



2008 ANNUAL REPORT

CONTENTS

Chairman's Report	Page 2
Summary of Operations	Page 3
Directors' Report	Page 10
Auditor's Independence Declaration	Page 21
Corporate Governance Statement	Page 22
Independent Audit Report	Page 27
Income Statements	Page 29
Balance Sheets	Page 30
Statements of Changes in Equity	Page 31
Cash Flow Statements	Page 32
Notes to the Financial Statements	Page 33
Directors' Declaration	Page 57
Shareholder Information	Page 58
Corporate Directory	Page 60

CHAIRMAN'S REPORT

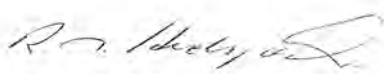
The Company has, during the 2008 financial year, continued the expansion of its mineral resource portfolio which is now focused on Namibia and Ghana in Africa along with Chile and Peru in South America. Each of these countries has well established mining industries with a long history of successfully developed mineral resource projects.

In Namibia, at the Kuiseb copper gold project, the Company has significantly expanded its resources at the principle target, the Hope Deposit, which from diamond drilling to June 2008 had identified a resource of 2,500,000 tonnes of 2.4%Cu, 0.66g/tAu and 8.7g/tAg along a strike length of 1,550metres. 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 over three kilometres. Other targets are now also being evaluated within the Kuiseb project area where it is anticipated additional mineralised resources will be identified. Over 87 holes for 24,000 metres of diamond drilling has now been completed at the Kuiseb project. 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, continue to be held through Hampton Mining Limited in which Takoradi holds a 27.5% interest following the pre IPO fund raising of US\$20 million a few months ago. Hampton has been planning to list on the ASX and has all approvals in place for such public listing however with the current downturn in the global financial markets this is now under review. Takoradi has invested approximately \$6.5 million into Hampton, and based on the last issue price for the pre IPO capital raising, Takoradi's investment would be valued at approximately \$19.5 million. Full details on the Hampton investment can be seen at www.hamptonmining.com.au.

The gold interests held in Ghana, primarily through its 80% owned subsidiary Northern Goldfields Pty Ltd continue to be systematically evaluated. The principal project located at Bole in the Northern region of Ghana has had identified mineralisation of Proven and Probable Reserves and Resources of 145,000 ozs 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. A joint venture is being considered from interested parties as being the best way forward to enhance the value of this exploration asset.

Takoradi has achieved significant exploration success in the 2008 year as well as enhancing its asset base through the investment in Hampton Mining Limited. 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 well for the future in which your directors, who have contributed greatly to the Company's activities, will continue to seek the best way forward to enhance shareholder value.



RODNEY T HUDSPETH
Chairman

SUMMARY OF OPERATIONS

The past financial year ended 30 June 2008 has been a year of significant expansion of the Company's mineral asset base and one of acceleration of the exploration programmes on the Company's most prospective mineral properties.

The Company currently holds interests in mineral properties in Namibia, South Western Africa, Chile and Peru, South America and Ghana West Africa, while it also holds an interest in the development of software technology for mobile telephones.

In July 2007, as part of the Company's corporate programme, the final payment was made to acquire 100% of Nimrod Metals Limited (Nimrod) through which Takoradi holds its 70% interest in the Kuiseb copper/gold project in Namibia.

Also in July 2007 the Company exercised its option to increase its equity shareholding in Hampton Mining Limited (Hampton) to 43.7%. It is through Hampton that it holds its interest in Chile and Peru. In order to maintain the continuity and progress of its sizeable exploration/evaluation programmes, Takoradi sought the financial support of private investors including the Sentient Group an international resources investment trust. The Company successfully raised a total of \$3,375,000 for working capital made up of \$2,350,000 from an issue of Takoradi shares at a price of 40 cents per share and \$1,025,000 in short term loan funds.

Of the funds raised, \$2,048,944 was used directly on exploration in Namibia and Ghana, and \$1,510,538 in contributions to increase and maintain the Company's equity in Hampton. Takoradi's total investment in Hampton is now approximately \$6.5 million.

During the year the Company has focused its activities and finances towards its extensive drilling programmes that it is conducting on the Kuiseb copper/gold project and, through Hampton, on each of the Mollacas, Vallecillo and Los Calatos projects. All of these prospects have from earlier exploration results indicated the potential for early development of a commercially mineable mineral deposit.

In April 2008 a Chilean investment company 'Junior Investment Company' subscribed US\$20,000,000 for shares in Hampton substantially increasing the capitalisation of that company. The Company's shareholding in Hampton was, as a result diluted to 27.5%. However, based on the share price of 32 cents paid by Junior Investment Company for its shareholding in Hampton, Takoradi's shareholding is valued at approximately \$19.5 million.

During the first quarter of 2008 Hampton decided to list the Company on the ASX through an Initial Public Offering (IPO). Accordingly, Hampton prepared the necessary documentation for the listing which was submitted to the ASX in July 2008 for processing and approval.

MINERAL INTERESTS

Takoradi holds a 100% interest in Nimrod, a private Bahamas registered company holding rights to the potentially significant 70% owned Kuiseb copper/gold resource project in Namibia, South Western Africa. The Company, through Hampton an Australian private company, also holds an interest in nine significant copper/gold mineral projects in Chile, and one in Peru.

The Company continues to hold an interest in five mineral tenements located in Ghana, West Africa. They are held as Prospecting Licences, four of the Licences being 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 near the township of Tarkwa. The Kutukrom property is adjacent to the border of the significant Prestea/Bogoso operating gold mine.

Namibia, South Western Africa

The Kuiseb copper prospect is located at the south western end of the Machless Amphibolite Copper Belt (MAB). The total known strike of MAB is 350 kilometres and Nimrod holds approximately 150 kilometres of that known strike.

The Kuiseb prospect was identified in the past by previous tenement holders. The Company's principal objective is to establish an open pit, shallow underground copper/gold resource of an acceptable size and grade for early production.

The Kuiseb project covers several potential prospects, including Hope, Gorub, Anomaly and Vendome, however the Hope deposit is the principal target for the Company's current ongoing drilling programme. The Company commenced an exploration/evaluation drilling programme on the project in September 2006 to verify and extend the known resources of the deposit by infill and step-out diamond drilling, together with a number of supporting geophysical surveys. To the end of June 2007, 40 holes had been drilled on the project for a total of 7,658 metres.

During the 12 months ended 30 June 2008 an additional 46 diamond drill holes had been completed on the prospect for a total of 15,918 metres making a total of 87 diamond holes for 23,576 metres drilled at the Hope deposit by the Company to the end of June 2008. Drilling depths have ranged between 82 metres and 627 metres.

Drilling results indicated that mineralisation at the Hope Deposit has been extended along strike for over 1,500 metres from the outcrop, 300 metres down plunge from the previous block line used in the establishment of an initial Inferred Resource of 1,850,000 tonnes at 2.46% Cu and 0.75g/t Au, using a 0.8% Cu cut-off grade.

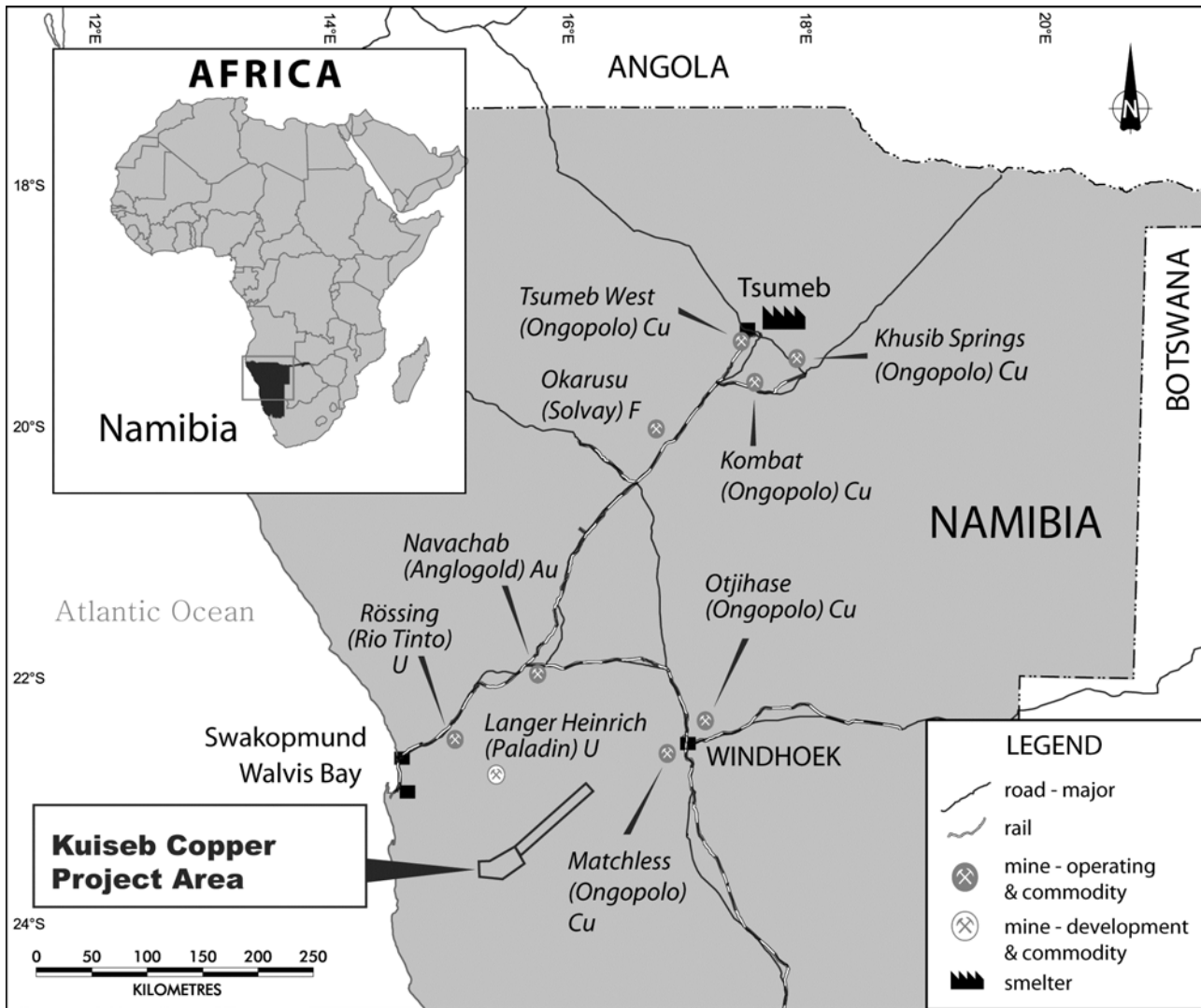
Further drilling has extended the known strike of mineralisation increasing the estimated Inferred Resource to 2,500,000 tonnes at a grade of 2.41% Cu, 0.66g/t Au, and 8.72g/t Ag (at a cut off of 0.8% Cu). This represents a 33% increase on the previous resource estimate.

Geophysics conducted during the year has also confirmed that the Hope mineralisation continues for over 3.2 kilometres, this being a further 1,700 metres down plunge, along strike, from the end of the current resource block estimated to the end of June.

Geophysics has also confirmed the existence of large conductors/anomalies at the Gorob, Vendome and Anomaly prospects. These are important regional exploration targets with significant upside for potential mineralised resources that could add to the Hope deposit resource base. Limited drilling by previous tenement holder JCI, also identified Copper (Cu), Gold (Au) mineralisation at these prospects.

SRK (South Africa) has been commissioned to provide a JORC code compliant resource assessment for the Hope Deposit that hopefully will be completed before the end of 2008. This will depend on the progress of the current stage of the drilling activity. It is expected that the current drilling programme will be completed by the middle of December 2008 and, subject to a successful outcome with results, will possibly be followed by a pre-feasibility study for mining within the Kuiseb project area.

Progress reports for the Kuiseb project were released to the ASX on the 29 November 2007 and 30 April 2008 that provide full details of the drilling and assay results for drilling activity. Progression of the drilling programme was also included in the Company's Quarterly Report during this year.



General Location Diagram

Chile and Peru, South America

The Company’s mineral interests in Chile and Peru are held through its shareholding in Hampton. At the beginning of the financial year 2008 the Company increased its equity shareholding to 43.7% but this was subsequently diluted to 27.5% as a result of an issue of new shares to a Chilean investor Junior Investment Company. The investor subscribed US\$20 million to Hampton, providing Hampton with significant working capital to continue its extensive exploration activities. As a result of this funding, Takoradi will not be required to provide any further funding to Hampton. Full details on Hampton and its exploration properties can be found at www.hampton.com.au.

Chile

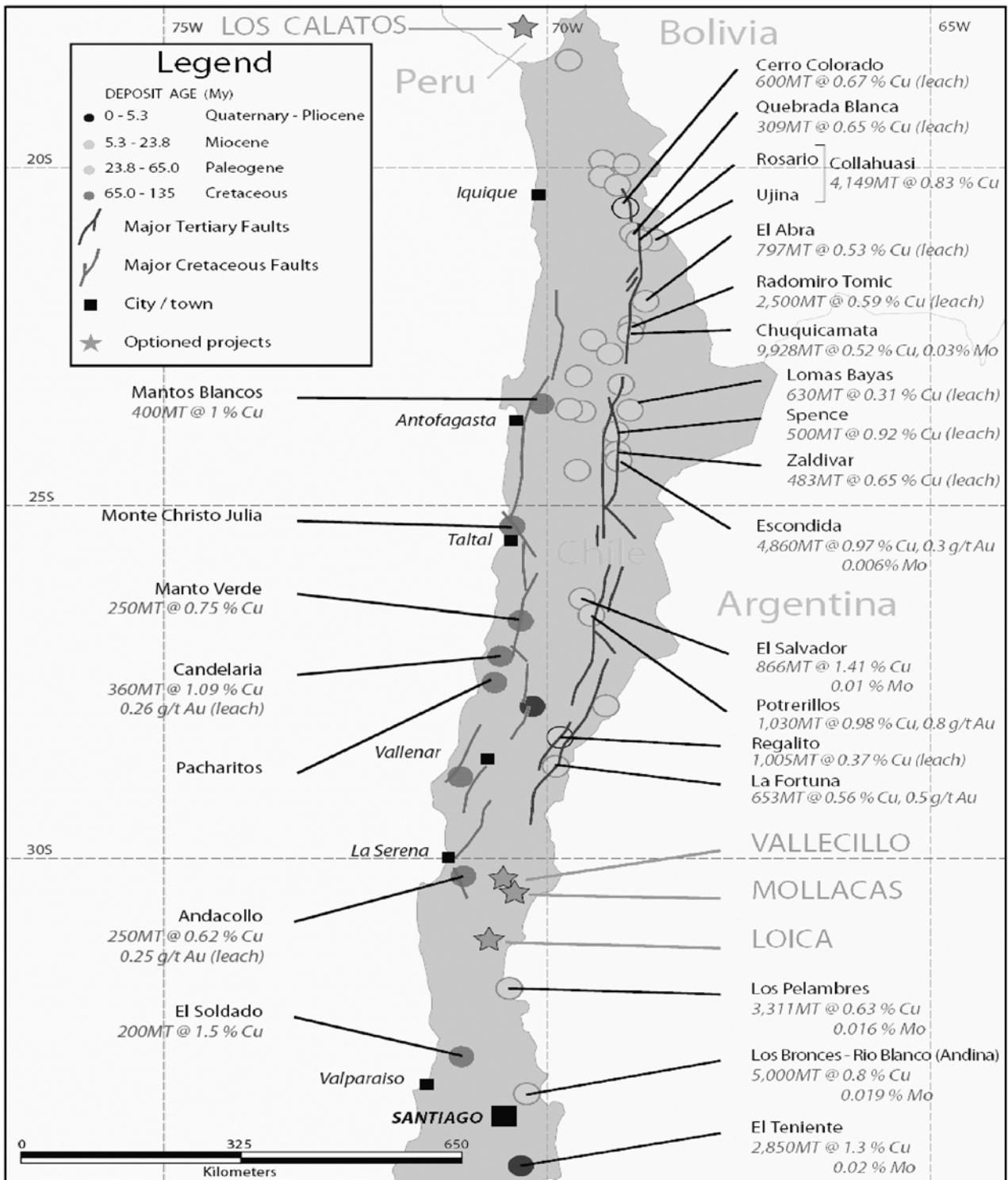
The Hampton portfolio now includes nine significant areas of interest in Chile on which extensive exploration has been completed. These properties form the basis of a very prospective group of exploration and pre-development properties, several on which there is clearly identifiable, significant structures of porphyry copper (Cu), gold (Au) and molybdenum (Mo). A brief outline of the most important properties is outlined below:

SUMMARY OF OPERATIONS continued

MOLLACAS

Hampton presently holds a 50% interest in this project with a right to acquire an additional 25%. The project tenements cover 30 square kilometres and are located approximately 50 kilometres the east of Ovalle at elevations ranging between 1,200 and 1,500 metres, the main area being of relatively low topographic relief.

The oxide and supergene copper mineralisation is developed in the weathered cap of the Mollacaes copper-gold-molybdenum (Cu-Au-Mo) porphyry deposit.



Map of Chile and Peru: Location of mineral properties

SUMMARY OF OPERATIONS continued

Drilling on the prospect totalling 9,150 metres in 10 reverse circulation, and 46 diamond drill core holes has generated JORC compliant Indicated Resources of 7.2 million tonnes at 0.56% Cu and Inferred Resources of 9.8 million tonnes at 0.52% Cu, making total copper resources of 17.0 million tonnes at 0.54% Cu, containing 92,000 tonnes of copper.

Limited drilling shows some significant values for primary Cu-Au-Mo mineralisation beneath the weathered zone of the porphyry system.

SRK Consulting, Chile were commissioned to undertake a scoping study for a heap leach SX-EW operation based on the resources so far established. The main study findings include production of approx. 12,000 tonnes p.a. copper cathode, commencing during 2010 and, an operating life of at least six years. Based on assumptions including a copper price of US\$2.50 per/lbs the Project has a net present value of approx. US\$103 million at an 8% discount rate. Preliminary metallurgical testing suggests favourable copper recoveries and low acid consumption.

Further drilling is planned on this prospect during the second half of 2008.

VALLECILLO

Hampton presently holds a 50% interest in this project with the right to acquire an additional 25% interest. The tenements cover 54.5% square kilometres and are located approx. 50 kilometres northeast of Ovalle at altitudes from 1800 to 2500 metres. The area is of relatively low relief.

The Vallecillo Project is a porphyry related mineralised system, comprising hydrothermal alteration zones.

Drilling on the project in 2006 of 12 reverse circulation holes totalling 2,710 metres of porphyry-related zinc-gold-silver-lead (Zn-Au-Ag-P) sulphide mineralisation at the Los Colorada deposit generated JORC compliant Inferred Resources of 8.5 million tonnes at 1.42% Zn, 0.76g/t Au, 9.1g/t Ag and 0.25% Pb at a cut-off grade of 0.5% Zn.

Resources occur over a north-south strike of 200 metres and are open north, south and at depth. The mineralogy of those concentrates indicates that commercial concentrate grades of about 65% lead and 45% zinc could be obtained.

Further drilling has been undertaken on this prospect during the second half of year 2008.

There are also other prospects on the tenements that will be explored later, and may supplement any operation based on La Colorada. One of these prospects Las Piracas is a large altered structure extending approx. 4 kilometres north-south, between 10 and 500 metres wide and located approx. 1 km west of La Colorada.

LOICA – VICTORIA

Hampton holds a 50% interest in Loica with a right to acquire an additional 25% while at Victoria it holds a right to acquire 75% of the tenements.

The tenements cover 40 square kilometres including the optioned area of Victoria. They are located approx. 96 kilometres south east of Ovalle and 40 kilometres south of the Mollacas Project. The Loica and Victoria prospects are located in a spur valley approx 7 kilometres long, running south off the east-west oriented Rio Grande Valley. Loica is at an elevation between 2,000 and 3,000 metres and Victoria between 1,500 and 1,700 metres.

SUMMARY OF OPERATIONS continued

The project is a large partly drilled mineralised Cu-Mo porphyry system. Zoned hydrothermal alteration systems express themselves over an area of approx 2 kilometres long by 0.5 to 1.5 kilometres wide at Loica and approx 600 metres at Victoria.

Hampton to June 30 2008, had completed a total of 6,090 metres of diamond drilling at Loica. Further extensive drilling is planned during late calendar 2008 early 2009 to further evaluate this prospect.

Peru

LOS CALATOS:

In July 2007 the Company announced to the ASX that Hampton had entered into an agreement to acquire 100% of the Los Calatos Norte SA copper-molybdenum (Cu-Mo) property in Peru.

The Los Calatos property is an exploration project located along a northern branch of the N.W. striking Incapuquio Fault System of Peru. This is the same fault system on which the Cuajone and Quallaveco porphyry copper mines are located some 34 and 50 kilometres to the south east of Los Colatos respectively.

The agreement on Los Calatos is with Minera Cerro Norte SA Peru, a private company which has optioned the tenements from Placer Dome del Peru SAC (Placer Dome). Placer Dome is a wholly owned subsidiary of Barrack Gold Corporation of Canada. The Tenements covered by the agreement are comprised of 28 square kilometres in three contiguous areas known as Alpha, Nelson and Gamma.

Los Calatos is an advanced Cu-Mo project with indications of potential for an early development of a commercial mining operation subject to a proposed future drilling programme. Through 1995 to 1998 the major resource companies Phelps Dodge and Barrack Gold Corporation drilled over 9,000 metres on the tenements. Phelps drilled 26 reverse circulation holes totalling 4,188 metres and nearly 3,000 metres in seven diamond cored holes, while Barrack diamond drilled a total of 1,939 metres in eight holes at an approximate spacing of 100 metres in the main target identified by Phelps Dodge, an area covering approximately 600 and 300 metres. The results indicated that the deposit may contain 20-40 million tonnes of approximately 0.86% Cu that would have a reasonably low stripping ratio, and likely have good leaching characteristics with the potential of being a medium-sized copper deposit.

A drilling programme comprising 28 diamond drill holes for a total of approximately 10,000 metres commenced end of June – early July 2008. Two diamond drilling rigs have moved on site.

For full details of the agreement between Hampton Mining and Minera Cerro Norte SA refer to the ASX announcement by the Company dated 8 July 2007.

Ghana, West Africa:

The Company continues to hold five Prospecting Licences in Ghana, four of which 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 Takoradi. The Kutukrom area is adjacent to the border of the Prestea/Bogosu gold mine.

During the year the withdrawal of Red Back Mining Inc from the Bole Joint Venture agreement was concluded with Northern Goldfields/Takoradi Limited resuming management of the Yakomba, Cheribong, Sakpa and Bajju Prospecting Licences, and title to the Licences transferred back to Northern Goldfields. Takoradi now retains an 80% interest in these licences.

Also during the year an agreement was concluded with Red Back Mining for the transfer of a Reconnaissance Licence held by Red Back to Takoradi. The Licence is located near the Company's Bole Tenements.

The planning for a programme to further evaluate the tenements including the Dokrupe gold project was initiated during the year. Consideration is also being given to either farming out equity in the tenements or offering them for sale. Discussions are being conducted with several interested parties.

The JORC Code complaint resources identified to date at the Dokrupe gold project include Proven and Probable Reserves of 145,000 ozs Au and Inferred Resources of 17,000 ozs Au.

TECHNOLOGY INTEREST

Matchtip Limited (100% owned UK subsidiary)

The Company's subsidiary Matchtip Limited is a developer of software applications for use in the mobile telecommunications industry. SIMecho™ is Matchtip's initial product for management of data located on a SIMcard, providing advanced technology that delivers security and management of SIM-based data, initially the phonebook, to network operators and their customers.

Development of the SIMecho product is being carried out by a team of I.T. specialists providing consulting services from India. Marketing of the product has been successful in that it has attracted the interest of a major international SIM card user. Early in the current financial year an agreement for the use and servicing of the SIMecho system was in negotiation.

The potential customer initiated an extensive operational test programme for the product. The Company's technical consulting team worked closely with that party to develop the product to their specified requirements and provide back up during the testing programme. At the end of 2007 testing of the SIMecho system was suspended by the potential customer pending a decision on the future use of the system. The agreement that was being negotiated has yet to be finalised.

The Company continues to retain the I.T. technical team in India to provide services for further development of the system and assistance in the marketing of the product.

DIRECTORS' REPORT

For the year ended 30 June 2008

Your Directors have pleasure in submitting the Balance Sheet of the Company and the consolidated entity at 30 June 2008 together with related Income Statements, Statements of Changes in Equity and Cash Flow Statements that include notes thereto for the year ended and report as follows:

DIRECTORS

The names of the Directors in office at the date of this report and throughout the year are:

Rodney T Hudspeth (Executive Chairman)
Rear Admiral (Ret'd) C Kevin Dzung
Albert G Harris
John S McIntyre

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 ACTIVITY

During the year the Company was involved in the following principal activities:

- (a) Exploration for copper, gold and other minerals.
- (b) The development of mobile software applications.

There were no significant changes in the nature of the activities of the Company that occurred during the year other than the Company concentrating a greater effort on mineral exploration and the increase in the Company's investment in Hampton Mining Limited.

Takoradi Limited is a Company incorporated in Australia and listed on the Australian Stock Exchange.

TRADING RESULTS

The consolidated operating loss of the economic entity comprising Takoradi Limited ('Takoradi') and its controlled entities after tax for the financial year ended 30 June 2008 was \$3,205,359 (2007: \$2,822,819) of which \$2,908,610 (2007: \$2,362,045) is attributable to shareholders of Takoradi.

DIVIDENDS

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

DIRECTORS' REPORT continued

For the year ended 30 June 2008

REVIEW OF OPERATIONS

During the past financial year considerable progress was made in the Company's mineral resources programmes. The most important focus during the year has been on mineral exploration in Chile, South America and Namibia, South Western Africa where substantial exploration and evaluation programmes have been maintained. The Company also continues to maintain its activity in Ghana West Africa and to retain its technology interest through its UK subsidiary company Matchtip Limited.

MINERAL INTERESTS

Early in the reporting period the Company increased its investment in Hampton Mining Limited (Hampton) an Australian Company, which presently holds an interest in 10 significant copper/gold mineral projects located in Chile and Peru. The Company also holds a 100% interest in Nimrod Metals Limited, (Nimrod) a private Bahamas registered company holding rights to the 70% owned Kuiseb copper/gold project, a potentially significant mineral resource project in Namibia.

The Company continues to hold an interest in five mineral tenements located in Ghana, West Africa. They are held as Prospecting Licences, four of the Licences being 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 near the township of Tarkwa. The Kutukrom property is adjacent to the border of the significant Prestea/Bogosu operating gold mine.

NAMIBIA, SOUTH WESTERN AFRICA

The Company has continued with its extensive drilling programme to establish a copper- gold resource at the Kuiseb Project in Namibia sufficient to establish a future mining operation. In moving towards this objective the Company has established, as at 30 June 2008, a new JORC Code compliant, Inferred, Estimated Resource at the Hope Deposit of 2,500,000 tonnes at a grade of 2.41% Cu, 0.66 g/t Au, 8.72g/t Ag (at a cut-off of 0.8% Cu).

A total of 60 diamond drill holes for 15,918 metres were completed during the year at the Hope Deposit. Drilling is continuing at Hope and the Anomaly prospect.

CHILE, SOUTH AMERICA

Takoradi initially acquired a 23% equity interest in Hampton Mining Limited and during 2007 increased this interest to 43.7% of Hampton's equity. During the 2008 year, Takoradi's interest was diluted to 27.5% as a result of an issue of new shares to a Chilean investor totalling US\$20 million. This has provided Hampton with significant working capital to continue its exploration activities.

The Hampton portfolio now includes 10 significant areas of interest on which extensive exploration has been completed during the last few years. These properties form the basis of a very prospective group of exploration and pre-development properties that justify further drilling and field work. There are clearly identifiable significant structures of porphyry Copper (Cu), Gold (Au) and Molybdenum (Mo) on several of the properties. One of the properties, Mollacas, is at a pre feasibility stage of evaluation of development. A new drilling programme commenced in June 2008 at the Vallecillo (Chile) and Los Calatos (Peru), Cu, Au, Mo and base metal projects. Any results on this drilling are not expected to be available until mid October 2008. Details of the Hampton Mining Limited prospectus have been provided in previous ASX announcements by Takoradi and can be found at www.hamptonmining.com.au.

DIRECTORS' REPORT continued

For the year ended 30 June 2008

GHANA, WEST AFRICA

Activities have mainly focused on administration matters including completing the renewal of the four prospecting licences in the Bole Region, Northern Ghana. The Company has also completed the acquisition of the surrounding Reconnaissance Licence from RedBack Mining Inc, a previous joint venture partner. Takoradi continues to evaluate the future prospects of the properties including the planning for ongoing exploration activity. The Company is also continuing discussions with parties who have expressed an interest in entering into a joint venture exploration programme and /or possibility acquiring outright, the tenements and licences.

Summary ASX Announcements for the year:

- The Company expended \$2,048,944 on exploration and capitalised \$1,827,372 and wrote off \$221,572 of exploration expenses.
- On 5 July 2007 the Company announced the acquisition of a new Copper-Molybdenum exploration property by Hampton Mining Limited in Chile South America. The Company at that time holding a 43.7% interest in Hampton.
- On 3 September 2007 the Company released to the market through the ASX a Special Report on the Chile Projects, Mollacas, Loica/Victoria.
- On 3 September 2007 an announcement was released to the ASX advising that in satisfaction of the final payment due under its agreement to purchase 100% of the issued capital of Nimrod Metals Limited, the Company had issued 80 million fully paid ordinary shares to the original shareholder of Nimrod.
- In the report for the quarter ended 30 September 2007 released on 31 October 2007 the Company advised that.
 - Hampton Mining successfully concluded an agreement to earn a 75% interest in a property known as Victoria. The property adjoins the Loica prospect in Chile and contains a similar mineralised system.
 - Fifteen (15) holes were drilled at the Hope Deposit in Namibia during the quarter for a total of approximately 3,000 metres. Drilling has indicated that mineralisation extends along strike down plunge for at least 1.6 kilometres from the outcrop to a depth of approximately 400 metres. Geophysics has indicated that the mineralisation extends down plunge for at least 3.2 kilometres from the outcrop.
 - Takoradi/Northern Goldfields have taken over management of the Bole tenements in Ghana and collected all relevant technical data from Red Back Mining.
 - An agreement is being concluded for the acquisition of a gold exploration Reconnaissance Licence in Ghana from Red Back Mining. The Licence being located near the Company's Bole tenements.
 - On 2 July 2007 the Company made a final payment of \$812,000 to Hampton Mining Limited to complete the exercise of its option to increase its equity shareholding in that company from 38.2% to 43.7%.

DIRECTORS' REPORT continued

For the year ended 30 June 2008

- Arrangements were finalised with the Sentient Group in relation to a financing facility to provide additional working capital for the Company's ongoing operational requirements. As part of the arrangement \$1,000,000 was immediately available to the Company as a debt facility that can be converted into fully paid ordinary shares at 1.6 cents per share, after the Company's Annual General Meeting on 29 November 2007.
- On 29 November 2007 following the Annual General Meeting of the Company that was held at 10.30 am an announcement was released to the ASX advising the results of the Resolutions presented for approval at the meeting. All seven (7) resolutions were approved by the shareholders including the Consolidation of every 50 Takoradi Limited shares on issue into 1 fully paid ordinary share. The effect of the Consolidation being to reduce the number of issued fully paid ordinary shares from 3,020.6 million shares to 60.4 million shares. The ASX was advised on the 13 December 2007 that the consolidation process had been completed.
- On 29 November 2007 the Company released to the market through the ASX a report 'Namibia South Western Africa, Kuiseb Copper – Gold Project' being an exploration report on the Company's activities in Namibia.
- In the report for the quarter ended 30 December 2007 released on 31 January 2008 the Company advised that:
 - A study based on drilling to date has been completed by SRK Engineering Consultants confirming a total copper resource for the mineralised deposit at the Mollacas prospect Chile of 17.08 Million tonnes of 0.54% Cu (at a 0.2% Cu cut-off) containing 92,000 tonnes copper (Cu) of which 80% could be recovered by leaching. This is based on a JORC Code Compliant Indicated Resource for the oxide and supergene zone of 7.22 million tonnes at 0.5% Cu (at a 0.2% cut-off) and an Inferred Resource of 9.88 million tonnes at 0.52% Cu (at a 0.2% cut-off).
 - The planning for a 6,000 metre drilling programme on the Vallecillo prospect in Chile was completed by Hampton Mining Limited.
 - Geophysics has confirmed the existence of large conductor/anomalies at the Gorub, Vendone and Anomaly prospects in Namibia.
 - A drilling program was planned for the Los Colatos copper – molybdenum prospect in Peru, by Hampton Mining.
 - SRK Engineering Consultants, Chile are conducting a scoping study for a heap leach operation at the Mollacas prospect in Chile for a production rate of approximately 12,000 tonnes per annum of copper metal (Grade A Cathode).
 - The Company has continued with its extensive drilling programme to establish a copper- gold resource at the Kuiseb Project in Namibia sufficient to establish a future mining operation. In moving towards this objective the Company has established a new JORC Code compliant, inferred Estimated Resource of 1,850,000 tonnes at 2.46% Cu and 0.75g/t Au using a 0.8% cut off grade, at the Hope Deposit within the Kuiseb Project.
 - In October 2007 the Company's arrangements for the financing facility with Sentient Executive GP11 of \$1,000,000 were concluded. The facility can be converted into fully paid ordinary shares in Takoradi at 80 cents per share, (post share consolidation). The facility is guaranteed by Notesan Pty Limited, Takoradi's major shareholder.

DIRECTORS' REPORT continued

For the year ended 30 June 2008

- On 28 of April 2008 the Company released an announcement through the ASX 'Chile, South America, Capital raising of US\$20 million for the Company's 43.7% owned Chilean exploration company Hampton Mining Limited'.

As a consequence of this capital raising the Company's interest in Hampton Mining reduces from 43.7% to 27.5%.

- On 30 April 2008 the Company released a report to the market through the ASX 'Namibia, South Western Africa, Kuiseb Copper – Gold Project Exploration Report'.
- In the report for the quarter ended 31 March 2008 released on 30 April 2008 the Company advised:
 - Drilling activity in Namibia had increased significantly with three diamond drilling rigs now on site.
 - Exploration drilling results at the Kuiseb Copper/gold Project in Namibia showing up to 16% copper and 20g/t gold.
 - 3,700 metres of Diamond Drilling in 15 holes completed at Kuiseb, Hope deposit in the quarter.
 - The acquisition of the gold exploration Reconnaissance Licence from Red Back Mining was completed.
 - The Loan facility with the Sentient Group Executive4 GP11 fund of US\$575,000 that was to expire on the 21 March 2008 has been extended.
 - Notesan Pty Limited provided a loan facility of approx \$200,000 to the Company, the funds to be used for general working capital.
 - On 4 April 2008 a loan facility of \$250,000 was finalised with Seller's Holding Pty Ltd to provide additional working capital for the Company.
- On 12 May 2008 the Company announced through the ASX that it had completed a capital raising of \$1.6 million by way of an issue of 3,375,000 Fully Paid Ordinary shares to the Sentient Group at 40 cents per share, being \$1,350,000 together with the arrangement of a short term financing facility of \$250,000 from Sentient Group. The Company also reached agreement with the Sentient Group to convert previous loan facilities of \$1,350,000 into Ordinary Fully Paid shares issued at 40 cents per share. As a result of these financing arrangements Sentient Group has become a substantial shareholder in Takoradi, its holding now being approximately 17%.
- In the report for the quarter ended 30 June 2008 released on 31 July 2008 the Company advised that:
 - Drilling at the Hope Deposit in Namibia had resulted in a 33% increase in the Inferred Resource to 2,500,000 tonnes at a grade of 2.41% Cu, 0.66 g/t Au, 8.72g/t Ag (at a cut-off of 0.8% Cu).
 - A total of 14 diamond drill holes for 7,160 metres were completed during the quarter at the Hope Deposit.
 - Documentation for the planned IPO by Hampton Mining of its mineral interests in Chile and Peru finalised for lodgements with the ASX and ASIC.

DIRECTORS' REPORT continued

For the year ended 30 June 2008

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 2008, other than as referred to in the Review of Operations and Financial Statements or notes thereto.

FINANCIAL POSITION

At 30 June 2008 the Company held cash and receivables totalling approximately \$389,850. This compares with an equivalent figure of \$1,912,086 at 30 June 2007.

These liquid assets will not be sufficient to cover the Company's expected commitments and projected outgoings for the current year. Accordingly additional monies will need to be raised to finance the Company's operations for the following 12 months. The Directors are continually reviewing the alternatives for the raising of future finance and are confident that the Company will receive the support of its shareholders and private investors.

EVENTS SUBSEQUENT TO BALANCE DATE

- The Company completed a Capital Raising of \$1.25 Million through the issue of Secured Notes with independent financing parties. Each Note has a face value of \$250,000 and an interest coupon of 13.5%pa. payable in arrears. The term of the Notes is for 12 months, extendable, with certain Notes, for a further 12 months. Each Note is secured by a fixed charge over 1,562,500 Fully Paid Ordinary Shares in Hampton Mining Limited held by Takoradi. The shares held as security, based on a share price of \$0.32 per Hampton share are valued at \$500,000 against the face value of each Note of \$250,000. The value of the Security must at all times be maintained at a value of not less than \$500,000, being twice the value of the Note.
- A 'Secured Note' has also been issued to Sellers Holdings Pty Limited in consideration of a loan of \$250,000 provided to the Company on 4 April 2008 (Quarterly Report 30 March 2008). The Note was issued under the same terms and conditions as for the Notes referred to above.
- The Company has drawn down on a short term facility of \$250,000 from the Sentient Group.
- On 4 August 2008 the Company advised the market through the ASX that The Prospectus for an Initial Public Offering (I.P.O.) for Hampton Mining Limited had been lodged with the ASX and ASIC by Hampton Mining.
- The Company converted 3,000,000 options held in Hampton Mining Limited into Fully Paid Ordinary Shares, the exercise price being 12.5 cents per share, for consideration of \$375,000. The Company retains 9,500,000 options in Hampton convertible into fully paid ordinary shares at a price of 12.5 cents per share, exercisable on or before March 2009.

LIKELY FUTURE DEVELOPMENTS

The Company will continue to seek new mineral interests and to rapidly 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 investment of mineral interests in the Bole region of Ghana.

Through its shareholding in Hampton Mining Limited the Company will continue to support the exploration evaluation and development of the mineral prospects held by Hampton in Chile and Peru, South America. Subject to the Company's financial capability and the market's acceptance of the SIMEcho System for

DIRECTORS' REPORT continued

For the year ended 30 June 2008

mobile phones, the Directors intend to support the research, development and marketing of the data protection and management system being carried out by its subsidiary Matchtip Limited. However, it remains the Directors' intention to separate the operation of Matchtip from the Company's mineral interests at an appropriate time.

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.

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, economic 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. Mr Hudspeth is a director of Hampton Mining Limited, an associated company, and Chairman of Nimrod Metals Limited.

Rear Admiral (Ret'd) C Kevin Dzang, Executive Director since 1990

Rear Admiral Dzang, G.N. Rtd is a former Commander of the Ghana Navy. He also served as a Senior Diplomat for Ghana in Japan, with concurrent accreditations to many countries in Asia. Previously, he was High Commissioner to Australia from 1978-1982 and Secretary of Defence, Government of the Republic of Ghana, from 1983-84.

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).

John S McIntyre, Non Executive Director since 1993

Mr McIntyre is a qualified engineer with over 30 of 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 is currently a Director of Eastern Corporations Limited (since 2004).

DIRECTORS' REPORT continued

For the year ended 30 June 2008

INFORMATION ON COMPANY SECRETARY

Robert Blake

Has been company secretary for five years. He is supported in this role by highly experienced professional consultants 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 independent declaration to the Company for the year ended 30 June 2008. A copy of the declaration is attached to and forms part of this Directors' Report.

ENVIRONMENTAL REGULATION

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

Prospecting licences held by the Company in each of its region of operation impose environmental obligations in relation to site remediation following on ground exploration work. 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 operation and those of its controlled entities.

MEETINGS OF THE BOARD

The Board of Directors held 12 (twelve) meetings during the year ended 30 June 2008. 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 2008			Particulars of Directors' Interests in Shares and Options of Parent Entity	
	A	B	Ordinary Shares	
			1	2
R T Hudspeth *	12	12	-	22,434,294
C K Dzang	12	-	411,600	2,000
A G Harris	12	12	198,867	-
J S McIntyre	12	11	583,000	-
<i>Column A meetings held</i>			1. Beneficially in own name.	
<i>Column B number attended</i>			2. Non-beneficially, director of private Company or family member.	
<i>Note: A G Harris alternate for C K Dzang</i>			* shares are owned by companies associated with R.T. Hudspeth (Refer Note 5).	

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.

DIRECTORS' REPORT continued

For the year ended 30 June 2008

REMUNERATION REPORT

The remuneration of the Executive Directors and Company Secretary of the Company has been established by the Board of Directors who have considered issues of policy as they relate to current performance of the Company and its potential future earnings.

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 ASX Corporate Governance best practice (Recommendation 8.2) the structure of Non-Executive Director and Executive remuneration is separate and distinct.

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.

At the annual general meeting held on 29 of November 2007 shareholders approved an increase in the maximum annual aggregate remuneration for Non-Executive Directors from \$100,000 per annum to \$200,000 per annum.

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.

DIRECTORS' REPORT continued

For the year ended 30 June 2008

Schedule of remuneration for the year ended June 2008

Executive Directors	Salary, Management Fee \$	Super Contribution \$	Share Based Payments \$	Total \$
R T Hudspeth *	275,000	-	-	275,000
A G Harris	55,000	-	-	55,000
C K Dzung	53,748	-	-	53,748
Total	383,748	-	-	383,748

Non-Executive Directors	Salary, Management Fee \$	Super Contribution \$	Share-Based Payments \$	Total \$
J S McIntyre	47,885	2,700	-	50,585
Total	47,885	2,700	-	50,585

Company Secretary	Salary, Management Fee \$	Super Contribution \$	Share-Based Payments \$	Total \$
R. Blake	55,000	4,950	-	59,950
Total	55,000	4,950	-	59,950

* *Notesan Pty Ltd, a company which provides management services to the Takoradi group, received \$275,000 in respect to services provided by Mr Hudspeth as Executive Chairman.*

The Company had no other Executives during the year.

Schedule of remuneration for the year ended June 2007

Executive Directors	Salary, Management Fee \$	Super Contribution \$	Share-Based Payments \$	Total \$
R T Hudspeth *	285,000	-	-	285,000
A G Harris	128,200	-	44,000*	172,200
C K Dzung	57,922	-	27,500*	85,422
Total	471,122	-	71,500*	542,622

Non-Executive Directors	Salary, Management Fee \$	Super Contribution \$	Share Based Payments \$	Total \$
J S McIntyre	45,860	2,700	33,000	81,560
Total	45,860	2,700	33,000	81,560

DIRECTORS' REPORT continued

For the year ended 30 June 2008

Company Secretary	Salary, Management Fee \$	Super Contribution \$	Share Based Payments \$	Total \$
R. Blake	121,300	-	44,000	165,300
Total	121,300	-	44,000	165,300

* *Notesan Pty Ltd a company which provides management services to the Takoradi group received \$285,000 in respect of services provided by Mr Hudspeth as Executive Chairman.*

* *Shares issued to the Directors as remuneration were approved by shareholders at a meeting of shareholders.*

The Company had no other Executives during the year.

OPTIONS

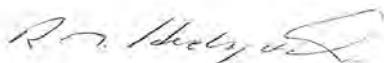
The Company has issued 6,790,126 options at an exercise price of \$0.50 exercisable after 23 December 2006 and on or before 23 December 2008, that are owned by companies associated with Mr R.T. Hudspeth and 300,000 Options expiring on 27 October 2009, exercisable at \$0.90 anytime after 19 September 2006 to Southern Cross Equities as part of the payment for assisting with capital raisings.

PROCEEDINGS ON BEHALF OF THE COMPANY

On 15 September 2008 a claim for outstanding payments for \$749,464 was filed in the District Court of NSW against Takoradi. Refer to Note 20(b) to the financial statements for details in relation to this claim.

No other person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



R T Hudspeth
CHAIRMAN
30 September 2008
SYDNEY

AUDITOR'S INDEPENDENCE DECLARATION



Chartered Accountants
& Business Advisers

30 September 2008

The Directors
Takoradi Limited
Level 46
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Dear Directors

INDEPENDENCE DECLARATION

As lead audit partner for the audit of the financial report of Takoradi Limited for the financial year ended 30 June 2008 and in accordance with section 307C of the Corporations Act 2001, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours faithfully
PKF

M L Port
Partner

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Takoradi Limited is responsible for the corporate governance of the Company and the consolidated entity. The Directors aspire to the highest standards of corporate governance that could be deemed appropriate for a company of Takoradi Limited's nature, size and activities. The Directors take ultimate responsibility for corporate governance and operate in accordance with Takoradi's Constitution, Australian Stock Exchange listing Rules, the Corporations Act 2001, various Mining Acts and other applicable laws.

Set out below are the key components of the Corporate Governance principles adopted by the Board. These components are set out consistent with the 'Principles of Good Corporate Governance and Best Practice Recommendations' as currently recommended by the ASX Corporate Governance Council. It is the intention of the Board that the latest recommendations by the Corporate Governance issued for 2009 be introduced in the next financial year.

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board of Directors is responsible for setting the strategic direction and establishing the policies of Takoradi Limited, for overseeing the financial position, and for monitoring the business and affairs on behalf of the shareholders, by whom they are elected and to whom they are accountable.

Responsibilities of management are delineated by formal authority delegations. Lay solid foundations for Management and Oversight.

The Board acknowledges that performance can always be enhanced and will continue to seek and consider ways of further enhancing performance both individually and collectively.

STRUCTURE THE BOARD TO ADD VALUE

The Board of Directors comprises one non-executive Director and three 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 utilize 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 director is Mr John McIntyre.

The qualifications, skills and experience of all members of the Board are set out in the Directors' Report.

Also given the small size of the Board, it is not considered appropriate that at this stage a separate Nomination Committee be set up. Presently in respect of selecting new Directors, the Board will assess the skills, experience and expertise of each of the prospective candidates in line with those skills, experience and expertise deemed necessary by the Board.

There are procedures in place, as agreed by the Board to enable Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

The Board actively promotes ethical and responsible codes of conduct by its entire staff. In addition to the legal restrictions of trading securities whilst in possession of unpublished price sensitive information concerning the consolidated entity, the Board has determined that all Directors and senior management of the consolidated entity will be under an obligation to not trade in the Company's securities during which time there is unpublished information and that they will abide by the timing requirements as determined by Corporate Governance Council.

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Takoradi has an audit committee comprising two Executive Directors and the Company Secretary, Mr Albert Harris is Chair of the Audit Committee. There are no other 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 12 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.

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

The responsibilities of the Audit Committee include:

- Oversee the existence and maintenance of internal controls and accounting systems, including the implementation of mandatory and non-mandatory accounting policies and reporting requirements
- Oversee the financial reporting process, including reviewing and reporting to the Board on the accuracy of all financial reports lodged with ASX which include the quarterly, half-yearly and annual financial reports
- Recommendations to the Board regarding the nomination, removal and remuneration of the external auditors and
- Review the existing external audit arrangements, including ensuring that any non-audit services provided do not impair auditor independence.
- Assessing the adequacy of external reporting for the needs of shareholders.

In fulfilling its responsibilities, the Audit Committee:

- Receives regular reports from management and the external auditors;
- Meets with the external auditors at least twice a year, or more frequently if necessary;
- Reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- Meets separately with the external auditors at least twice a year without the presence of management;
- Provides the external auditors with a clear line of direct communication at any time to either the Chairman of the Audit Committee or the Chairman of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

MAKE TIMELY AND BALANCED DISCLOSURE

The consolidated entity has in place processes to ensure that company announcements are factual, made in timely manner and do not omit material information.

RESPECT THE RIGHTS OF SHAREHOLDERS

The consolidated entity currently communicates with its shareholders through announcements to the ASX, and by way of quarterly and half yearly reports. Should shareholders have queries they are responded to accordingly.

The Board strives to communicate with shareholders both regularly and clearly. Shareholders are encouraged to attend and participate at general meetings. The Company's auditors will always attend the annual general meeting and are available to answer shareholders' questions.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All shareholders receive a copy of the Company's annual report. In addition, the Company is seeking to provide opportunities for shareholders to access annual and quarterly reports in electronic format available for download from the company website or via direct email. The website is expected to be completed and ready to be accessed by November 2008.

EXTERNAL AUDITORS

The Company and audit committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate. A break-down of fees for non-audit services, is provided in the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee.

The external auditor will attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

RECOGNISE AND MANAGE RISK

The Board who assess key risks at Board meetings monitors the risk profile of the Company. The Board through the Audit Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity. The Company risk management policy and the operation of the risk management and compliance system is managed by the Board and updates are received at the monthly Directors' meetings on material works that may impede meeting operational and business objectives.

ENCOURAGE ENHANCED PERFORMANCE

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.

REMUNERATE FAIRLY AND RESPONSIBLY

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

In respect of Executive Directors, the level of Director's fees is reviewed by the full Board. In the determination of the Executive Directors' remuneration, the fees paid are not dependent upon the performance of the Company but are determined according to the contribution by each Executive Director, the Company's level of activity and its financial capacity. As such there is no separate Remuneration Committee.

RECOGNISE THE LEGITIMATE INTERESTS OF STAKEHOLDERS

As stated previously, the Board actively promotes ethical and responsible codes of conduct by its entire staff to ensure the protection of the assets of the Company and its shareholders.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND BEST PRACTICE RECOMMENDATIONS

Subject to the exceptions outlined below, the Company has adopted the Principles of Good Corporate Governance and Best Practice Recommendations (Guidelines) applying to listed entities as published in March 2003 by the ASX Corporate Governance Council.

Best Practice Recommendation	Notification of Departure	Explanation of Departure
Principle 2.1 and 2.3	The Chair is not an independent Director.	<p>The Board considers the position of Mr Rodney Hudspeth as Chairman and CEO to be appropriate as he founded the Company and represents the largest shareholder, has been instrumental in the development of the Company, has a comprehensive knowledge of its operations and has successfully built value for shareholders since the Company. Hudspeth's industry experience and his involvement with the Company since its inception are well recognised and viewed positively by shareholders. Clear protocols are in place to deal with conflicts of interest. Mr Albert Harris acts as an independent Chairman when the Board is discussing items in which a conflict of interest may arise.</p> <p>The Board does however recognised that as the Company expands its operations the ability of the Chairman to provide an independent view of management may require changes in the future.</p>
Principle 2.4	The Board does not have a separate nomination committee.	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.
Principle 8	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.



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAKORADI LIMITED

We have audited the accompanying financial report of Takoradi Limited ("the company") and the consolidated entity for the year ended 30 June 2008. The financial report comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity for both 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 "Presentation of Financial Statements", that the financial report, comprising the financial statements and notes, complies with Australian equivalents to International Financial Reporting Standards. This ensures that the financial report complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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*.

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Chartered Accountants
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Auditor's Opinion

In our opinion:

- (a) the financial report of Takoradi Limited is in accordance with the Corporations Act 2001, including
 - (i) giving a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Material Uncertainty Regarding the Ability of the Company to Continue as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. The consolidated entity incurred a loss from continuing activities of \$2,908,610 for the year ended 30 June 2008 and has an excess of current liabilities over current assets amounting to \$2,479,844 at the year end. As a result of the matters described in Note 1, there is significant uncertainty whether the company will be able to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.

PKF
Chartered Accountants

M L Port
Partner

30 September 2008
Melbourne

INCOME STATEMENTS

For the year ended 30 June 2008

	Note	Consolidated		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Other income	3	-	2,663	195,746	2,663
Expenses from continuing operations	3	(2,521,571)	(2,666,941)	(1,833,334)	(4,282,216)
Net financial income (expense)	3	(683,788)	(158,541)	(513,064)	46,398
Loss before Income Tax		(3,205,359)	(2,822,819)	(2,150,652)	(4,233,155)
Income Tax	4	-	-	-	-
Net Loss after Income Tax		(3,205,359)	(2,822,819)	(2,150,652)	(4,233,155)
Net Loss attributable to Minority Equity Interests		296,749	460,774	-	-
Net Loss attributable to Equity Holders of the Parent Entity		(2,908,610)	(2,362,045)	(2,150,652)	(4,233,155)
Basic Earnings (Loss) Per Share (cents per share)	7	(4.77)	(4.15)		
Diluted Earnings (Loss) Per share (cents per share)	7	(4.77)	(4.15)		

The Income Statements should be read in conjunction with the accompanying notes.

BALANCE SHEETS

As at 30 June 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and Cash Equivalents		131,091	1,814,547	83,867	1,773,734
Trade and Other Receivables	8	258,759	97,539	54,563	22,647
TOTAL CURRENT ASSETS		389,850	1,912,086	138,430	1,796,381
NON-CURRENT ASSETS					
Trade and Other Receivables	8	-	-	2,961,567	1,047,511
Property, Plant and Equipment	9	12,995	17,288	-	1,680
Exploration & Evaluation Expenditure	10	9,232,674	8,047,463	-	-
Other Financial Assets	11	-	-	1,900,000	1,900,000
Equity Accounted Investment	12	8,230,181	4,858,707	6,592,382	5,081,843
TOTAL NON-CURRENT ASSETS		17,475,850	12,923,458	11,453,949	8,031,034
TOTAL ASSETS		17,865,700	14,835,544	11,592,379	9,827,415
CURRENT LIABILITIES					
Trade and Other Payables	13	2,216,599	2,709,760	1,682,903	2,486,191
Borrowings	14	653,095	-	653,095	-
TOTAL CURRENT LIABILITIES		2,869,694	2,709,760	2,335,998	2,486,191
NON-CURRENT LIABILITIES					
Borrowings	14	7,766,356	7,200,548	7,766,356	7,200,548
TOTAL NON-CURRENT LIABILITIES		7,766,356	7,200,548	7,766,356	7,200,548
TOTAL LIABILITIES		10,636,050	9,910,308	10,102,354	9,686,739
NET ASSETS		7,229,650	4,925,236	1,490,025	140,676
EQUITY					
Equity attributable to Equity Holders of the Parent					
Issued Capital	15	39,351,422	35,851,423	39,351,423	35,851,423
Foreign Exchange Translation Reserve		(683,459)	182,860	-	-
Asset Revaluation Reserve		2,904,371	-	-	-
Accumulated Losses		(34,238,640)	(31,330,030)	(37,861,398)	(35,710,747)
PARENT ENTITY INTEREST		7,333,694	4,704,253	1,490,025	140,676
OUTSIDE EQUITY INTEREST		(104,044)	220,983	-	-
TOTAL EQUITY		7,229,650	4,925,236	1,490,025	140,676

The Balance Sheets should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2008

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$	Minority \$
Balance as at 1 July 2006	33,209,930	1,489,967	(29,774,837)	4,925,060	(138,294)
Shares issued	2,973,493			2,973,493	
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency		(955,920)		(955,920)	14,629
Acquisition of Nimrod	56,519	801,374	(52,471)	805,422	805,422
Loss after income tax for the period			(2,822,819)	(2,822,819)	(460,774)
Balance as at 30 June 2007	<u>36,239,942</u>	<u>1,335,421</u>	<u>(32,650,127)</u>	<u>4,925,236</u>	<u>220,983</u>
Balance as at 1 July 2007	36,239,942	1,335,421	(32,650,127)	4,925,236	220,983
Shares issued	3,499,999			3,499,999	
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency		(373,621)		(373,621)	(28,279)
Share of change in associate's foreign currency translation reserve		(520,978)		(520,978)	
Revaluation of share of net assets of associate to fair value upon change of ownership interest in associate		2,904,371		2,904,371	
Loss after income tax for the period			(3,205,359)	(3,205,359)	(296,749)
Balance as at 30 June 2008	<u>39,739,941</u>	<u>3,345,193</u>	<u>(35,855,486)</u>	<u>7,229,650</u>	<u>(104,045)</u>
Company					
Balance as at 1 July 2006	32,877,930		(31,477,592)	1,400,338	
Shares issued	2,973,493			2,973,493	
Loss after income tax for the period			(4,233,155)	(4,233,155)	
	<u>35,851,423</u>		<u>(35,710,747)</u>	<u>140,676</u>	
Balance as at 1 July 2007	35,851,423		(35,710,747)	140,676	
Shares issued	3,500,000			3,500,000	
Loss after income tax for the period			(2,150,651)	(2,150,651)	
Balance as at 30 June 2008	<u>39,351,423</u>		<u>(37,861,398)</u>	<u>1,490,025</u>	

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

CASH FLOW STATEMENTS

For the year ended 30 June 2008

	Note	Consolidated Inflows (Outflows)		Parent Entity Inflows (Outflows)	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash Flows from Operating Activities					
Receipts from Customers		-	-	-	-
Payments to Suppliers and Employees		(1,687,650)	(2,284,247)	(620,182)	(841,003)
Interest Received		13,393	47,861	13,391	47,861
Interest and Other Finance Costs		(1,285)	(62,617)	(1,219)	(62,583)
Net Cash Used in Operating Activities	17(b)	(1,675,542)	(2,299,003)	(608,010)	(855,725)
Cash Flows from Investing Activities:					
Exploration Expenditure (includes Capitalised Expenditure)		(1,827,373)	(952,320)	-	-
Advances to controlled entities		-	-	(2,916,832)	(2,422,932)
Purchase of Property, Plant and Equipment		(15,516)	-	-	-
Purchase of Shares in associated entity	12	(1,510,538)	(3,829,167)	(1,510,538)	(3,829,167)
Net Cash Used in Investing Activities		(3,353,427)	(4,781,487)	(4,427,370)	(6,252,099)
Cash Flows from Financing Activities:					
Proceeds from issue of Convertible Notes		-	7,000,000	-	7,000,000
Proceeds from Ordinary Share Issue (i)		2,700,000	1,725,000	2,700,000	1,725,000
Proceeds from loans by Related Parties		132,000	-	132,000	-
Repayments of loans from Related Parties		(46,000)	-	(46,000)	-
Proceeds from loans by other entities		559,513	-	559,513	-
Net Cash Provided by Financing Activities		3,345,513	8,725,000	3,345,513	8,725,000
Net Increase/(Decrease) in Cash Held Cash and Cash Equivalents at Beginning of Year		(1,683,456)	1,644,510	(1,689,867)	1,617,176
Cash acquired with Nimrod acquisition		1,814,547	166,854	1,773,734	156,558
Cash and Cash Equivalents at End of Year	17(a)	131,091	1,814,547	83,867	1,773,734

- (i) During the year ended 30 June 2008 a total of \$3,500,000 in new shares was issued, of which \$1,350,000 was received in cash, \$1,350,000 was issued to Sentient Group for conversion to shares of loans advanced earlier in the same financial year, and \$800,000 was issued to former Nimrod shareholders as part settlement of the purchase price. During the year ended 30 June 2007 a total of \$2,973,493 in new shares was issued, of which \$1,725,000 was received in cash, \$1,100,000 was issued to former Nimrod shareholders as part settlement of the purchase price and \$148,493 was issued to Directors and executives for services rendered.

The Cash Flow Statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

INTRODUCTION

The financial report consists of Takoradi Limited ('Takoradi') and its controlled entities as an economic entity. Takoradi is a listed public company, incorporated and domiciled in Australia and is the parent entity whose shares publicly trade on the ASX.

The principal activity of the economic entity during the financial year is exploration and software development. The financial statements are presented in Australian dollars.

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

1. STATEMENT OF ACCOUNTING POLICIES

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

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Basis of accounting

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act.

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. These accounting policies have been consistently applied by each entity in the Consolidated Entity.

GOING CONCERN

The Company and the consolidated entity incurred a loss for the year ended 30 June 2008 of \$2,150,652 and \$2,908,610 respectively and had net cash outflows from operating activities (excluding exploration expenditure) amounting to \$608,010 and \$1,675,542 respectively. At 30 June 2008 both the Company and the consolidated entity had an excess of current liabilities over current assets.

These conditions give rise to a material uncertainty that may cast significant doubt over the ability of the Company to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

1. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

The financial statements have been prepared on a going concern basis. The going concern basis is considered to be appropriate as:

- the Company has no significant immediate commitments which in the opinion of directors can not be met.
- the Company has raised funds subsequent to year end from the financial markets as detailed in Note 22 and the Directors are confident that the Company will receive the support of its shareholders and private investors.
- the majority of liabilities are long term liabilities.
- the Company is able to defer the payment of certain current liabilities.

If the Company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company as at 30 June 2008 and the results of all controlled entities for the year then ended. The Company and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

A controlled entity is any entity controlled by Takoradi Limited. Control exists where Takoradi Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Takoradi Limited to achieve the objectives of Takoradi Limited. A list of controlled entities is contained in Note 11 of the financial statements.

Where control of an entity is obtained during a financial year, its results are included from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists.

The consolidated entity's interest in associated companies is accounted for on an equity basis. The cost of the consolidated entity's investment in an associate is adjusted for the consolidated entity's proportionate share of the associate's post acquisition profit or loss and increments and decrements to reserves. Unrealised profits and losses on transactions between the consolidated entity and the equity investment are eliminated on consolidation.

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

2. SUMMARY OF ACCOUNTING POLICIES

(a) Property, Plant and Equipment

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

A net revaluation increment relating to a class of non-current assets is credited to an asset revaluation reserve except that, to the extent that the increment reverses a revaluation decrement previously recognised as an expense in respect of the same class of assets, it is recognised as revenue.

A net revaluation decrement relating to a class of non-current assets is recognised as an expense – except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of that same class of assets, the revaluation decrement is debited directly to the revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Plant and equipment

Plant and equipment are measured on the 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 including building and capitalised lease assets, but excluding freehold land, is 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. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold improvements	6-7%
Plant and equipment – Motor vehicles	20%
Plant and equipment – Exploration	15%
Leased plant and equipment	15%

(b) 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.

(c) 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

Other Investments

Non-current investments are measured at fair value. 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.

(d) 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.

(e) Foreign Currency Translation

Transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At reporting date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current on that date. Resulting exchange differences are recognised in determining the profit and loss for the year.

Foreign controlled entities

Foreign controlled entity assets and liabilities are translated into Australian currency at rates of exchange current at reporting date, while revenues and expenses are translated at exchange rates current when the transactions occurred. Exchange differences arising on translation are recognised directly in equity.

(f) 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.

(g) Cash and Cash Equivalents

For the purpose of the cash flow statements, 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

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

(h) Impairment

The carrying amounts of the consolidated entity's assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (refer note 2(i)).

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 income statement, 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.

(i) Recoverable amount

The recoverable amount of an asset is the net amount expected to be recovered through the net cashflows arising from its continued use and subsequent disposal. In determining recoverable amount the expected net cash flows have been discounted to their present values using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.

(j) 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).

(k) 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.

(l) 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.

(m) 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 Balance Sheet, 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.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

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.

(n) 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.

(o) Accounts Payable

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

(p) Borrowings

Bank loans and other borrowings are recognised in the financial statements on the basis of the nominal amounts outstanding at balance date plus accrued interest.

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/sale. In this case the borrowing costs are capitalised as part of the cost of the asset.

(q) New and Revised Accounting Standards and Interpretations

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2007.

The directors have given due consideration to the following key Accounting Standards which have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date:

- AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards are effective for annual reporting periods on or after 1 January 2009. This new Accounting Standard prescribes changes to segment reporting disclosures within the financial report. Generally, financial information will be required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. However, whilst there will be some additional disclosure required in segment reporting by the consolidated entity, the Directors do not anticipate that there will be a material impact on the recognition and measurement criteria used to determine disclosures included in the segment report.
- Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards are effective for annual reporting periods commencing on or after 1 January 2009 which removes the option to expense borrowing costs relating to qualifying assets. The amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of qualifying asset. However, the Directors do not believe that revised AASB 123 will have any material financial impact on the financial statements of the Company or the consolidated entity, as it reflects the existing policy on borrowing costs outlined at note 1(p) above.
- Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards are applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
3. LOSS: Net loss before tax includes the following:				
Other income				
Foreign currency gain	-	2,663	195,747	2,663
	-	2,663	195,747	2,663
Expenses /Impairment for continuing operations				
Equity investment loss (i)	(522,458)	(223,136)	-	-
Depreciation of plant and equipment	(17,594)	(16,532)	(1,680)	(5,655)
Impairment of loans (ii)	-	-	(1,173,436)	(1,895,008)
Financial support for subsidiary	-	-	-	(1,247,107)
Tenement maintenance costs	(221,572)	-	-	-
Consulting fees	(38,600)	(96,275)	(38,600)	(27,159)
Administration expenses	(1,465,726)	(1,749,620)	(399,766)	(739,078)
Corporate expenses	(234,675)	(550,895)	(208,472)	(356,594)
Other expenses	(20,946)	(30,483)	(11,380)	(11,615)
	(2,521,571)	(2,666,941)	(1,833,334)	(4,282,216)
Net financial income				
Interest Income	13,393	47,861	184,051	252,754
Interest Expense	(697,181)	(206,402)	(697,115)	(206,356)
	(683,788)	(158,541)	(513,064)	46,398

(i) Takoradi Limited's equity share of Hampton Mining Ltd's loss for the period.

(ii) Directors reviewed loans by the parent to controlled subsidiaries. The Directors determined that, with the exception of loans to Nimrod Metals Limited, progress on other subsidiary projects has not reached a stage where recovery of these loans by the parent is certain.

4. INCOME TAX

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:

Prima Facie Tax payable/(benefit) on profit/(loss) from continuing activities before income tax at 30% (2007: 30%)	(961,608)	(846,845)	(645,195)	(1,269,946)
Less non-deductible items	599,839	510,006	333,818	896,167
Tax Assets not Recognised	361,769	336,839	311,377	373,780
Deferred tax asset not recognised.	2,600,339	2,238,570	2,586,138	2,274,761

These tax losses are the subject of further investigations and have not yet been confirmed by the taxation authority.

Realisation of these benefits will depend upon:

- 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;
- the ability of the companies in the economic entity to continue to comply with the conditions for deductibility imposed by the law; and
- 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.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

5. KEY MANAGEMENT PERSONNEL

Key Management Personnel comprise Directors and other persons having authority and responsibility for planning and directing and controlling the activities of Takoradi Limited and its controlled entities.

Parent Entity Directors:

Mr Rodney T Hudspeth	Executive Chairman since 1993
Mr Albert G Harris	Executive Director since 1992
Rear Admiral (Ret'd) C Kevin Dzang	Executive Director since 1990
Mr John S McIntyre	Non executive Director since 1993

There are no other executives currently employed by the consolidated entity.

(a) Key Management Personnel Compensation

2008

	Primary		Post employment	Total
	Salary & Management Fees	Non-cash benefits – Issue of Shares	Superannuation	
	\$	\$	\$	\$
Mr Rodney T Hudspeth *	275,000	-	-	275,000
Mr Albert G Harris	55,000	-	-	55,000
Mr Rear Admiral (Ret'd) C Kevin Dzang	53,748	-	-	53,748
Mr John S McIntyre	47,885	-	2,700	50,585
TOTAL	431,633	-	2,700	434,333

* Notesan Pty Ltd, a company which provides management services to the Takoradi group, received \$275,000 (including GST) in respect to services provided by Mr Hudspeth as Executive Chairman.

2007

	Primary		Post employment	Total
	Salary & Management Fees	Non-cash benefits	Superannuation	
	\$	\$	\$	\$
Mr Rodney T Hudspeth *	285,000	-	-	285,000
Mr Albert G Harris	128,200	44,000	-	172,200
Mr Rear Admiral (Ret'd) C Kevin Dzang	57,922	27,500	-	85,422
Mr John S McIntyre	45,860	33,000	2,700	81,560
TOTAL	516,982	104,500	2,700	624,182

* Notesan Pty Ltd, a company which provides management services to the Takoradi group, received \$285,000 in respect to services provided by Mr Hudspeth as Executive Chairman.

(b) Shareholdings

Number of shares held by Key Management Personnel:

2008

	Balance 1.7.07	Acquired (pre- consolidation)	Share Consolidation 50:1	Acquired/ (Disposed)	Balance 30.6.08
Parent Entity Directors					
Mr Rodney T Hudspeth *	1,111,678,320	10,036,322	22,434,294	-	22,434,294
Mr Albert G Harris	9,943,348	-	198,867	-	198,867
Mr Rear Admiral (Ret'd) C Kevin Dzang	20,680,000	-	413,600	-	413,600
Mr John S McIntyre	24,175,000	-	483,500	100,000	583,500

* Shares are owned by companies associated with Mr R T Hudspeth

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

2007

	Balance 1.7.06	Acquired	Disposed	Balance 30.6.07
Parent Entity Directors				
Mr Rodney T Hudspeth *	1,095,705,006	15,973,314	-	1,111,678,320
Mr Albert G Harris	5,943,348	4,000,000	-	9,943,348
Mr Rear Admiral (Ret'd) C Kevin Dzang	20,280,000	2,500,000	(2,100,000)	20,680,000
Mr John S McIntyre	21,175,000	3,000,000	-	24,175,000

* Shares are owned by companies associated with Mr R T Hudspeth

(c) Options

Number of options held by Key Management Personnel were 6,790,127 options issued on 23 December 2005 at an exercise price of \$0.50 (post consolidation), exercisable after 23 December 2006 and on or before 23 December 2008 are owned by companies associated with Mr R T Hudspeth.

(d) Principles of Compensation

The remuneration of the Executive Directors and Company Secretary of the Company has been established by the Board of Directors who have considered issues of policy as they relate to current performance of the Company and its potential future earnings.

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 ASX Corporate Governance best practice (Recommendation 8.2) the structure of Non-Executive Director and executive remuneration is separate and distinct.

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.

At the annual general meeting held on 29 of November 2007 shareholders approved an increase in the maximum annual aggregate remuneration for Non-Executive Directors from \$100,000 per annum to \$200,000 per annum.

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.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
6. AUDITORS' REMUNERATION				
Remuneration of the auditor of the parent entity for:				
– Auditing and reviewing the financial reports	67,864	51,729	67,864	51,729
Remuneration of other auditors of subsidiaries for:				
– Auditing and reviewing the financial report of subsidiaries	46,723	88,024	-	-
	114,587	139,753	67,864	51,729

7. EARNINGS PER SHARE (EPS)

	Consolidated	
	2008	2007
	cents	cents
Basic EPS (Loss)	(4.77)	(4.15)
Diluted EPS (Loss)	(4.77)	(4.15)
Net loss used in calculation of basic and diluted earnings/(loss) per share	(2,908,610)	(2,362,045)
Weighted average number of shares on issue used in calculation of basic earnings/(loss) per share	Number 60,906,994	Number 56,903,916

6,790,126 options at an exercise price of \$0.50 with an expiry date of 23 December 2008 and 300,000 options expiring on 19 September 2009 have not been considered in diluted EPS as the Company is in a loss position.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
8. RECEIVABLES				
(a) OTHER RECEIVABLES				
CURRENT (i)				
Non trade debtors receivable	210,338	81,032	6,140	6,140
Goods and services tax refund	48,421	16,507	48,422	16,507
	258,759	97,539	54,563	22,647
(b) CONTROLLED ENTITIES				
CURRENT (i)				
Loan due from Controlled Entity	-	-	9,062,608	8,473,176
Less: Allowance for Diminution	-	-	(9,062,608)	(8,473,176)
	-	-	-	-
NON-CURRENT (i)				
Amounts owed by Controlled Entities	-	-	19,279,699	16,781,427
Less: Allowance for Diminution	-	-	(16,318,132)	(15,733,916)
	-	-	2,961,567	1,047,511

(i) The carrying amounts of receivables approximate net fair values

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

	Consolidated 2008 \$	Parent Entity 2007 \$	Consolidated 2008 \$	Parent Entity 2007 \$
9. PROPERTY, PLANT AND EQUIPMENT				
Roads - at Cost	14,053	14,583	-	-
<i>Less:</i> Accumulated Depreciation	(14,053)	(14,583)	-	-
	-	-	-	-
Buildings and Improvements				
- at Directors' 1993 Valuation	24,822	24,822	-	-
- at Cost	27,949	29,060	-	-
	52,771	53,882	-	-
<i>Less:</i> Accumulated Depreciation	(52,771)	(53,882)	-	-
	-	-	-	-
Exploration Equipment and Vehicles - at Cost	209,958	196,227	-	-
<i>Less:</i> Accumulated Depreciation	(198,323)	(196,227)	-	-
	11,635	-	-	-
Furniture, Fixtures and Fittings – at Cost	48,077	48,940	22,414	22,414
<i>Less:</i> Accumulated Depreciation	(48,077)	(48,510)	(22,414)	(21,984)
	-	430	-	430
Office Equipment – at Cost	102,092	110,418	15,286	15,286
<i>Less:</i> Accumulated Depreciation	(100,732)	(93,560)	(15,286)	(14,036)
	1,360	16,858	-	1,250
TOTAL PROPERTY PLANT & EQUIPMENT	12,995	17,288	-	1,680

Movements during the year	Roads \$	Buildings \$	Furniture Fixtures Fittings \$	Exploration Equipment & Vehicles \$	Office Equipment \$
Consolidated:					
Beginning of year	-	-	430	-	16,858
Additions	-	-	-	13,731	-
Currency Movements	-	-	-	1,783	(2,213)
Depreciation charge	-	-	(430)	(3,879)	(13,285)
End of year	-	-	-	11,635	1,360
Parent Entity:					
Beginning of year	-	-	430	-	1,250
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation charge	-	-	(430)	-	(1,250)
End of year	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
10. EXPLORATION EXPENDITURE				
Opening Exploration Expenditure	8,047,463	5,416,885	-	-
– At Cost				
Less amounts written off	-	-	-	-
Acquisition cost of Kuiseb	-	2,684,860	-	-
Exploration expenditure current year	1,827,372	952,320	-	-
Revaluation due to foreign currency movement	(642,161)	(1,006,602)	-	-
	<u>9,232,674</u>	<u>8,047,463</u>	<u>-</u>	<u>-</u>

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	
		2008	2007
		%	%
Ghana, West Africa			
- Kutukrom	Prospecting Licence	100	100
- Baju	Prospecting Licence	80	80
- Yakomba	Prospecting Licence	80	80
- Sakpa	Prospecting Licence	80	80
- Cherebong	Prospecting Licence	80	80
Namibia			
- Kuiseb	Prospecting Licence	70	70

The Government of Ghana has a right to take up 10% of the Company's interest in the project when a mine development occurs. At balance date the Government of Ghana had not exercised this right.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
11. OTHER FINANCIAL ASSETS				
(a) CONTROLLED ENTITIES				
Shares in Controlled Entities				
Cost	-	-	3,301,342	3,301,342
Impairment	-	-	(1,401,342)	(1,401,342)
	<u>-</u>	<u>-</u>	<u>1,900,000</u>	<u>1,900,000</u>

Takoradi Limited acquired a 100% interest in Nimrod Metals Limited ('Nimrod') on 19 September 2006 for consideration of \$1,900,000. The consideration consisted of 110,000,000 Takoradi shares at \$0.01 per share (based on ASX market value) to be issued to Nimrod shareholders at time of purchase with a final settlement of \$800,000 made by way of an issue of 80,000,000 shares in September 2007. Nimrod's major asset is its 70% interest in Kuiseb Mining and Processing Pty Ltd which has exploration licences in Namibia. Upon acquisition, exploration licences were prescribed a fair value of \$2,684,860. At time of acquisition the fair value of Nimrod's consolidated total assets was \$2,705,422 (Takoradi's interest \$1,949,190) with liabilities (sundry creditors) of \$49,190 (Takoradi's interest \$49,190). Outside Minority interest at acquisition date was \$805,422.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
11. OTHER FINANCIAL ASSETS (Cont'd)				
(b) OTHER				
Shares in Unquoted Investments				
Cost	20,000	20,000	20,000	20,000
Impairment	(20,000)	(20,000)	(20,000)	(20,000)
	-	-	-	-

Controlled Entities	Place of Incorporation	2008	2007
		%	%
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
Office Online Pty Ltd	New South Wales, Australia	100	100
Matchtip Limited	United Kingdom	100	100
Remote Business Solutions International Limited	Hong Kong	100	100

12. EQUITY ACCOUNTED INVESTMENT				
Investment in Associate *	6,604,914	5,094,375	6,604,914	5,094,375
Share of Associate:				
Revaluation of share of net assets of associate to fair value upon change of ownership interest in associate	2,904,371	-	-	-
Equity share of change in foreign currency translation reserve	(520,978)	-	-	-
Equity share of loss after tax 2006	(12,532)	(12,532)	(12,532)	(12,532)
Equity share of loss after tax 2007	(223,136)	(223,136)	-	-
Equity share of loss before tax 2008	(522,458)	-	-	-
Tax	-	-	-	-
Loss after Tax	(522,458)	-	-	-
	<u>8,230,181</u>	<u>4,858,707</u>	<u>6,592,382</u>	<u>5,081,843</u>

* As at 30 June 2008 Hampton Mining Ltd had assets of \$31,453,256 (2007: \$9,267,202) and liabilities of \$566,116 (2007: \$316,407). Revenue was immaterial for the current and prior year. The principal activity is exploration for mineral assets.

Associate Entity	Place of Incorporation	2008	2007
		%	%
Hampton Mining Ltd (i), (ii)	New South Wales, Australia	27.5	40.2

- (i) Takoradi increased its holding in Hampton Mining Limited to 43.1% on 2 July 2007 by exercising options at a cost of \$812,500.
- (ii) Takoradi's interest in Hampton Mining Limited was diluted to 27.5% on 29 April 2008 as a result of an allotment of shares to an external investor at a total cost of US\$20,000,000.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

13. TRADE AND OTHER PAYABLES	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
CURRENT				
Trade creditors and accruals (i)	1,993,061	1,704,351	1,459,365	1,488,282
Amount owing to former Nimrod shareholders Refer Note 11 (a)	-	800,000	-	800,000
Amounts due to Directors (ii)	223,538	205,409	223,538	197,909
	<u>2,216,599</u>	<u>2,709,760</u>	<u>1,682,903</u>	<u>2,486,191</u>

All accounts payable are unsecured.

Net Fair Values

The carrying amounts of accounts payable approximate their net fair values.

Refer Note 21 for unhedged foreign currency monetary items.

(i) Trade creditors and accruals include \$1,051,361 (2007: \$1,247,107) payable by Matchtip Limited.

(ii) As at 30 June 2008 Directors' fees were owing in respect to Directors' services provided by Mr R T Hudspeth (\$177,917), Mr J McIntyre (\$32,885) and Rear Admiral (Ret'd) C K Dzang (\$12,736). As at 30 June 2007 the following amounts were owing to Mr R T Hudspeth (\$165,000), Mr J McIntyre (\$27,685) and Rear Admiral (Ret'd) C K Dzang (\$12,724).

14. BORROWINGS	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
CURRENT				
Secured Liabilities				
Secured Notes (i)	257,582	-	257,582	-
Unsecured Liabilities				
Amount due to Director related entity (ii)	86,000	-	86,000	-
Unsecured Loan (iii)	309,513	-	309,513	-
	<u>653,095</u>	<u>-</u>	<u>653,095</u>	<u>-</u>
NON-CURRENT				
Unsecured Liabilities				
Convertible Note (iv)	7,766,356	7,200,548	7,766,356	7,200,548
	<u>7,766,356</u>	<u>7,200,548</u>	<u>7,766,356</u>	<u>7,200,548</u>

Net Fair Values

The carrying amounts of borrowings approximate net fair values.

(i) On 4 April 2008 Takoradi Limited issued a secured note to Seller Holdings Pty Limited for the amount of \$250,000. The secured note is secured by a fixed charge over 1,562,500 shares in Hampton Mining Limited held by Takoradi Limited. The term of the secured note is for 12 months with interest at 13.5% per annum. Interest of \$7,582 has been accrued in the balance of financial liabilities.

(ii) Takoradi Limited has received advances by way of unsecured loans totalling \$86,000 from Notesan Pty Limited, a related entity of Mr Rodney T Hudspeth. This amount is in addition to the amount of Director's fees payable to Notesan totalling \$177,917 as disclosed in Note 13 Payables.

(iii) Takoradi Limited has received advances by way of unsecured loans totalling \$309,513 from Sentient Group.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

(iv) On 12 December 2006 Takoradi Limited raised \$3,750,000 by issue of a convertible note with a coupon rate of 8% per annum to the Sentient Group. Interest is not payable until the repayment date or upon conversion of the Note. The Note may convert 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 trade at any time over the life of the Note, at a 60 day weighted average price of \$0.90 (post consolidation) per share, Takoradi can elect to call for conversion of the Note into equity at \$0.75 (post consolidation) per share. If this occurs, within the first six months period of the issuance of the Note there will be no interest due on the Note at the time of conversion. On 16 May 2007 Takoradi Limited raised a further \$3,250,000 by an amendment to the Convertible Note with the Sentient Group under the same terms and conditions. The note may convert to 4,333,333 Takoradi shares at \$0.75 per share on or before 12 December 2009. Interest of \$766,356 (2007: \$200,548) has been accrued in the balance of financial liabilities.

	Consolidated 2008 \$	Consolidated 2007 \$	Parent Entity 2008 \$	Parent Entity 2007 \$
15. ISSUED CAPITAL				
Issued Ordinary Shares, fully paid	39,351,423	35,851,423	39,351,423	35,851,423
	2008	2007	2008	2007
	Number of fully paid shares		\$	\$
Movement in Share Capital				
Ordinary shares issued during the Year				
Opening Balance	2,940,601,270	2,662,101,270	35,851,423	32,877,930
Share issues by private placement in December 2006		155,000,000		1,725,000
Shares issues to acquire Nimrod Metals in December 2006		110,000,000		1,100,000
Shares issues to directors and company staff in December 2006		13,500,000		148,493
Shares issues to acquire Nimrod Metals	80,000,000		800,000	
Share consolidation on the basis of 1 new share for each 50 shares held on 29 November 2007	(2,960,189,051)			
Shares issued to Sentient Group	3,375,000		1,350,000	
Conversion of Sentient Group loan facilities to shares	3,375,000		1,350,000	
	67,162,219	2,940,601,270	39,351,423	35,851,423

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 shareholder 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.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

15. ISSUED CAPITAL (Cont'd)

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.

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 2008 and 30 June 2007 are as follows:

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Total borrowings	13,14	10,636,050	9,910,308	10,102,354	9,686,739
Less cash and cash equivalents		131,091	1,814,547	83,867	1,773,734
Net debt		10,504,959	8,095,761	10,018,487	7,913,005
Total equity		7,229,650	4,925,236	1,490,025	140,676
Total capital		17,734,609	13,020,997	11,508,512	8,053,681
Gearing ratio		59.2%	62.2%	87.1%	98.3%

16. OPTIONS (Unlisted)	Exercise	Number	Expiry
	Prices		Date
	\$		
Issued 30 December 2005	\$0.50	6,790,127	19 December 2008
Outstanding as at 30 June 2007	\$0.50	6,790,127	19 December 2008
Outstanding as at 30 June 2008 (i)	\$0.50	6,790,127	19 December 2008
Options issued for services rendered (ii)	\$0.90	300,000	27 October 2009
Outstanding as at 30 June 2007	\$0.90	300,000	27 October 2009
Outstanding as at 30 June 2008	\$0.90	300,000	27 October 2009

(i) 6,790,127 (post consolidation) Options expiring on 19 December 2008, exercisable at \$0.50 anytime after 19 December 2006 to fully paid ordinary shares were issued on 30 December 2005. The options were issued as part of the Debt for Equity swap to Notesan Pty Ltd.

(ii) 300,000 (post consolidation) Options expiring on 27 October 2009, exercisable at \$0.90 anytime after 19 September 2006 to fully paid ordinary shares were issued on 19 September 2006. The options were issued to Southern Cross Equities as part of the payment for assisting with capital raisings.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
17. NOTES TO CASH FLOW STATEMENTS				
(a) Components of Cash and Cash Equivalents				
Cash on Hand	200	200	200	200
Cash at Bank	130,891	1,814,347	83,667	1,773,534
	<u>131,091</u>	<u>1,814,547</u>	<u>83,867</u>	<u>1,773,734</u>
(b) Reconciliation of Net Cash Used in Operating Activities to the Operating Loss after Tax.				
Operating Loss after Income tax	(3,205,359)	(2,822,819)	(2,150,652)	(4,233,154)
Foreign Currency Exchange Gain	-	-	(195,746)	-
Depreciation	17,594	16,532	1,680	5,655
Loan impairment	-	-	1,173,436	1,895,008
Financial support for subsidiary	-	-	-	1,247,107
Equity interest in associate	522,458	223,136	-	-
Issues of shares for services rendered	-	148,500	-	148,500
Decrease/(Increase) in Debtors	(201,016)	(52,765)	(31,916)	1,422
Decrease/(Increase) in Interest Receivable	-	-	(170,660)	(204,893)
(Decrease)/Increase in Provisions	(41,438)	(13,351)	(41,438)	(13,351)
(Decrease)/Increase in Creditors	536,323	60,913	111,390	156,870
(Decrease)/Increase in Interest Payable	695,896	140,851	695,896	141,111
Net Cash Used in Operating Activities	<u>(1,675,542)</u>	<u>(2,299,003)</u>	<u>(608,010)</u>	<u>(855,725)</u>

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

18. RELATED PARTIES

Controlled Entities

Details of interest in controlled entities are set out in Note 12. Takoradi Limited, which is the Parent Entity, has made loans totalling \$28,342,307 (2007: \$25,254,603) to the following Controlled Entities:

	2008	2007
	\$	\$
Takoradi Gold (International) Limited	2,080,778	2,080,778
Takoradi Gold (Ghana) Limited	10,723,938	10,310,594
Northern Goldfields Limited	3,505,259	3,334,387
Matchtip Limited	9,062,608	8,473,176
Nimrod Metals Limited	2,961,567	1,047,511
Office Online Pty Ltd	212	212
Takoradi Gold (Australia) Pty Ltd	7,945	7,945
Total	28,342,307	25,254,603

The loans are included in receivables (refer Note 8). Interest is charged on loans to Northern Goldfields Limited at normal commercial rates. The Company is entitled to receive interest of \$170,660 (2007: \$204,891).

During the year the parent entity provided for a further allowance for diminution of \$1,173,436 (2007: \$817,684) in the value of the loans receivable from Controlled Entities.

Directors

The names of persons who were Directors of Takoradi Limited at any time during the financial year are as follows: R T Hudspeth, Rear Admiral (Ret'd) C K Dzang, A G Harris, J S McIntyre. In addition, A G Harris acts as an alternate for Rear Admiral (Ret'd) C K Dzang.

Remuneration of Directors

Information on remuneration of Directors is disclosed in Note 5.

Administration

The Company utilised fully maintained premises provided by Notesan Pty Limited a company in which Mr R T Hudspeth is a Director. An amount of \$31,266 (2007: \$78,293) was charged in relation to administration and other occupancy expenses. Interest charged on unpaid services provided by Notesan Pty Ltd \$NIL (2007: \$5,808). A fee of \$NIL was charged by Notesan Pty Ltd for assistance in fund raising for the year ended 30 June 2008 (2007: \$100,000).

Loan from Director Related Entity

During the year the Company received loans of \$120,000 from Notesan Pty Limited a company in which Mr R T Hudspeth is a Director. The balance of the unsecured loan at 30 June 2008 is \$86,000 (2007: \$NIL).

Loan from Director

During the year the Company received a loan of \$12,000 from Mr A G Harris. This loan was repaid prior to 30 June 2008.

Acquisition of Nimrod Metals Limited

Notesan Pty Limited, a company in which Mr R T Hudspeth is a Director, being also a shareholder of Nimrod Metals Limited at time of acquisition received 10,036,322 shares in Takoradi Limited in September 2007 in accordance with the settlement plan (refer Note 11).

Share Issue to Directors.

Mr A G Harris was issued NIL (2007: 4,000,000) shares, Mr C K Dzang was issued NIL shares (2007: 2,500,000) and Mr J McIntyre was issued NIL (2007: 3,000,000) shares as payment for unpaid services and director fees.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

19. SEGMENT INFORMATION

Primary reporting – business segments

The consolidated entity operates predominantly in the exploration for minerals industry and software development industry.

	Minerals		Software development		Head Entity		Consolidated	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
RESULT								
Segment Result	(956,444)	(848,704)	(589,306)	(1,083,042)	(1,659,609)	(891,073)	(3,205,359)	(2,822,819)
ASSETS								
Segment assets	17,727,26	12,906,17	-	12,337	138,430	1,917,037	17,865,700	14,835,544
LIABILITIES								
Segment liabilities	523,756	223,569	1,051,361	1,247,107	9,060,933	8,439,632	10,636,050	9,910,308
OTHER								
Investment accounted for using the equity method	8,230,180	4,858,707	-	-	-	-	8,230,180	4,858,707
Acquisitions of non-current segment assets	3,337,911	4,781,487	-	-	-	-	3,337,911	4,781,487
Depreciation	-	-	11,737	10,675	5,857	5,857	17,594	16,532

Secondary reporting – geographical segments

The consolidated entity's business segments operate predominantly in Ghana, Namibia, United Kingdom, Chile and Australia, with Australia being the home country of the parent company. The revenue and assets relating to software development are predominantly based in the United Kingdom. The mineral assets and revenue are predominantly based in Ghana, Chile and Namibia.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

20. COMMITMENTS AND CONTINGENT LIABILITIES

- (a) In respect to the Insamankaw Joint Venture Agreement which has expired, the following issues are being renegotiated:

- (a) the amount outstanding for payment;
- (b) 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 May 2007 Takoradi received notice of a claim for outstanding payments by a person who formerly worked on matters concerning Matchtip Limited (Matchtip), a wholly owned subsidiary of Takoradi. It is the position of Takoradi and Matchtip that whilst some monies possibly may be outstanding to this individual (or a consulting company nominated by him) for work related to Matchtip, the entity legally liable for making any payments would be Matchtip.

The initial claim was for £164,798 (\$385,944) and \$4,971 for provision of services and £13,966 (\$32,707) and \$14,650 for reimbursement of expenses. On 15 September 2008 this amount was revised by the claimant up to a total of \$749,464 in a statement of claim filed in the District Court of NSW against Takoradi. The directors of Takoradi and Matchtip believe that should any money actually be outstanding that it would be significantly less than that which is being claimed. In an effort to settle an offer was made in July 2007 by Matchtip for an upfront payment of \$160,000 (assumed in part by Takoradi as a commercial decision in the best interests of its investment in Matchtip) with a further payment of £82,000 (\$192,037) payable by Matchtip contingent upon Matchtip's success in the areas of net revenue generation and any capital raising by Matchtip or trade sale activities. It should be noted that considerable amounts have already been paid to the individual concerned for services provided.

Takoradi has been involved in on-going settlement negotiations with the claimant. In the interests of extinguishing the claim Takoradi has previously made a settlement offer for an amount substantially less than that claimed. The matter is currently unresolved. Takoradi remains committed to resolving this matter.

- (c) Minimum expenditure required to maintain exploration properties are approximately UA\$70,000 for Ghana and US\$50,000 for Namibia.
- (d) As stated, Takoradi has a 26.41% interest in Hampton Mining Limited. Hampton Mining has various future expenditure commitments and accordingly Takoradi may be called upon to assist with funding some part of the following commitments:

(i) Minera Hampton Chile Limitada (Hampton Chile), a wholly owned subsidiary of Hampton Mining Limited acquired a 50% interest in the Mollacas, Vallecillo and Loica exploration properties (MN Projects) located in Chile from MN Ingenerios in June 2007.

Hampton Chile has the option to increase its interest in the MN Projects from 50% to 75% by paying MN Ingenerios US\$6,000,000 on or before 30 December 2008. In addition, on or before 30 December 2008, Hampton Chile must commit to pay MN Ingenerios US\$6,500,000, at the earlier of completion of a bankable feasibility study on any one of the MN Projects or January 2012. If Hampton Chile elects not to make this commitment then Hampton Chile forgoes its interest in the MN Projects.

(ii) Hampton Chile is a party to litigation with the Mollacas Project surface title landholder in respect to various matters relating to access and environmental accusations. Previous actions by the surface title landholder have been successfully defended and the Hampton Directors have received legal advice that the current litigation is also likely to be successfully defended.

(iii) On 7 September 2007, Hampton Chile entered into an option agreement to purchase a 100% interest in the Victoria Properties, adjacent to the Loica Project. To acquire the Victoria Property, Hampton Chile must pay US\$5,000,000 on or before 7 September 2009, or US\$1,000,000 on or before 7 September 2009 with a final payment of US\$4,000,000 on or before 7 September 2010.

MN Ingenerios, has a right to participate in the Victoria Property on a quid pro quo basis.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

(iv) On 23 August 2007 Hampton Chile entered into an option to purchase 100% of the Genesis Property located in the Vicuna area of Chile. To exercise its right to acquire the Genesis Property, Hampton Chile must pay monthly instalments of US\$10,000 per month for a further 26 months (10 months to 30 June 2008 already paid) and complete an independent scoping study which will determine the Resources and Reserves on the Genesis Property. An additional US\$0.005 (half a cent of dollar) per pound copper equivalent is payable on the Resources identified by the scoping study, or a bankable feasibility study if such a study is completed prior to acquisition.

(v) On 5 September 2007 Hampton purchased an option to take a 100% interest in exploration property known as Los Calatos located in Peru by paying to Minera Cerro Norte S.A US\$250,000. The Company paid an instalment of US\$500,000 in August 2008. To earn the right to acquire a 100% interest in the Los Calatos Project Hampton must pay further instalments of US\$500,000 on or before 1 August 2009 and 1 August 2010, complete at least 3,000 metres of drilling per annum and meet licence fee obligations. To exercise the option the Company must pay Cerro Norte US\$0.005 per lb copper in Reserve as defined by a Scoping Study. A bonus payment of US\$1,500,000 is payable on a decision to mine and a royalty of 2% Net Smelter Return ('NSR') is payable on production.

(vi) On 28 January 2008 Hampton Chile, entered into an option to purchase 100% of the licences known as Cerro Plata in the Vicuna area of Chile. The option period is for five years with a first payment of US\$300,000 being paid on signing of the option agreement. To maintain the option and ultimately acquire the Cerro Plata property, Hampton Chile must make consecutive annual payments of US\$500,000, US\$700,000, US\$900,000 and US\$1,100,000 and a final payment at the end of five years of US\$6,500,000.

(vii) On 4 March 2008 Hampton Chile entered into an option agreement to acquire 100% interest in the Kamikaze Project located in the Copiapo area, Chile by paying US\$200,000. To exercise the option, Hampton Chile must pay US\$400,000 on the first anniversary and US\$500,000 on the second anniversary of the agreement. A payment equivalent to 1% value of the proven and the provable reserves of the in-situ iron is payable on completion of a bankable feasibility study. A royalty of US\$ 0.15 per tonne of recoverable iron and 2% NSR on recovered copper is payable on production.

(viii) On 25 February 2008 Hampton Chile entered into an option agreement to acquire 100% interest in the Santa Berta tenements located in the Isidro area, Chile for US\$7,000 per month for 3 years. An acquisition price of US\$0.005 per lb copper in proven and probable reserves is payable on exercise of the option.

(ix) On 19 May 2008 Hampton Chile entered into a heads of agreement to acquire 50% interest in the San Lorenzo Property located in the Vicuna area, Chile for US\$3,000,000 with a right to acquire a further 20% by undertaking exploration activities and completion of a bankable feasibility study.

21. 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.

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

21. FINANCIAL INSTRUMENTS RISK EXPOSURES (Cont'd)

(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.

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. 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 is confident that there are measures in place to ensure that there will be sufficient liquidity provided by existing shareholders to meet future expenditure commitments.

(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 \$
2008			
Financial Assets			
Cash	-	131,091	131,091
Receivables	258,759	-	258,759
	<u>258,759</u>	<u>131,091</u>	<u>389,850</u>
Weighted Average Interest Rate		5%	
Financial Liabilities			
Accounts payable	2,216,599	-	2,216,599
Interest bearing liabilities	-	8,419,451	8,419,451
	<u>2,216,599</u>	<u>8,419,451</u>	<u>10,636,050</u>
Weighted Average Interest Rate		8%	
Net financial assets/(liabilities)	<u>(1,957,840)</u>	<u>(8,288,360)</u>	<u>(10,246,200)</u>

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

2007	Consolidated Non interest bearing \$	Consolidated interest bearing \$	Total Carrying Amount \$
Financial Assets			
Cash	-	1,814,547	1,814,547
Receivables	97,539	-	97,539
	<u>97,539</u>	<u>1,814,547</u>	<u>1,912,086</u>
Weighted Average Interest Rate		4.5%	
Financial Liabilities			
Accounts payable	2,709,760	-	2,709,760
Convertible Notes	-	7,200,548	7,200,548
	<u>2,709,760</u>	<u>7,200,548</u>	<u>9,910,308</u>
Weighted Average Interest Rate		8%	
Net financial assets/(liabilities)	<u>(2,612,221)</u>	<u>(5,386,001)</u>	<u>(7,988,222)</u>
2008			
Financial Assets			
Cash	-	83,867	83,867
Receivables	54,563	-	54,563
	<u>54,563</u>	<u>83,867</u>	<u>138,430</u>
Weighted Average Interest Rate		5%	
Financial Liabilities			
Accounts payable	1,682,903	-	1,682,903
Interest bearing liabilities	-	8,419,451	8,419,451
	<u>1,682,903</u>	<u>8,419,451</u>	<u>10,102,354</u>
Weighted Average Interest Rate		8%	
Net financial assets/(liabilities)	<u>(1,628,340)</u>	<u>(8,335,584)</u>	<u>(9,963,924)</u>
2007			
Financial Assets			
Cash	-	1,773,734	1,773,734
Receivables	22,647	-	22,647
	<u>22,647</u>	<u>1,773,734</u>	<u>1,796,381</u>
Weighted Average Interest Rate		4.5%	
Financial Liabilities			
Accounts payable	2,486,191	-	2,486,191
Convertible Notes	-	7,200,548	7,200,548
	<u>2,486,191</u>	<u>7,200,548</u>	<u>9,686,739</u>
Weighted Average Interest Rate		8%	
Net financial assets/(liabilities)	<u>(2,463,544)</u>	<u>(5,426,814)</u>	<u>(7,890,358)</u>

(c) Credit Risk

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

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2008

21. FINANCIAL INSTRUMENTS RISK EXPOSURES (Cont'd)

(d) Foreign exchange risk

	Consolidated	
	2008	2007
	\$	\$
Current assets not effectively hedged		
Cash		
- US Dollars	1,923	1,759
	<u>1,923</u>	<u>1,759</u>
Current liabilities not effectively hedged		
Accounts payable		
- Pounds Sterling	1,051,361	1,247,107
- Ghanaian Cedis	8,500	8,500
- Namibian Rand	515,256	-
	<u>1,575,387</u>	<u>1,255,607</u>

(e) Fair Values of Financial Asset and Liabilities

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

22. SUBSEQUENT EVENTS

- The Company completed a Debt Raising of \$1.25 Million through the issue of Secured Notes with independent financing parties. Each Note has a face value of \$250,000 and an interest coupon of 13.5%pa. payable in arrears. The term of the Notes is for 12 months, extendable, with certain Notes, for a further 12 months. Each Note is secured by a fixed charge over 1,562,500 Fully Paid Ordinary Shares in Hampton Mining Limited held by Takoradi. The shares held as security, based on a share price of \$0.32 per Hampton share are valued at \$500,000 against the face value of each Note of \$250,000. The value of the Security must at all times be maintained at a value of not less than \$500,000, being twice the value of the Note.
- The Company has drawn down on a short term facility of \$250,000 from the Sentient Group.
- The Company converted 3,000,000 options held in Hampton Mining Limited into Fully Paid Ordinary Shares, the exercise price being 12.5 cents per share, for consideration of \$375,000. The Company retains 9,500,000 options in Hampton convertible into fully paid ordinary shares at a price of 12.5 cents per share, exercisable on or before March 2009.
- On 28 July 2008, Hampton Mining Limited lodged a prospectus applying for listing on the ASX and for an Initial Public Offering (IPO) of shares. The quotation of Hampton on the ASX is expected in the coming months. The IPO provides for a capital raising by way of an issue of 5 million Fully Paid Ordinary Shares at a price of 35 cents per share, being \$1,750,000. This is principally to gain sufficient spread of at least 400 shareholders so as to meet the listing requirements of the ASX.

If fully subscribed, Takoradi's interest in Hampton Mining Limited post IPO will be approximately 26.83%.

At the date of this report the Directors are not aware of any other matters or circumstances since 30 June 2008, other than disclosed above that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2008, of the Consolidated Entity constituted by the Company and the entities it controls from time to time; or
- (b) the results of those operations; or
- (c) the state of affairs of that Consolidated Entity,

in financial years subsequent to 30 June 2008.

DIRECTORS' DECLARATION

In the opinion of the Directors of Takoradi Limited:

- (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with the Accounting Standards and give a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date.
- (b) at the date of this declaration, for the reasons stated at Note 1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after the directors have been given the declarations required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors.



R T Hudspeth
Chairman

30 September 2008
SYDNEY

SHAREHOLDER INFORMATION

Substantial Shareholders as at 30 September 2008

Capital	Ordinary Shares	% of Issued
Notesan Pty Limited	22,434,294	31.64
Dewhope Pty Limited	22,434,294	31.64
Finowl Pty Limited	22,434,294	31.64
Sentient Executive GP1 Limited	12,127,330	18.06
Sentient (Aus) Pty Limited	12,127,330	18.06
Sentient Executive GP11 Limited	12,127,330	18.06

The above holdings include shares held by related parties.

Range of Shares as at 30 September 2008

Range	Total Holders	Units	% Issued Capital
1-1,000	2,657	1,172,289	1.75
1,001-5,000	1,232	2,890,897	4.30
5,001 – 10,000	258	1,985,184	2.96
10,001 – 100,000	233	7,083,223	10.55
100,001 – 9,999,999,999	50	54,030,626	80.45
Rounding			-0.01
Total	4,430	67,162,219	100.00

Unmarketable Parcels as at 30 Sep 2008

	Minimum Parcel Size	Holdings	Units
Minimum \$500.00 parcel at \$0.09 per unit	5,556	3,914	4,196,510

SHAREHOLDER INFORMATION continued

Substantial Shareholders as at 30 September 2008

ORDINARY SHARES

Top 20 Shareholders

The twenty (20) largest shareholders as at 30 Sept 2008 and as a percentage of each class of equity security.

Rank/ Name	Units	% Issued Capital
1. Notesan Pty Limited	17,606,225	24.83
2. Sentient Executive GPII Limited<Global Res Fund 11 LP A/C>	6,750,000	9.52
3. Ganesh Holdings International Ltd	4,476,832	6.31
4. Notesan Pty Limited <Hudspeth Super Fund A/C>	4,125,000	5.82
5. Sentient Executive GP 11 Limited <Global Res Fund II LP A/C>	2,491,351	3.51
6. Sentient Executive GP II Ltd	1,875,000	2.64
7. Sentient Executive GP II Limited<Sentient Global Res 11 A/C>	1,810,338	2.55
8. Quotidian No 2 Pty Limited	1,758,618	2.48
9. Sentient Executive GP I LTD	1,542,472	2.18
10. Klip Pty Ltd <Beirne Super Fund A/C>	1,039,594	1.47
11. Patermat Pty Limited <TV Willsted & Assoc S/FA/C>	1,003,834	1.42
12. Lawonnue Pty Ltd <Lawonnue Pty Ltd S/Fund A/C>	873,755	1.23
13. Sentient Executive GP1 Limited <Global Res FND1 LP A/C>	857,809	1.21
14. Robert Blake Pty Ltd <RB Superannuation Fund A/C>	830,056	1.17
15. Lost Ark Nominees Pty Limited<SAG A/C>	800,000	1.13
16. ANZ Nominees Limited<Cash Income A/C>	796,418	1.12
17. Mining Investment Services Pty Ltd <JJT Family A/C>	719,029	1.01
18. Lost Ark Nominees Pty Limited <RAS GFAM A/C>	500,000	0.71
19. Mr John McIntyre	483,500	0.68
20. Notesan Pty Ltd	476,697	0.67
Top 20 holders of ORDINARY SHARES as at 30 Sept 2008	50,816,528	71.66

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 23 December 2006 and on or before 23 December 2008, that are owned by companies associated with Mr R T Hudspeth and 300,000 Options expiring on 27 October 2009, exercisable at \$0.90 anytime after 19 September 2006 to fully paid ordinary shares were issued on 19 September 2006, that were issued to Southern Cross Equities as part of the payment for assisting with capital raisings.

Voting Rights

These options do not have voting rights.

CORPORATE DIRECTORY

Directors:	Rodney T Hudspeth (Executive Chairman) Rear Admiral (Ret'd) C Kevin Dzung Albert G Harris John S McIntyre
Alternate Director:	Albert G Harris for Rear Admiral (Ret'd) C Kevin Dzung
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:	Pitcher Partners Level 22 MLC Centre 18-20 Martin Place SYDNEY NSW 2000
Ghanaian Office:	C/- PO Box OS 1600 Osu Accra Ghana
Auditors:	PKF Level 11, CGU Tower 485 La Trobe Street MELBOURNE VIC 3000
Share Registry:	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street ABBOTSFORD VIC 3067 Telephone: 1300 137 328 Facsimile: 1300 137 341
Bankers:	Commonwealth Bank of Australia 48 Martin Place SYDNEY NSW 2000
Consulting Mining Engineers	Terence Willstead & Associates 13/1 The Quay SYDNEY NSW 2000



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