphyry system
8 July 2011	Metminco signs option agreement to purchase 100% of the La Piedra Cu-Au-Mo porphyry project in Chile
11 July 2011	Metminco's Los Calatos Project declared a "Project of National Interest" by the Peruvian Government

CORPORATE

The following announcements were lodged with the Australian Securities Exchange (ASX) in regards to the corporate activity of the Company during the financial year ended 30 June 2011, 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.



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

CORPORATE (CONT'D)

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.
10 June 2011	Takoradi submitted Annual Report of 30 June 2010 and half yearly report of 31 December 2010.
25 July 2011	Takoradi provided an activities update on the future potential of its company.
25 July 2011	The ASX announced that Takoradi will be commencing trading on the ASX on 26 July 2011.
27 July 2011	Quarterly Cashflow Report for the quarter ended June 2011.
1 August 2011	Quarterly Activities Report for the quarter ended June 2011.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the Financial Year ended 30 June 2011 other than as referred to in the Review of Operations and Financial Statements or notes thereto.

FINANCIAL POSITION

At 30 June 2011 the consolidated entity held cash, receivables and financial assets available for sale totalling approximately \$44,422,900. This compares with an equivalent figure of \$9,982,124 at 30 June 2010.

The Board of Directors of Takoradi is currently considering various options to meet working capital for the following year. This may be achieved either through a share market placement and or by way of a joint venture that includes recovery of expenditure to date.

These liquid assets will provide the Directors with alternatives sufficient to cover the Company's expected commitments and projected outgoings for the current year. Alternatively, the company has the ability to sell down some of its interest in Metminco to release additional capital.

EVENTS SUBSEQUENT TO BALANCE DATE

No significant events have occurred since balance date which would impact on the financial position of the Company disclosed in the statement of financial position as at 30 June 2011 or on the results and cash flows of the Company for the year ended on that date.

LIKELY FUTURE DEVELOPMENTS

The Company will continue to evaluate its mineral interests in Namibia recognising that the prospects within its tenements offer the opportunity to establish a potential resource capable of commercial development. Consideration will also be given to the ongoing evaluation of the Bole project in Ghana, which may include a Joint Venture arrangement of the project.

Through its shareholding in Metminco (100% ownership of Hampton Limited) Takoradi will continue to support the exploration, evaluation and development of the mineral prospects held by Metminco and Hampton in Chile and Peru, South America.

INDEMNIFICATION OF OFFICERS / AUDITORS

Under the provisions of the Constitution of the Company every officer (and former officer) of the Company is indemnified, to the extent permitted by law, against all costs expenses and liabilities incurred as such an officer providing it is in respect of a liability to another person (other than the Company or a related body corporate) where such liability does not arise out of conduct involving a lack of good faith and is in respect of a liability for costs and expenses incurred in defending proceedings in which judgment is given in favour of the officer or in which the officer is acquitted or is granted relief under the Law. No indemnifications have been provided by the company to its auditors.



Takoradi Limited and Controlled Entities Directors' Report For the year ended 30 June 2011

INFORMATION ON DIRECTORS

Rodney T Hudspeth, Executive Chairman since 1993

Mr Hudspeth's primary area of expertise is in the financial and commercial environment of the mineral resources, technology and telecommunications industries in which he has had extensive experience both within Australia and internationally. Since 1970, he has been involved with a number of successful mining companies, his functions encompassing all aspects of exploration, development and production. During the period 1986 to 1991, Mr Hudspeth was Chairman, Managing Director and the founder of a substantial gold producing company. From 1996 to 2001, Mr Hudspeth was Chairman, Chief Executive and founder of a United States' based telecommunications company. Subsequent to Metminco's acquisition of Hampton, Mr Hudspeth resigned as a director of Hampton Mining Limited. Currently he is the Chairman of Nimrod Metals Limited (unlisted). Mr Hudspeth is not a director of any other listed companies.

Albert G Harris, Executive Director since 1992

Mr Harris is a member of the Institute of Measurement and Control (M Inst M.C.) and a Fellow of the Energy Institute (F.E.I.). His management responsibilities have spanned a wide range of petroleum and mineral resource activities including oil and gas production, drilling and exploration operations in Australia and overseas. He has had management responsibility for the development of petroleum and mineral projects in Australia, the Middle East, West Africa and the USA and for extensive exploration operations in Papua New Guinea and Indonesia. Since 1980, Mr Harris has been involved in both gold and diamond resource exploration and evaluation activities in West Africa. He has been a Director of Australian public and private companies for over 25 years and is currently a Director of the listed resource companies, Goldsearch Limited (since October 1995) and PepinNini Limited (since January 2005 and ceased 15 August 2011). Mr Harris has not been a director of any other listed companies over the past three years.

John S McIntyre, Non-Executive Director since 1993

Mr McIntyre is a qualified engineer with over 30 years experience in the mining industry. In 1987 he formed his own company to act as an independent consultant for the mining industry and has provided services and advice for projects in Australia, Ghana, Philippines, New Zealand and Vietnam. Subsequently, he has become a Director of Behre Dolbear Australia Pty Ltd, a subsidiary of Behre Dolbear and Company Inc. of the United States of America, an international mineral industry consultancy that has operated continuously since 1911 and since 2004, has been a Director of Galilee Energy Limited (ASX Code: GLL). Prior to 1 June 2010, Galilee Energy Limited was named Eastern Corporations Limited (ASX Code: GLL). Mr McIntyre has not been a director of any other listed companies over the past three years.

Terence V Willsted, Non-Executive Director (Appointed 25 July 2011)

Mr Willsted holds a Bachelor of Engineering [Mining] with Honours and a Bachelor of Arts. He is a Fellow of the Australasian of Mining and Metallurgy and a Registered Member of the Society of Mining Engineers. Since 1973 he has been the principal of consulting mining engineers Terence Willsted & Associates.

His 45 year plus career in the mining industry has included senior operational and engineering management positions with Zinc Corporation, Mt Isa Mines Limited and Consolidated Goldfields Australia Limited. He is currently a Director of the listed resource companies International Ferro Metals Limited, Vantage Goldfields Limited, Goldseach Limited, South American Ferro Metals Ltd, Timpetra Resources Ltd and Niuminco Group Limited. He was previously a director of Hampton, European Gas Limited, Citigold Corporation Limited, Austral Gold Limited and Vantage Goldfields Limited. In his consulting experience, Mr Willsted has been involved in the assessment and development of a wide range of mineral, coal and oil shale projects, and has participated in the management of developing and operating mineral projects both in Australia and internationally. Mr Willsted has not been a director of any other listed companies over the past 3 years.

INFORMATION ON COMPANY SECRETARY: Robert Blake

Has been company secretary for over nine years. He is supported in this role by highly experienced professional consultants, Pitcher Partners, who assist in preparation of all accounting matters including the Annual Report.

NON AUDIT SERVICES

There were no non-audit services provided to the Company during the year by the auditors.

AUDIT INDEPENDENCE DECLARATION

The Company's independent auditor has provided an independence declaration to the Company for the year ended 30 June 2011. A copy of the declaration is attached to and forms part of this Directors Report.



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

ENVIRONMENTAL REGULATION

All the Company's current exploration operations are overseas in the Republic of Ghana, West Africa, Namibia, South Western Africa. Operations are subject to the environmental regulations under the mining laws of those countries.

Prospecting licenses held by the Company in each of its regions of operation impose environmental obligations in relation to site remediation following on-ground exploration work and the Company's Board and management are diligent in ensuring that these obligations are complied with. The Directors are not aware of any breaches of any environmental regulations during the past year relative to the Company's and its controlled entities operation.

MEETINGS OF THE BOARD

The Board of Directors held 9 (nine) meetings during the year ended 30 June 2011. Attendances of Directors at these meetings are shown in the table below together with a table of each Director's interest in Takoradi Limited as at the date of this report.

Attendance at Board Meetings During the Financial Year Ended 30 June 2011			Particulars of Directors' Interests in Shares and Options of Parent Entity	
	A	B	Ordinary Shares	
			1	2
R T Hudspeth	9	9	-	22,658,194
A G Harris	9	9	198,867	-
J S McIntyre	9	9	583,000	-
T V Willstead (Appointed 25 July 2011)	-	-	-	1,103,834
Column A meetings held			1. Beneficially in own name.	
Column B number attended			2. Non-beneficially, director of private Company or family member.	

The Chairman, Executive Director A G Harris and the Company Secretary meet as a committee on a bi monthly basis to review operational and financial matters of the Company. The Board has not established a formal Audit Committee. The responsibility for the integrity of the Company's financial reporting rests with the full Board.

REMUNERATION REPORT (AUDITED)

The remuneration of the executive directors and company secretary of the Company has been established by the Board of Directors which has considered issues of policy as they relate to current performance of the company and its potential future earnings. The Key Management Personnel of Takoradi are:

- R T Hudspeth – Executive Director
- A G Harris – Executive Director
- J S McIntyre – Non Executive Director
- T V Willstead – Non Executive Director (Appointed 25 July 2011)

The board has not established a separate Remuneration Committee due to the small size of the Company. The board itself sets the remuneration policies and undertakes regular reviews of the performance and remuneration of Company Executives. In accordance with the 2nd edition of the ASX Council's Corporate Governance Principles and Recommendations (Recommendation 8.1), the structure of non-executive director and executive remuneration is separate and distinct.



Takoradi Limited and Controlled Entities

Directors' Report

For the year ended 30 June 2011

REMUNERATION REPORT (AUDITED) (CONT'D)

Non-executive director's remuneration

Fixed Remuneration: The board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of high calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the maximum aggregate remuneration of non – executive directors shall be determined from time to time by shareholders. The constitution of the Company further provides that the remuneration of non – executive directors will not be more than the aggregate fixed sum determined by a general meeting of shareholders.

The maximum aggregate remuneration sought to be approved by shareholders and the manner in which it is to be apportioned amongst the non – executive directors is reviewed from time to time. When undertaking such reviews the board considers independent external advice and takes into account the fees paid to non – executive directors of comparable companies. The directors fixed fee remuneration is inclusive of committee fees and superannuation.

The current shareholder approved maximum remuneration is \$200,000 per annum.

Relationship between Remuneration Policy and Company Performance

Due to the nature of the Company's principal activity being the exploration for minerals, the Company utilises performance measures other than profitability and share price to determine remuneration packages for key management personnel. The Company's shares were suspended from trading between 25 August 2009 and 26 July 2011. The Company has traded at a loss over the past five (5) years and generated minimal revenue other than in the current financial year.

Other performance measures include:

- Progress of mineral exploration programs for mineral tenements;
- Investment returns generated by the Company's direct investments; and
- Underlying value of mineral exploration tenements.

Key management personnel currently receive fixed remuneration packages as listed below. No other short-term or long-term incentives have been paid during this year and the year ended 30 June 2010.

Company executive, executive director and company secretary remuneration:

Fixed remuneration: The fixed remuneration of executive directors, senior executives and company secretary is reviewed annually by the board taking into account the Company's financial compatibilities at the time. The board reviews relevant comparable remuneration in the employment market for the industry and within the Company and where appropriate independent advice is obtained.

Details of the nature and amount of each element of the emoluments paid or payable to each director and company secretary of Takoradi Limited in the financial year are set out in the following tables.



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

REMUNERATION REPORT (AUDITED) (CONT'D)

Schedule of remuneration for the year ended June 2011
Key Management Personnel

Executive Directors	Salary, Management Fee \$	Other Benefits \$	Super Contribution \$	Total \$
R T Hudspeth *	275,000	-	-	275,000
A G Harris	55,000	-	-	55,000
Total	330,000	-	-	330,000
Non-Executive Directors	Salary, Management Fee \$	Other Benefits \$	Super Contribution \$	Total \$
J S McIntyre	43,750	-	-	43,750
Total	43,750	-	-	43,750
Total Key Management Personnel	373,750	-	-	373,750

Other Executives

Company Secretary	Salary, Management Fee \$	Other Benefits \$	Super Contribution \$	Total \$
R. Blake	73,885	-	33,303	107,188
Total	73,885	-	33,303	107,188

* Notesan Pty Ltd, a company which provides management services to the Takoradi group, received \$275,000 for the year ended 30 June 2011 in respect to services provided by Mr Hudspeth as Executive Chairman. This has increased to \$300,000 per annum starting 1 January 2011.

The company had no other executives and no share based payments were made during the 2011 financial year.



**Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011**

REMUNERATION REPORT (AUDITED) (CONT'D)

**Schedule of remuneration for the year ended June 2010
Key Management Personnel**

Executive Directors	Salary, Management Fee \$	Other Benefits \$	Super Contribution \$	Total \$
R T Hudspeth *	250,000	-	-	250,000
A G Harris	55,000	-	-	55,000
C K Dzang	53,179	-	-	53,179
Total	358,179	-	-	358,179
Non-Executive Directors	Salary, Management Fee \$	Other Benefits \$	Super Contribution \$	Total \$
J S McIntyre	55,860	-	-	55,860
Total	55,860	-	-	55,860
Total Key Management Personnel	414,039	-	-	414,039

Other Executives

Company Secretary	Salary, Management Fee \$	Other Benefits \$	Super Contribution \$	Total \$
R. Blake	74,380	-	-	74,380
Total	74,380	-	-	74,380

* Notesan Pty Ltd a company which provides management services to the Takoradi group received \$250,000 in respect of services provided by Mr. Hudspeth as Executive Chairman.

The company had no other executives and no share based payments were made during the 2010 financial year.

DIRECTORS DEFERRED REMUNERATION

Since August 2008 to 1 January 2011, the Company had withheld all payments to Key Management Personnel, due to the Company's financial position. These amounts had been accrued in the Company's financial statements and the company commenced paying such obligations at a point when the Company had sufficient capital to satisfy creditors. The Company commenced the payment of deferred directors remuneration to all Key Management Personnel from 1 January 2011.

Interest has been accrued at a rate of 13.5% per annum for such amounts owing to directors.

END OF REMUNERATION REPORT (AUDITED)

OPTIONS

The Company has 6,790,126 options on issue at an exercise price of \$0.50 per share exercisable on or before 23 December 2011, to companies associated with the Chairman Mr Rodney Hudspeth. These options were granted in 30 December 2008 and vested. Consequently there was no share based payment for the 30 June 2011 financial year.

These options were not associated with the remuneration of Mr Rodney Hudspeth but rather relate to options issued to Notesan as part of a debt for equity swap dating back to December 2005 (Refer to note 5(c) and 15).



Takoradi Limited and Controlled Entities
Directors' Report
For the year ended 30 June 2011

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: 30 September 2011



CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2011.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of the independent directors of the company are:

John S McIntyre
Terence V Willsted (Appointed 25 July 2011)

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- Comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Trading Policy

The company's policy regarding directors and employees trading in its securities is set by the Board. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.



CORPORATE GOVERNANCE STATEMENT

Audit Committee

Takoradi does not have a formal Audit Committee. Takoradi does not currently have any committees as the Directors consider that, for Takoradi's current size and stage of development, they are not yet appropriate.

In addition to formal Board meetings, of which there were nine during the year, the Directors also held frequent informal discussions and reviews of Takoradi's affairs. These include matters pertaining to Takoradi's assets, budgets, investments, exploration programmes, acquisitions and dispositions, joint ventures, remuneration of executives, staff and contractors, independent professional advice, accounting, audit, internal financial controls, risk assessment and ethical standards.

Takoradi has an informal Audit Committee comprising of one executive director Rodney Hudspeth and the company secretary Robert Blake.

This informal Audit Committee meets and reports to the Board as required but in any case at least twice a year. The informal Committee has authority to seek any pertinent information it requires from any employee or external party. The Company's external auditor consults with the informal Committee by telephone or attends the meetings of the informal Audit Committee.

Performance Evaluation

No formal performance evaluation of any Board member was conducted during the current financial year. The performance of the Board and key executives is regularly reviewed throughout the year in Board meetings.

The Chairman also speaks to each director individually regarding their role as director.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Takoradi Limited, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The worsening economic environment has emphasised the importance of managing and reassessing its key business risks.

Remuneration Policies

The remuneration policy, which sets the terms and conditions for the key management personnel, was developed by the Board after seeking professional advice from independent consultants. All executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits. The Board reviews executive packages annually by reference to comparable information from industry sectors and other listed companies and independent advice. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all key management personnel for the company and the five highest paid executives, including all monetary and non-monetary components, are detailed in the Directors' report under the heading Remuneration Report. All remuneration paid to key management personnel is valued at the cost to the company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes valuation methodology.



CORPORATE GOVERNANCE STATEMENT

Remuneration Policies (CONT'D)

No shares or options have been issued in respect of remuneration in the 30 June 2010 or 30 June 2011 financial years.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The Board and Company Secretary currently receive fixed remuneration packages (supplemented by individually negotiated consultancy arrangements with key management personnel and the company secretary, as necessary) which are reviewed annually taking into account the Company's financial capabilities at the time.

Since August 2008 the Company has withheld all payments to the Directors and Management, due to the Company's financial position. The amounts have been accrued in the Company's financial statements and will be paid at such a point when the Company has sufficient capital to satisfy creditors. The Company commenced the payment of deferred Directors' remuneration to all Key Management Personnel from 1 January 2011.

Interest has been accrued at a rate of 13.5% per annum for such amounts owing at 30 June 2011.

Any changes must be justified by reference to measurable performance criteria.

Remuneration Committee

The Board does not have a remuneration committee.

Because of the size of the Board and executives, the Board as a whole determines the remuneration for all Executive Directors, Directors and senior staff.

The remuneration policy of the consolidated entity is set out in both Directors' Report under the Remuneration Report and Note 5 to the Financial Statements. With respect to Non-Executive Director remuneration, shareholders have previously approved an aggregate annual sum of \$200,000.

In respect of Executive Directors' remuneration, the fees paid are not dependent upon the performance of the Company's level of activity and its financial capacity. As such there is no separate Remuneration Committee.

Other Information

Further information relating to the company's corporate governance practices and policies are available from the company secretary Robert Blake.



CORPORATE GOVERNANCE STATEMENT

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND BEST PRACTICE RECOMMENDATIONS

Subject to the exceptions outlined below, the Company has adopted the 2nd edition of the ASX Corporate Governance Principles and Recommendations (Revised Recommendations) applying to listed entities as published by the ASX Corporate Governance Council.

The revised recommendations are not prescriptions and are intended as guidelines only. The Board has sought to apply the revised recommendations to the extent relevant to the Company's size and scale of operations.

Best Practice Recommendation	Notification of departure	Explanation of Departure
Principle 2.1	A majority of the Board should be independent.	<p>The Board of Directors comprises two non-executive Director and two executive Directors, one of who is Chairman. Due to the fact that each of the Directors has valuable and necessary skills, experience and expertise that the Board wishes to utilise it is not considered appropriate that a majority of the Board should be independent directors and that the Chairman should be independent. However this may change upon reconstruction of the Board in the future. The only independent directors are Mr John McIntyre and Mr Terence Willsted.</p> <p>The qualifications, skills and experience of all members of the Board are set out in the Directors' Report.</p>
Principle 2.4	The Board does not have a separate nomination committee.	<p>The Board has not formed a separate Nomination Committee. The Full Board consists of four Directors and has formed the view that it is more efficient for the Board as a whole to deal with matters that would otherwise be dealt with by a Nomination Committee. Strategies such as reviewing the skill base and experience of existing Directors and identification of attributes required in new Directors are in place and, if necessary, appropriate independent consultants will be engaged to identify possible new candidates for the Board. This policy could change in the future with the appointment of new Directors.</p>



CORPORATE GOVERNANCE STATEMENT

Best practice Recommendation	Notification of departure	Explanation of Departure
Principle 4.1	The board does not have a constituted Audit Committee.	<p>The board has not established an Audit Committee to assist to ensure the truthful and factual presentation of the company's financial position as it believes that, given the size of the Board, no efficiencies are derived from a formal committee structure.</p> <p>Notwithstanding the non-existence of the Audit Committee, ultimate responsibility for the integrity of the Company's financial reporting rests with the full Board.</p>
Principle 5.1	The Board does not have established written policies designed to ensure compliance with ASX listing Rule disclosure requirements.	The Company does not currently have a formal written policy in place, but instead relies on the extensive experience of the Board to ensure ongoing compliance.
Principle 8.1	The Board does not have remuneration committee.	<p>Because of the limited number of key management personnel, the Board as a whole determines the remuneration for all Executive Directors, Directors and senior staff.</p> <p>The remuneration policy of the consolidated entity is set out in the Directors' Report of the Financial Statements. With respect to Non-Executive Director remuneration, shareholders have approved an aggregate annual sum of \$200,000.</p> <p>In respect of Executive Directors' remuneration, the fees paid are not dependent upon the performance of the Company's level of activity and its financial capacity. As such there is no separate Remuneration Committee.</p>



Chartered Accountants
& Business Advisers

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**To: The Directors
Takoradi Limited and the entities it controlled during the year**

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- no contraventions of any applicable code of professional conduct in relation to the audit.

**David Garvey
Partner
PKF**

30 September 2011
Melbourne

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only



TAKORADI LTD AND CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011

The directors of Takoradi Limited declare that:

- (a) in the Directors' opinion of the financial statements and notes set out on pages 23 to 55, are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in note 1; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

Signed in accordance with a resolution of the Directors.

RODNEY T HUDSPETH
Chairman

SYDNEY

Date: 30 September 2011



TAKORADI LTD AND CONTROLLED ENTITIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	Consolidated 2010 \$
Other income	3	52,380,273	2,124,606
Expenses from continuing operations	3	(3,589,691)	(1,633,517)
Finance costs	3	(986,104)	(1,402,632)
Share of (loss)/profit of equity accounted associate	3	-	(375,871)
Profit/(Loss) before Income tax		47,804,478	(1,287,414)
Income tax	4	(11,494,785)	-
Profit/(Loss) for the year		36,309,693	(1,287,414)
Other comprehensive income			
Exchange differences on translation of foreign operations, net of tax		(343,092)	157,424
Reclassification adjustment to foreign currency translation reserve - Discontinuation of equity accounting for associate		-	442,778
De-recognition of fair value adjustment recorded in Asset Revaluation Reserve on disposal of investment in associate		(2,904,371)	-
Share of change in associates foreign currency translation reserve		-	(669,670)
Other comprehensive income for the year		(3,247,463)	(69,468)
Total comprehensive income for the year		33,062,230	(1,356,882)
Net Profit/(loss) is attributable to:			
Members of the parent		36,378,929	(1,200,415)
Non-controlling interest		(69,236)	(86,999)
		36,309,693	(1,287,414)
Total comprehensive income attributable to:			
Members of the parent		33,001,895	(1,496,063)
Non-controlling interest		60,335	139,181
		33,062,230	(1,356,882)
Basic Earnings (Profit) Per Share (cents per share)	7	54.17	(1.78)
Diluted Earnings (Profit) Per share (cents per share)	7	49.19	(1.78)

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



TAKORADI LTD AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 \$	Consolidated 2010 \$
CURRENT ASSETS			
Cash and Cash Equivalents	18(a)	370,697	15,535
Trade and Other Receivables	8	52,203	52,600
TOTAL CURRENT ASSETS		422,900	68,135
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	4,908	7,557
Exploration & Evaluation Expenditure	10	6,832,795	7,246,190
Other Financial Assets	11	44,000,000	9,913,989
TOTAL NON-CURRENT ASSETS		50,837,703	17,167,736
TOTAL ASSETS		51,260,603	17,235,871
CURRENT LIABILITIES			
Trade and Other Payables	12	3,347,066	4,724,505
Borrowings	13	1,848,845	9,634,298
TOTAL CURRENT LIABILITIES		5,195,911	14,358,803
NON-CURRENT LIABILITIES			
Borrowings	13	1,212,038	2,581,429
Deferred tax liabilities	4	11,494,785	-
TOTAL NON-CURRENT LIABILITIES		12,706,823	2,581,429
TOTAL LIABILITIES		17,902,734	16,940,232
NET ASSETS		33,357,869	295,639
EQUITY			
Equity attributable to Equity Holders of the Parent			
Contributed Equity	14	39,351,423	39,351,423
Foreign Exchange Translation Reserve	16a	(1,981,454)	(1,508,791)
Asset Revaluation Reserve	16b	-	2,904,371
Accumulated Losses		(3,293,379)	(39,672,308)
PARENT ENTITY INTEREST		34,076,590	1,074,695
Non-controlling interest	17	(718,721)	(779,056)
TOTAL EQUITY		33,357,869	295,639

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



TAKORADI LTD AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Consolidated	Issued Capital \$	Foreign Exchange Translation Reserve \$	Asset Revaluation Reserve \$	Accumulated 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
Share of change in associate's foreign currency translation reserve	-	(669,670)	-	-	-	(669,670)
Reclassification adjustment to foreign currency translation reserve - Discontinuation of equity accounting for associate	-	442,778	-	-	-	442,778
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency	-	(68,756)	-	-	226,180	157,424
Loss after income tax for the period	-	-	-	(1,200,414)	(86,999)	(1,287,413)
Balance as at 30 June 2010	<u>39,351,423</u>	<u>(1,508,791)</u>	<u>2,904,371</u>	<u>(39,672,308)</u>	<u>(779,056)</u>	<u>295,639</u>
Balance as at 1 July 2010	39,351,423	(1,508,791)	2,904,371	(39,672,308)	(779,056)	295,639
De-recognition of previous revaluation upon disposal of financial asset	-	-	(2,904,371)	-	-	(2,904,371)
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency	-	(472,663)	-	-	129,571	(343,092)
Profit/(Loss) after income tax for the period	-	-	-	36,378,929	(69,236)	36,309,693
Balance as at 30 June 2011	<u>39,351,423</u>	<u>(1,981,454)</u>	<u>-</u>	<u>(3,293,379)</u>	<u>(718,721)</u>	<u>33,357,869</u>

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



TAKORADI LTD AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated Inflows (Outflows)	
		2011 \$	2010 \$
Cash Flows from Operating Activities			
Receipts from Customers		-	-
Payments to Suppliers and Employees		(3,144,432)	(643,490)
Interest Received		28,594	569
Net Cash Used in Operating Activities	18(b)	(3,115,838)	(642,921)
Cash Flows from Investing Activities			
Proceeds from the sale of equity investments		3,350,000	-
Net Cash provided by Investing Activities		3,350,000	-
Cash Flows from Financing Activities			
Proceeds from loans by Related Parties		211,000	628,032
Repayments of loans from Related Parties		(90,000)	-
Net Cash Provided by Financing Activities		121,000	628,032
Net Decrease in Cash Held		355,162	(14,889)
Cash and Cash Equivalents at Beginning of Year		15,535	30,424
Cash and Cash Equivalents at End of Year	18(a)	370,697	15,535

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



TAKORADI LTD AND CONTROLLED ENTITIES
NOTES TO THE YEAR END FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

INTRODUCTION

The financial report covers the consolidated entity 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.

The separate financial statements of the parent entity, Takoradi Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Limited financial information on the parent entity is set out on note 24.

The principal activity of the economic entity during the financial year was exploration and its investment in Metminco Limited, an Australian Securities Exchange ("ASX") listed company. The registered office is located at Level 8, Ikon House, 65 York Street, Sydney, NSW, Australia and the principal place of business is located at Level 46, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, Australia.

The financial report was authorised for issue by the Directors on the date of signing the Directors' Declaration.

1. BASIS OF PREPARATION OF FINANCIAL REPORT

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

The 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.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in note 2 (a).

(b) Statement of Compliance with IFRS

Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the company and the Group comply with international Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

(c) Going Concern

The consolidated entity has incurred a profit of \$36,309,693 for the year ended 30 June 2011 (Loss of \$1,287,414 for the 30 June 2010 year) and had negative cash outflows from operating activities of \$3,115,838 for the period then ended (Negative cash outflows of \$642,921 for the 30 June 2010 year). It also has an excess of current liabilities over current assets of \$4,773,011.

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.



TAKORADI LTD AND CONTROLLED ENTITIES
NOTES TO THE YEAR END FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

(c) Going Concern (Cont'd)

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

- During the 2011 financial year, Takoradi entered into 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 subsequently 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 current loans totalling \$9,634,298. 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 29 September 2011, the value of these shares implied by the ASX closing price of 17 cents is \$27.20 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 29 September 2011, this equates to \$27.20 million of shares able to be converted into cash;
- Included in trade and other payables in Note 12 are amounts owing to directors and Notesan Pty Limited totalling \$1,089,904. These amounts are not expected to be repaid until the Company has sufficient cash resources. In addition, included in trade and other payables, are amounts of \$1,470,867 owed under contracted terms which require the amounts to be repaid over time to 31 March 2012 (Refer to Note 21 for further detail).
- 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.

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.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Takoradi Limited at the end of the reporting period. A controlled entity is any entity over which Takoradi has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 11 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.



2. SUMMARY OF ACCOUNTING POLICIES

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

(a) Accounting estimates and judgements

Management determine the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates.

Per Notes 2(d) and 2(e) management exercises judgement as to the recoverability of the carrying amounts of the consolidated entity's assets, including the carrying amounts of its investments and capitalised exploration expenditure. Any judgment may change as new information becomes available. For instance, if after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through the statement of comprehensive income.

Similarly the carrying value of an available-for-sale financial instrument that does not have a quoted market price in an active market and whose fair value cannot initially be reliably measured may need to be restated to fair value if a reliable measure subsequently becomes available.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

Plant and equipment

Plant and equipment are measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed as the greater of the fair value less costs to sell and expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Roads – at cost	2.5%
Buildings and improvements	2.5%
Exploration Equipment and vehicles – at cost	20%
Furniture, Fixtures and Fittings – at cost	15%
Office Equipment	15%

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability.



2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(d) Investments

Controlled Entities

Investments in Controlled Entities are carried in the Company's financial statements at the lower of cost and recoverable amount. The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Associated Entities

Investments where the company has the capacity to exert significant influence over that entity but does not have control of the entity are accounted for on an equity basis. The initial equity investment is recorded on a cost basis. Post acquisition the consolidated entity's proportionate share of the equity investments profits and losses, and increments and decrements in reserves are brought to account until the carrying amount of the equity investment is zero or the consolidated entity no longer has the capacity to exert significant influence over that entity.

Where the consolidated entity no longer has the capacity to exert significant influence over an associate, the equity method is discontinued and the investment is accounted for in accordance with AASB 139 Financial Instruments: Recognition and Measurement, from that date, provided the associate does not become a subsidiary or a joint venture as defined by the Accounting Standards. On the loss of significant influence, the consolidated entity measures at fair value any investment it retains in the former associate and recognises in profit and loss any difference between the fair value of any retained investment and any proceeds from disposing of the part interest in the associate and the carrying amount of the investment at the date when significant influence is lost.

The fair value of the investment at the date when it ceases to be an investment in an associate is regarded as its fair value on initial recognition as a financial asset in accordance with AASB 139.

Other Investments

The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have been discounted to their present value in determining the recoverable amounts.

Available-for-sale investments in listed shares that are traded in an active market are stated at fair value. Available-for-sale investments in unlisted shares that are not traded in an active market are also stated at fair value when the directors consider the fair value of the investments can be reliably measured. Fair value is determined in the manner described in note 2(j).

Investments in an equity instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost in accordance with AASB 139. That is, when the variability in the range of reasonable fair value estimates is significant or the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, the entity is precluded from measuring the equity instrument at fair value. This was the case with the consolidated entity's unlisted investment in Hampton, as at the date of loss of significant influence, resulting in it being restated to cost.

If a reliable measure becomes available for an available-for-sale investment, for which such a measure was previously not available the asset is re-measured at fair value, and the difference between its carrying amount and the fair value is recognised as a gain or loss in other comprehensive income, except for impairment losses, until the financial asset is derecognised. At that time, the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.



2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(e) Exploration and Development Expenditure

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest. Each area of interest is limited to an individual geological area, which is related to a known or probable mineral resource and is considered to constitute a favourable environment for the presence of mineral deposits. Exploration and evaluation expenditure for each area of interest is carried forward provided that the following conditions are met:

- rights of tenure to that area of interest are current; and
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing; or
- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(f) Foreign Currency Translation

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and the foreign currency translation reserve (translation reserve, or FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.



2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

(h) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes:

- Cash on hand and at all call deposits with banks or financial institutions, net of bank overdrafts; and
- Investments in money market instruments with less than 14 days to maturity

(i) Impairment

The carrying amounts of the company's and consolidated entity's assets, other than deferred tax assets, are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Fair Value

Fair values for financial instruments traded in active markets are based on quoted market prices at statement of financial position date. The quoted market price for financial assets is the current bid price and/or the quoted market price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Assumptions used are based on observable market prices and rates at balance date. Estimated discounted cash flows are used to determine fair value of the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.



2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(k) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to members of Takoradi by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(i) Revenue

Interest revenue is recognised upon control of the right to receive the interest payment. Revenue from the rendering of a service is recognised where the contract outcome can be reliably measured, control of the right to be compensated for the services and the state of completion can be reliably measured. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(o) Taxes

The consolidated entity uses the "Balance Sheet" method to determine tax expense for the current period. Current period tax expense is determined from the tax payable on the current period's taxable income adjusted for changes in deferred tax assets and liabilities and their carrying amounts in the Statement of Financial Position, and by unused tax losses. Tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). The current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled.

A deferred tax asset is only recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences where the parent entity is able to control the timing of reversal of the temporary differences between the carrying value and the tax bases of the investments and it is probable that the differences will not reverse in the foreseeable future.



2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(p) Research and Development Expenditure

Research costs are recognised as an expense when incurred. Other development costs are expensed when incurred, except to the extent that such costs are expected, beyond any reasonable doubt, to be recoverable. Deferred development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial production has commenced. The deferred development expenditure is reviewed each year to ensure the criteria for deferral continues to be met.

Where such costs are no longer considered recoverable, they are written off as an expense in net profit or loss.

(q) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

(r) Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of the asset.

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.



2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(t) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these accounting standards and interpretation. A discussion of those future requirements and their impact on the Group follows:

- AASB 9 Financial Instruments (applicable for annual reporting periods commencing on or after 1 January 2013 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 Financial Instruments: Recognition and Measurement.
- AASB 10 Consolidated Financial Statements (applicable for annual reporting periods commencing on or after January 2013 replaces AASB 127 and outlines three (3) key elements of control. According to AASB 10 an investor controls an investee if and only if the investor has all the following:
 - a) power over the investee;
 - b) exposure, or rights, to variable returns from its involvement with the investee; and
 - c) the ability to use its power over the investee to affect the amount of the investor's returns
- AASB 11 Joint Arrangements (applicable for annual reporting periods commencing on or after 1 January 2013) replaces AASB 131 Interests in Joint Ventures. The previous standard had 3 types of Joint ventures whereas AASB 11 has two being Joint Operations and Joint Ventures, as defined. Joint ventures must now be accounted for using the equity method of accounting. The option to proportionately consolidate a joint venture entity has been removed. No significant impact is expected to arise upon the adoption of the new standard, however the company will consider the impact in future years.
- AASB 12 Disclosure of Interests in Other Entities (applicable for annual reporting periods commencing on or after 1 January 2013) provides the disclosure requirements for entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. As such, it pulls together and replaces disclosure requirements from many existing standards.
- AASB 13 Fair Value Measurement (applicable for annual reporting periods commencing on or after 1 January 2013) consolidates the measurement and disclosure requirements in respect of fair values into one standard. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price)".

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

(u) Impact of Adopting New and Revised Accounting Standards

Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

In particular the following new accounting standards have been adopted:

- AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvement Project made a number of minor amendments to AASB 5 Non-current Assets Held for Sale and Discontinued Operations, AASB 8 Operating Segments, AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 117 Leases, AASB 118 Revenue, AASB 136 Impairment of Assets and AASB 139 Financial Instruments: Recognition and Measurement.

The adoption of the above did not have a material impact on the Group and is unlikely to have a material impact on future periods.



TAKORADI LTD AND CONTROLLED ENTITIES
NOTES TO THE YEAR END FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	Consolidated
	\$	2010
		\$
3. PROFIT/(LOSS): Net Profit/(loss) before tax includes the following:		
Other income		
Net gain on write back of accounts payable	-	902,699
Net revaluation of investment to cost upon discontinuation of equity method (Refer note 11)	-	1,221,907
Profit on disposal of investments (i)	62,669,769	-
Impairment in fair value of available for sale investments (i)	(10,400,000)	-
Foreign currency gain	110,504	-
	<u>52,380,273</u>	<u>2,124,606</u>
Share of (loss)/profit of equity accounted associate	-	(375,871)
Expenses from continuing operations		
Depreciation of plant and equipment	(1,636)	(2,182)
Tenement maintenance costs	(143,834)	(159,709)
Consulting fees	(201,270)	(204,851)
Administration expenses	(411,833)	(374,848)
Corporate expenses	(648,162)	(882,421)
Loss on settlement of loans (ii)	(2,006,368)	-
Other expenses	(176,588)	(9,506)
	<u>(3,589,691)</u>	<u>(1,633,517)</u>
Net financial expense		
Interest income	28,594	569
Interest expense	(1,014,698)	(1,403,201)
	<u>(986,104)</u>	<u>(1,402,632)</u>

(i) Further details at Note 11.

(ii) Further details at Note 13.



TAKORADI LTD AND CONTROLLED ENTITIES
 NOTES TO THE YEAR END FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	Consolidated 2010 \$
4. INCOME TAX		
The components of tax expense and tax liabilities at the balance date comprise:		
Current tax	-	-
Deferred tax	11,494,785	-
	<u>11,494,785</u>	<u>-</u>

The prima facie tax on profit from ordinary activities before income tax is reconciled as follows:

Prima facie tax payable/(benefit) on profit/(loss) from continuing activities before income tax at 30% (2010: 30%)	14,341,343	(386,224)
Add: non-deductible items	1,534,704	112,761
Less: non-assessable items	(4,097,802)	(366,572)
Less: Capital profits not subject to income tax		
Less: net of deferred tax losses not recognised and brought to accounts	(283,460)	640,035
Income tax attributable to the consolidated entity	<u>11,494,785</u>	<u>-</u>

The consolidated entity has undetermined tax losses which are the subject of further investigations.

Realisation of these benefits will depend upon:

- i) the ability of the companies in the economic entity to derive future assessable income of a nature and of sufficient amount to enable the benefit to be realised;
- ii) the ability of the companies in the economic entity to continue to comply with the conditions for deductibility imposed by the law; and
- iii) the expectation that legislation will not change in a manner which would adversely affect the companies in the economic entity's ability to realise the benefit.

As at 30 June 2011, the consolidated entity has recognised a deferred tax liability of \$11,494,785 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 later this year.

5. KEY MANAGEMENT PERSONNEL

Key Management Personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of Takoradi Limited and its controlled entities during the financial year.

Parent Entity Directors:

Mr Rodney T Hudspeth
 Mr Albert G Harris
 Mr John S McIntyre
 Mr Robert Blake

Executive Chairman since 1993
 Executive Director since 1992
 Non-Executive Director since 1993
 Company Secretary since 2001

There are no other executives currently employed by the consolidated entity. Subsequent to 30 June 2011 Mr Terence V Willsted joined the company as a Non-Executive Director on 25 July 2011.



TAKORADI LTD AND CONTROLLED ENTITIES
 NOTES TO THE YEAR END FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

5. KEY MANAGEMENT PERSONNEL (CONT'D)

(a) Key Management Personnel Compensation

	Consolidated	
	2011 \$	2010 \$
Short-term employee benefits	437,947	414,039
Post – employment benefits	-	-
TOTAL	437,947	414,039

Detailed remuneration disclosures are provided in the remuneration report on pages 11 to 14.

(b) Shareholdings

Number of shares held by Key Management Personnel: -

2011

	Balance 1.7.10	Acquired	Acquired/ (Disposed)	Balance 30.6.11
Parent Entity Directors				
Mr Rodney T Hudspeth *	22,434,294	223,900	-	22,658,194
Mr Albert G Harris	198,867	-	-	198,867
Mr John S McIntyre	583,500	-	-	583,500
Other Parent Entity Executives				
Mr Robert Blake **	870,000	-	-	870,000

* Shares are owned by entities associated with Mr R T. Hudspeth

** Shares are owned by an entity associated with Mr R Blake

2010

	Balance 1.7.09	Acquired	Acquired/ (Disposed)	Balance 30.06.10
Parent Entity Directors				
Mr Rodney T Hudspeth *	22,434,294	-	-	22,434,294
Mr Albert G Harris	198,867	-	-	198,867
Mr John S McIntyre	583,500	-	-	583,500
Other Parent Entity Executives				
Mr Robert Blake **	870,000	-	-	870,000

* Shares are owned by entities associated with Mr R T. Hudspeth

** Shares are owned by an entity associated with Mr R Blake

(c) Options

6,790,127 options issued on 23 December 2005 to companies associated with Mr R. T Hudspeth, in satisfaction of advances by Notesan Pty Limited, at an exercise price of \$0.50 (post consolidation), were not exercised and expired on 23 December 2008.

At the AGM of the company on 25 November 2008, 6,790,127 new options were issued to companies associated with Mr R. T Hudspeth at an exercise price of \$0.50, for a period of three years expiring 23 December 2011.



TAKORADI LTD AND CONTROLLED ENTITIES
 NOTES TO THE YEAR END FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	Consolidated 2010 \$
6. AUDITORS' REMUNERATION		
PKF-Melbourne for:		
- Auditing and reviewing the financial report of the parent entity	114,000	72,500
Remuneration of other auditors of subsidiaries for:		
- Auditing and reviewing the financial report of subsidiaries		
Overseas PKF firms	14,100	21,023
Grant Thornton – Namibia	20,475	11,657
	<u>34,575</u>	<u>32,680</u>
	<u>142,575</u>	<u>105,180</u>

	2011 cents	Consolidated 2010 cents
7. EARNINGS PER SHARE (EPS)		
Basic EPS (Profit)	54.17	(1.78)
Diluted EPS (Profit)	49.19	(1.62)
Net Profit/(loss) used in calculation of basic and diluted earnings/Profit (loss) per share	36,378,929	(\$1,200,415)
Weighted average number of shares on issue used in calculation of basic earnings/Profit (loss) per share	Number 7,162,219	Number 67,162,219
Weighted average number of shares on issue used in calculation of diluted earnings/Profit (loss) per share *	73,952,346	73,952,346
* Included in the weighted average number of share on issued used in calculation of diluted earnings/ Profit (Loss) per share are options of 6,790,127		

	2011 \$	Consolidated 2010 \$
8. RECEIVABLES		
OTHER RECEIVABLES		
CURRENT		
Non trade debtors receivable *	7,522	10,468
Goods and services tax refund *	44,681	42,132
	<u>52,203</u>	<u>52,600</u>

* Amounts received are current and no past due.



TAKORADI LTD AND CONTROLLED ENTITIES
NOTES TO THE YEAR END FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	Consolidated 2010 \$
9. PROPERTY, PLANT AND EQUIPMENT		
Roads - at Cost	13,180	13,491
Less: Accumulated Depreciation	(13,180)	(13,491)
	-	-
Buildings and Improvements		
- at Directors' 1993 Valuation	24,882	24,822
- at Cost	23,146	24,895
	48,028	49,717
Less: Accumulated Depreciation	(48,028)	(49,717)
	-	-
Exploration Equipment and Vehicles - at Cost	202,349	205,059
Less: Accumulated Depreciation	(197,441)	(198,514)
	4,908	6,545
Furniture, Fixtures and Fittings - at Cost	46,505	47,212
Less: Accumulated Depreciation	(46,505)	(47,212)
	-	-
Office Equipment - at Cost	86,834	96,431
Less: Accumulated Depreciation	(86,834)	(95,419)
	-	1,012
TOTAL PROPERTY PLANT & EQUIPMENT	4,908	7,557

Movements during the year	Roads	Buildings	Furniture Fixtures Fittings	Exploration Equipment & Vehicles	Office Equipment	Total
2011:	\$	\$	\$	\$	\$	\$
Consolidated:						
Beginning of year	-	-	-	6,545	1,012	7,557
Additions	-	-	-	-	-	-
Currency Movements	-	-	-	-	(1,012)	(1,012)
Depreciation charge	-	-	-	(1,637)	-	(1,637)
End of year	-	-	-	4,908	-	4,908

Movements during the year	Roads	Buildings	Furniture Fixtures Fittings	Exploration Equipment & Vehicles	Office Equipment	Total
2010:	\$	\$	\$	\$	\$	\$
Consolidated:						
Beginning of year	-	-	-	8,726	1,233	9,959
Additions	-	-	-	-	-	-
Currency Movements	-	-	-	-	(221)	(221)
Depreciation charge	-	-	-	(2,181)	-	(2,181)
End of year	-	-	-	6,545	1,012	7,557



TAKORADI LTD AND CONTROLLED ENTITIES
 NOTES TO THE YEAR END FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	2011	2010
	\$	\$
10. EXPLORATION EXPENDITURE		
Opening Exploration Expenditure - At Cost (Namibia)	7,246,190	7,395,377
Exploration expenditure current year	4,802	1,248
Revaluation due to foreign currency movement	(418,197)	(150,435)
Impairment of capitalised exploration expenditure	-	-
	6,832,795	7,246,190

In line with the Australian Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources", Ghanaian exploration tenements with costs of \$2,176,088 were previously fully impaired during the year ended 30 June 2009. As at the date of this report, the Ghanaian rights 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.

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.

(a) Group Interests In Mineral Tenements

Tenement	Type of Licence	Group Interest	
		2011	2010
		%	%
Ghana, West Africa			
- Kutukrom	Prospecting Licence (i)	100	100
- Bajju	Prospecting Licence (ii)	80	80
- Yakomba	Prospecting Licence (ii)	80	80
- Sakpa	Prospecting Licence (ii)	80	80
- Cherebong	Prospecting Licence (ii)	80	80
Namibia			
- Kuiseb	Prospecting Licence (i)	70	70

(i) As at the date of this report, the Company had renewed its rights to the above licences.

(ii) As at the date of this report, these licences 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

11. OTHER FINANCIAL ASSETS

	Consolidated	
	2011	2010
	\$	\$
(a) Available-for-sale investments at cost		
NON-CURRENT		
Available – for – sale financial assets:		
Shares in Unquoted Investments at Cost – Hampton Mining Limited	-	9,913,989
Shares in quoted investments at Fair Value* - Metminco Limited	44,000,000	-
	44,000,000	9,913,989

*During the year, 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.



TAKORADI LTD AND CONTROLLED ENTITIES
 NOTES TO THE YEAR END FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

11. OTHER FINANCIAL ASSETS (CONT'D)

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 on the ASX was \$0.34, giving Takoradi's 160 million shares a fair value of \$54.4 million.

The closing share price as at 30 June 2011 of Metminco on the ASX was \$0.275, giving Takoradi's 160 million shares a fair value of \$44 million. Accordingly, there has been a decrease in fair value of the investment by \$10.4 million from the closing share price as at 24 November 2010. This decrease in fair value has been recorded as an impairment expense in the Statement of Comprehensive Income.

Since the statement of financial position date, Australian and international investment markets have experienced a period of significant volatility, impacting on the valuation of the Company's Metminco shares. As investments are measured at their 30 June 2011 fair values in the financial report, this subsequent volatility in value has not been reflected in the statement of comprehensive income or the statement of financial position. As at 29 September 2011, the fair value of the Company's Metminco shares was \$27.20 million compared to \$44 million at the reporting date. This has been based on the ASX market price at 30 June 2011 and 29 September 2011.

	Place of Incorporation	Group Interest	
		2011 %	2010 %
(a) Controlled Entities			
Takoradi Gold (Australia) Pty Ltd	Victoria, Australia	100	100
Takoradi Gold (International) Limited	United Kingdom	100	100
Takoradi Gold (Ghana) Limited	United Kingdom	100	100
Northern Goldfields Limited	Ghana	80	80
Nimrod Metals Limited	Bahamas	100	100
Kuiseb Mining and Processing (Pty) Ltd	Namibia	70	70
Terradex (Pty) Ltd	Namibia	100	100
Matchtip Limited (deregistered on 19 January 2011)	United Kingdom	-	100



TAKORADI LTD AND CONTROLLED ENTITIES
 NOTES TO THE YEAR END FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

12. TRADE AND OTHER PAYABLES	Consolidated	
	2011 \$	2010 \$
CURRENT		
Trade creditors and accruals (i)	2,257,162	3,832,807
Amounts payable to Notesan Pty Ltd	156,905	148,944
Amounts due in respect of outstanding directors fees (ii)	932,999	742,754
	<u>3,347,066</u>	<u>4,724,505</u>

All accounts payable are unsecured.

Net Fair Values

The carrying amounts of accounts payable approximate their net fair values.
 Refer Note 22 for unhedged foreign currency monetary items.

(i) Trade creditors and accruals include \$1,470,867 (2010: \$2,527,042) payable to Kuiseb Mining and Processing (Proprietary) Limited and \$55,000 (2010: \$55,000) payable to Mr T V Willsted for geological services rendered before he became a director.

(ii) As at 30 June 2011 amounts owing in respect of directors services were as follows:

	2011 \$	2010 \$
Mr R T Hudspeth	720,663	458,339
Mr J McIntyre	124,390	95,860
Mr T V Willsted (Appointed 25 July 2011)	-	-
Rear Admiral (Ret'd) C. K Dzang (Ceased – 29 December 2009)	-	87,289
Mr A G Harris	87,946	101,266
	<u>932,999</u>	<u>742,754</u>

Interest charged at a rate of 13.5% per annum is included in the above amounts owing to directors.

13. BORROWINGS	Consolidated	
	2011 \$	2010 \$
CURRENT		
Secured Liabilities		
Sellers Holdings Pty Ltd (i)	379,124	-
Allstates Secretariat Pty Limited (i)	367,268	-
City Natural Resources High Yield Trust PLC (i)	1,102,453	-
Unsecured Loan (iii)	-	424,372
Short term facility (iv)	-	324,281
Convertible Note (v)	-	8,885,645
	<u>1,848,845</u>	<u>9,634,298</u>
NON-CURRENT		
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)	1,212,038	957,879
	<u>1,212,038</u>	<u>2,581,429</u>



13. BORROWINGS (CONT'D)

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. As at 24 November 2010, following the exchange of the Hampton shares, the secured notes are now secured by a fixed charge over 2,500,000 shares in Metminco held by Takoradi. The secured note is repayable on 31 October 2011 together with interest at 13.5% per annum. Interest of \$129,124 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. As at 24 November 2010, following the exchange of the Hampton shares, the secured notes are now secured by a fixed charge over 2,500,000 shares in Metminco held by Takoradi. The secured note is repayable on 31 October 2011 together with interest at 13.5% per annum. Interest of \$117,268 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. As at 24 November 2010, following the exchange of the Hampton shares, the secured notes are now secured by a fixed charge over 7,000,000 shares in Metminco held by Takoradi. The secured note is repayable on 31 October 2011 together with interest at 13.5% per annum. Interest of \$352,453 has been accrued in the balance of financial liabilities.

Unsecured loans

(ii) Takoradi has received advances by way of unsecured loans totalling \$1,212,038 from Notesan Pty Limited, a related entity of Mr Rodney T Hudspeth. Interest of \$208,736 has been accrued on the balance of financial liabilities and is in addition to the amount of director's fees payable to Notesan totalling \$572,925 as disclosed in Note 13 Payables. As at the date of this report, Notesan had made no further advances to Takoradi. At 30 June 2011, these advances were not due for repayment per the terms of the arrangement with Notesan Pty Ltd for a period of 12 months from balance date being 30 June 2012.

(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 \$1,885,644 (2009: \$1,325,644) has been accrued 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.



13. BORROWINGS (CONT'D)

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 year.

14. CONTRIBUTED EQUITY

Issued Ordinary Shares, fully paid

Consolidated 2011 \$	Consolidated 2010 \$
----------------------------	----------------------------

39,351,423	39,351,423
------------	------------

Movement in Share Capital

2011 Number of fully paid shares	2010
-------------------------------------	------

Opening Balance

67,162,219	67,162,219
------------	------------

Ordinary shares issued during the year

-	-
---	---

Closing Balance

67,162,219	67,162,219
------------	------------

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The authorised capital of the Company is unlimited and shares have no par value.

Options

Option holders do not have a right to receive dividends and are not entitled to vote at a meeting of members of the Company or to participate in new issues of ordinary shares during the currency of the option. Options may be exercised at any time from the date they vest to the date of their expiry. Share options convert into ordinary shares on a one for one basis on the day they are exercised and rank equally in all respect with the then issued shares of the Company.

Capital Management

Management controls the capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital, share options, convertible notes, secured notes and other financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. The responses include the management of its debts levels and new share issues.



TAKORADI LTD AND CONTROLLED ENTITIES
 NOTES TO THE YEAR END FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

14. CONTRIBUTED EQUITY (CONT'D)

There has been no change in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that an appropriate mix of debt and capital is maintained to provide sufficient funding of continuing operations of the group. The gearing ratios for the year ended 30 June 2011 and 30 June 2010 are as follows:

	Note	Consolidated	
		2011	2010
		\$	\$
Total borrowings*	12,13	6,407,949	16,940,232
Less cash and cash equivalents		(370,697)	(15,535)
Net debt		6,037,252	16,924,697
Total equity		33,357,869	295,639
Total capital		39,395,121	17,220,336
Gearing ratio		15%	98%

*Includes interest bearing loans and borrowings and trade and other payables.

At 30 June 2011 the Company held net debt totalling approximately \$6,037,252. This compares with an equivalent figure of \$16,924,697 at 30 June 2010. Subsequent to year end, the directors have further addressed the company's debt levels by:

- Renegotiating extensions of time with secured note holders for the repayment of secured notes totalling \$1,250,000 (\$1,848,845 including accrued interest) to 31 October 2011.
- Negotiating with an entity related to Mr R T Hudspeth Notesan Pty Limited for an extension of payment until the later of 12 months from signing of this report.

	Exercise Prices	Number	Expiry Date
	\$		
15. OPTIONS (Unlisted)			
Issued 23 December 2008	\$0.50	6,790,127	23 December 2011
Outstanding as at 30 June 2010 (i)	\$0.50	6,790,127	23 December 2011
Outstanding as at 30 June 2011	\$0.50	6,790,127	23 December 2011

(i) At the AGM of the company on 25 November 2008, 6,790,127 new 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.



TAKORADI LTD AND CONTROLLED ENTITIES
NOTES TO THE YEAR END FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

16. RESERVES

16a. Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

16b. Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

	2011	Consolidated
	\$	2010
		\$
17. NON-CONTROLLING INTEREST		
Ordinary shares	388,519	388,519
Revaluation reserve	801,390	801,390
Foreign currency translation reserve	460,010	330,439
Accumulated losses	(2,368,640)	(2,299,404)
	<u>(718,721)</u>	<u>(779,056)</u>

	2011	2010
18. NOTES TO CASH FLOW STATEMENTS		
(a) Components of Cash and Cash Equivalents		
Cash on Hand	200	200
Cash at Bank	370,497	15,335
	<u>370,697</u>	<u>15,535</u>

(b) Reconciliation of Net Cash Used in Operating Activities to the Operating Profit/(Loss) after Tax.

Operating Profit/(Loss) after Income tax	36,309,693	(1,287,414)
Depreciation	1,636	2,182
Profit on disposal of investments	(62,669,769)	-
Decrease in fair value of investment	10,400,000	-
Net movements in foreign currency	(296,207)	-
Net Revaluation of Investment to cost upon discontinuation of equity method	-	(1,221,907)
Loss on settlement of loans	2,006,368	-
Share of loss of associate	-	375,871
Decrease/(Increase) in Debtors	397	202,101
(Decrease)/Increase in Payables	(1,377,439)	64,310
(Decrease)/Increase in Interest Payable *	1,014,698	1,221,936
(Decrease)/Increase in Deferred Tax Liability	11,494,785	-
Net Cash Used in Operating Activities	<u>3,115,838</u>	<u>(642,921)</u>

*Unpaid interest capitalised into borrowings in Note 12



TAKORADI LTD AND CONTROLLED ENTITIES
NOTES TO THE YEAR END FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

19. RELATED PARTIES

Controlled Entities

Details of interest in controlled entities are set out in Note 11. Takoradi Limited, which is the Parent Entity, has made loans totalling \$22,417,778 (2010: \$30,159,816) to the following Controlled Entities:

	2011	2010
	\$	\$
Takoradi Gold (International) Limited	2,080,778	2,080,778
Takoradi Gold (Ghana) Limited	11,679,200	11,251,851
Northern Goldfields Limited	3,771,888	3,697,873
Matchtip Limited (Deregistered on 19 January 2011)	-	9,531,302
Nimrod Metals Limited	4,877,967	3,590,067
Takoradi Gold (Australia) Pty Ltd	7,945	7,945
Total	<u>22,417,778</u>	<u>30,159,816</u>

The change in value between years is principally due to foreign exchange translations.

Interest is charged on loans to Northern Goldfields Limited at normal commercial rates. The Company is entitled to receive interest of \$74,016 (2010: \$73,206).

During the year the parent entity provided for a further allowance for diminution of \$1,871,296 (2010: \$660,128) in the value of the loans receivable from Controlled Entities. At 30 June 2011, these loans were carried at a recoverable value of nil (2010: Nil).

Directors

The names of persons who were Directors of Takoradi Limited at any time during the financial year are as follows: R T Hudspeth, A G Harris, J S McIntyre.

Remuneration of Directors

Information on remuneration of Directors is disclosed in the Remuneration Report in the Directors Report.

Information on amounts owing in respect of directors services is disclosed in Note 12.

Administration

The Company utilised fully maintained premises provided by entities associated with Mr R T Hudspeth. An amount of \$111,103 (2010: \$115,371) was charged in relation to administration and other occupancy expenses. Interest charged on loans provided by Notesan Pty Ltd is \$133,159 (2010: \$75,577).

Loan from Director Related Entity

During the year the Company received loans of \$211,000 (2010: \$628,041) from Notesan Pty Limited a company in which Mr RT Hudspeth is a Director. Repayments of \$90,000 (2010: \$NIL) were made during the year against these loans. The balance of the unsecured loan at 30 June 2011 is \$1,212,038 (2010: \$957,879). The interest rate charged increased from 10% per annum to 13.5% per annum effective from 1 January 2011.

Share Issue to Directors

During the year, no shares were issued to directors as payment for unpaid services and director fees (2010: Nil).



20. SEGMENT INFORMATION

Primary reporting – business segments

AASB 8 requires operating segments to be identified on the basis of components of the Company that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance being net profit after income tax.

(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. On 19 January 2011, the software development business conducted to develop mobile software applications by Matchtip ceased to trade. 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.

Takoradi incurs head office administrative costs such as Director's remuneration, legal fees and listing fees which are included as corporate costs in the segment report below. During the year ended 30 June 2011, Takoradi's Chilean and Peruvian minerals interests held through Hampton were exchanged into Metminco shares. Takoradi's Metminco shares are included in the corporate segment in the report below.

(b) Segment accounting policies

Unless stated otherwise, all amounts reported to the Board, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of Takoradi.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets and liabilities are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.



TAKORADI LTD AND CONTROLLED ENTITIES
 NOTES TO THE YEAR END FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2011

20. SEGMENT INFORMATION (CONT'D)

(c) Segment information

The segment information provided to the Board for the reportable segments for the year ended 30 June 2011 is as follows:

	Minerals		Software development		Corporate		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Segment Revenue	-	1,221,907	-	902,699	52,380,273	569	52,380,273	2,125,175
RESULT								
Segment net profit after income tax	(668,005)	(156,732)	(90,595)	892,522	37,068,293	(2,023,204)	36,309,693	(1,287,414)
ASSETS								
Segment assets	6,867,713	17,200,259	-	-	44,392,890	35,612	51,260,603	17,235,871
LIABILITIES								
Segment liabilities	1,474,123	1,899,868	-	714,786	16,428,612	14,325,578	17,902,735	16,940,232
OTHER								
Acquisitions of non-current segment assets	-	-	-	-	-	-	-	-
Depreciation	1,636	2,182	-	-	-	-	1,636	2,182
impairment losses by segment	-	-	-	-	-	-	-	-

21. COMMITMENTS AND CONTINGENT LIABILITIES

a) The company has reached agreement in principal with the Trustee 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 30 June 2011) – (paid)

A contingent liability of \$90,000 applies if the repayment arrangements are not met. At the date of this report this contingent liability has ceased as the last payment has been made subject to year-end.



21. COMMITMENTS AND CONTINGENT LIABILITIES (CONT'D)

c) As at the date of this report, applications for the renewal of its 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. US\$60,000 has now been paid to the Government of Ghana for the renewals.

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.

e) 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 – (part-paid)
- 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

The Company is now subjected to guarantee to Drillcon in respect of the aforementioned outstanding payment obligations.

22. FINANCIAL INSTRUMENTS RISK EXPOSURES

(a) Financial Risk Management Policies

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, convertible notes and secured notes.

The main purpose of non-derivative financial instruments is to raise finance for group operations. The group does not have any derivative financial instruments.

(i). Treasury Risk Management
The group's management, comprising executive directors and company secretary, evaluate treasury management strategies in the context of economic conditions as part of the ongoing business management.

(ii) Financial Risk Exposures & Management
The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk and liquidity risk.



22. FINANCIAL INSTRUMENTS RISK EXPOSURES (CONT'D)

Interest Rate Risk

Financial instruments that have interest rate risk comprise convertible notes issued to Sentient Group and secured notes issued to Sellers Holdings Pty Limited. In each case a fixed interest rate is established under the terms and conditions of each note issue. Management considers that as interest rates on these financial debt instruments are fixed there is no significant exposure to risk arising from interest rate fluctuations in the broader economy. In addition amounts held in cash deposits during the current and preceding financial year have not been material. Accordingly, there has been no sensitivity analysis performed in respect of potential interest rate fluctuations.

Foreign Exchange Risk

Financial instruments that have foreign exchange risk comprise accounts payable by subsidiary entities in foreign currency jurisdictions. The group is exposed to foreign currency fluctuations between the time that liabilities are incurred and when monies are provided by the parent company to extinguish such liabilities. The group's management, comprising executive directors and company secretary, evaluate foreign exchange risks on an ongoing basis in the context of economic conditions as part of the ongoing business management.

Liquidity Risk

The group's management, comprising executive directors and company secretary, evaluate liquidity issues and funding requirements to ensure that expenditure commitments can be met.

Liquidity is managed by capital raising initiatives and by debt instruments issued to shareholders. Management have put in place the following measures to ensure that there will be sufficient liquidity to meet future expenditure commitments:

- During the 2011 financial year, Takoradi entered into 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 subsequently received \$3.35 million in cash and 195 million shares in Metminco, of which 35 million were directed to the Sentient Group in full satisfaction of current loans totalling \$9,634,298. 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 29 September 2011 the value of these shares implied by the ASX closing price of 17.50 cents is \$28 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 29 September 2011, this equates to \$28 million of shares able to be converted into cash ; and
- the company's directors are also continuing to review the sale or joint venture of certain of the company's assets and of the need for further capital raisings, as necessary, to realise funding for the company.



TAKORADI LTD AND CONTROLLED ENTITIES
NOTES TO THE YEAR END FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

22. FINANCIAL INSTRUMENTS RISK EXPOSURES (CONT'D)

(b) Interest Rate Risk

The economic entity is exposed to the following interest rate risk on its financial assets and liabilities as summarised below:

Consolidated Entity	Consolidated Non-interest bearing \$	Consolidated interest bearing \$	Total Carrying Amount \$
2011			
Financial Assets			
Cash	-	370,697	370,697
Receivables	52,203	-	52,203
Other Financial Assets	44,000,000	-	44,000,000
	<u>44,052,203</u>	<u>370,697</u>	<u>44,422,900</u>
Weighted Average Interest Rate		5%	
Financial Liabilities			
Accounts payable	3,347,066	-	3,347,066
Interest bearing liabilities	-	3,060,883	3,060,883
	<u>3,347,066</u>	<u>3,060,883</u>	<u>6,407,949</u>
Weighted Average Interest Rate		10%	
Net financial assets/(liabilities)	<u>40,705,137</u>	<u>(2,690,186)</u>	<u>38,014,951</u>
2010			
Financial Assets			
Cash	-	15,535	15,535
Receivables	52,600	-	52,600
Other Financial Assets	9,913,989	-	9,913,989
	<u>9,966,589</u>	<u>15,535</u>	<u>9,982,124</u>
Weighted Average Interest Rate		5%	
Financial Liabilities			
Accounts payable	4,724,505	-	4,724,505
Interest bearing liabilities	-	12,215,727	12,215,727
	<u>4,724,505</u>	<u>12,215,727</u>	<u>16,940,232</u>
Weighted Average Interest Rate		10%	
Net financial assets/(liabilities)	<u>5,242,084</u>	<u>(12,200,192)</u>	<u>(6,958,108)</u>



22. FINANCIAL INSTRUMENTS RISK EXPOSURES (CONT'D)

(c) Credit Risk

The maximum credit risk exposure of financial assets is represented by the carrying amounts of assets recognised in the statement of financial position net of any allowance for diminution in value. There is no significant concentration of credit risk within the consolidated entity.

(d) Foreign Exchange Risk

	2011 \$	Consolidated 2010 \$
Current assets not effectively hedged		
Cash		
- US Dollars	-	-
Current liabilities not effectively hedged		
Accounts payable		
- Ghanaian Cedis (Cedis)	28,407	28,407
- American Dollar (USD)	13,224	64,243
- Namibian Rand (ZAR)	1,474,123	2,527,042
	<u>1,515,754</u>	<u>2,619,692</u>

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar below would be negative. Due to the nature of the foreign currency denominated liabilities, the figures below will only impact reserves. Accordingly there would be no effect on statement of comprehensive income.

AUD Movement	Cedis Impact		USD Impact		ZAR Impact	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
10% Increase	(2,841)	(2,841)	(1,322)	(6,424)	(147,412)	(252,704)
10% Decrease	2,841	2,841	1,322	6,424	147,412	252,704

(e) Fair Values of Financial Assets and Liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their fair value.



TAKORADI LTD AND CONTROLLED ENTITIES
NOTES TO THE YEAR END FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 23: SUBSEQUENT EVENTS

No significant events have occurred since balance date which would impact on the financial position of the Company disclosed in the statement of financial position as at 30 June 2011 or on the results and cash flows of the Company for the year ended on that date.

NOTE 24. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of Comprehensive Income

	2011	Parent Entity
	\$	2010
		\$
Profit/(Loss) after Income Tax	35,266,166	(2,610,179)
Total Comprehensive Income	<u>35,266,166</u>	<u>(2,610,179)</u>

Statement of Financial Position

	2011	Parent Entity
	\$	2010
		\$
Total Current Assets	370,659	41,752
Total Assets	<u>46,270,660</u>	<u>8,941,088</u>
Total Current Liabilities	3,605,123	4,424,472
Total Liabilities	<u>16,383,946</u>	<u>14,320,540</u>
Net Assets	<u>29,886,714</u>	<u>(5,379,452)</u>
Equity		
Issued Capital	39,351,423	39,351,423
Accumulated Losses	<u>(9,464,709)</u>	<u>(44,730,875)</u>
Total Equity	<u>29,886,714</u>	<u>(5,379,452)</u>

Contingent liabilities

The parent entity has contingent liabilities at 30 June 2011 and 30 June 2010 consistent with those of the consolidated entity, as disclosed in Note 21.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2.



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

Report on the Financial Report

Chartered Accountants
& Business Advisers

We have audited the accompanying financial report of Takoradi Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the directors' declaration of Takoradi Limited (the company) and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Opinion

In our opinion:

- (a) the financial report of Takoradi is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1(b).

Report on the Remuneration Report

We have audited the Remuneration Report included in 11 to 14 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Takoradi for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

PKF

PKF

30 September 2011
Melbourne

David Garvey
Partner

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF East Coast Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only



SHAREHOLDER INFORMATION
SUBSTANTIAL SHAREHOLDERS AS AT 29 September 2011

Capital	Ordinary Shares	% of Issued
Notesan Pty Limited	22,658,194	33.74
Sentient Executive GP1 Limited	13,429,012	19.99
Ganesh Holdings International Ltd	4,526,425	6.74

The above holdings include shares held by related parties.

Range of Shares as at 29 September 2011

Range	Total Holders	Units	% Issued Capital
1-1,000	2,635	1,156,735	1.72
1,001-5,000	1,198	2,793,214	4.16
5,001 - 10,000	239	1,830,400	2.72
10,001 - 100,000	216	6,484,730	9.66
100,001 - 9,999,999,999	52	54,897,140	81.74
Rounding			0.00
Total	4,340	67,162,219	100.00

Unmarketable Parcels as at 29 September 2011

	Minimum Parcel Size	Holders	Units
Minimum \$500.00 parcel at \$0.28 per unit	1,786	3,042	1,701,153



SHAREHOLDER INFORMATION (CONT'D)
SUBSTANTIAL SHAREHOLDERS AS AT 29 September 2011

ORDINARY SHARES

Top 20 Shareholders

The twenty (20) largest shareholders as at 29 September 2011 and as a percentage of each class of equity security.

Rank/ Name	Units	% Issued Capital
1. Notesan Pty Limited	17,606,225	26.21
2. Sentient Executive GP 11 Limited <Global Res Fund 11 LP A/C>	6,750,000	10.05
3. Ganesh Holdings International Ltd	4,526,425	6.74
4. Notesan Pty Limited <Hudspeth Super Fund A/C>	4,125,000	6.14
5. Sentient Executive GP 11 Limited <Global Resources Fund II A/C>	2,491,351	3.71
6. Sentient Executive GP 11 Limited <Global Resource Res II A/C>	1,930,338	2.87
7. Whyte Superannuation Custodian <Warneet Management S/F A/C>	1,758,618	2.62
8. Lost Ark Nominees Pty Limited <RAS GRSF A/C>	1,300,000	1.94
9. Sentient Executive GP 11 Limited <Global Resource Res 11 A/C>	1,181,682	1.76
10. Patermat Pty Limited <TV Willsteed & Assoc S/FA/C>	1,103,834	1.64
11. Lawonnue Pty Ltd <Lawonnue Pty Ltd S/Fund A/C>	873,755	1.30
12. Robert Blake Pty Ltd <RB Superannuation Fund A/C>	870,000	1.30
13. Sentient Executive GP1 Limited <Global Resources Fund 11 A/C>	857,809	1.28
14. JP Morgan Nominees Australia Ltd <Cash Income A/C>	725,267	1.08
15. Mining Investment Services Pty Ltd <JJT Family A/C>	719,029	1.07
16. Mr John McIntyre	483,500	0.72
17. Notesan Pty Limited	476,697	0.71
18. Nefco Nominees	460,000	0.68
19. Mr Ian S Watson & Mrs Catherine J Watson <Watson Super A/C>	456,145	0.68
20. Hope Osborne Properties Pty Limited	400,000	0.60
Top 20 holders of ORDINARY SHARES as at 29 September 2011	49,095,675	73.10
Total Remaining Holders Balance	18,066,544	26.90

Voting Rights

A registered holder of fully paid ordinary share in the Company may attend General Meetings of the Company in person or by proxy and on a poll may exercise one vote for each share held.

OPTIONS

The Company has issued 6,790,126 options at an exercise price of \$0.50 exercisable after 30 December 2008 and on or before 23 December 2011, that are owned by companies associated with Mr R T Hudspeth.

Voting Rights

These options do not have voting rights.



CORPORATE DIRECTORY

Directors: Rodney T Hudspeth (Executive Chairman)
Albert G Harris
John S McIntyre
Terence V Willstead (Appointed 25 July 2011)

Secretary: Robert Blake

**Sydney Office and
Principal Place of
Business:** Level 46, Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

Telephone: (02) 9252 6844
Facsimile: (02) 9252 8801

Registered Office: Sirius Law Pty Limited
Level 8, 65 York Street
SYDNEY NSW 2000

Ghanaian Office: C/- PO Box OS 1600
Osu Accra Ghana

Auditors: PKF
Level 14, 140 William Street
MELBOURNE VIC 3000

Share Registry: Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067
Telephone: 1300 850 505
Facsimile: (03) 9473 2500

Bankers: Commonwealth Bank of Australia
48 Martin Place
SYDNEY NSW 2000

**Consulting Mining
Engineers** Terence Willstead & Associates
13/1 The Quay
2 Phillip Street
SYDNEY NSW 2000