



TAKORADI LIMITED

ACN 006 708 676

Announcement

CORPORATE UPDATE

As shareholders are aware, the company has been suspended from trading on the ASX since January 2009 as a result of the global financial crisis which had severe effects on both the larger and junior end of the markets. Following the suspension, the Directors have been focused on evaluating the most effective way to stabilize the company's financial position along with rebuilding the value of shareholders interests.

The company's principal focus over the last few years has been on its copper and gold exploration interests based in Africa (Namibia and Ghana) and South America (Chile and Peru). In Namibia, the company acquired a 70% interest in an advanced copper/gold project on which extensive drilling has been carried out. The second investment is a 27.5% interest in a private, unlisted public company Hampton Mining Limited which has a copper asset in Chile. Hampton been the subject of a takeover offer from the ASX quoted Metminco Limited (MNC). The MNC offer was launched in November 2008 during the low point of the recent down turn and during the significant slump in the global commodity markets.

The MNC offer coincided with complications for TKG regarding its obligation to external financiers who hold secured notes and separately convertible notes in TKG. The Directors of TKG, having taken into account all the circumstances, considered that they had a conflict of interest in relation to the MNC offer and so the TKG director on the Hampton board declined to make a recommendation in relation to the MNC offer.

The appeal of the offer was that, if successful, it would have provided TKG with some liquidity and identifiable value in respect to its investment in Hampton.

In addition to the complex issues in regard to the Hampton/TKG matters, there have been differences in the views of the Hampton shareholders as to the best way to unlock the value of the Hampton portfolio and its future corporate direction. During the last 4 months there has also been a further evaluation of the Hampton assets in particular the Los Calatos copper/molybdenum project in Peru which has been subject to ongoing technical reviews by Hampton's external advisor SRK Engineering (Chile).

Based on the current MNC share price, the MNC offer values the TKG investment to be well above its original investment of \$6million, which is a useful benchmark. Despite this, TKG is unlikely to accept the recent MNC revised unconditional offer for Hampton that is now subject to an MNC shareholder meeting. The main reason for TKG not accepting the offer is that Junior Investment Company, the



other major Hampton shareholder, has rejected the offer, meaning that as it currently stands, all the Hampton shareholders will not hold their interests through a single vehicle. In TKG's view, to enhance the value of its Hampton shareholding, all Hampton shareholders need to be aligned and hold their interests through one company. TKG will however continue to monitor any changes to the circumstances which may cause it to review its position.

TKG's other key projects in Namibia and Ghana have been on care and maintenance during the last few months. A further drilling program at the Kuiseb copper/gold project was completed in late 2008 and a review of the project has been in progress since that time.

The company is working towards a resolution of all its corporate issues. The directors are assessing the best means of enabling TKG to raise additional capital and to recover shareholder value going forward. Now that the capital markets have opened up and the value of copper projects is again being recognized, TKG is expecting to be able to access further financial resources. Once this strategy has been formulated, the company will seek to lift its present temporary suspension.

The company also continues to work closely with its key financier to date, the Sentient Group, a Cayman Islands based, global private investment organization, which has funds under management of in excess of \$1billion. Sentient also holds a 19.8% interest in TKG.

To assist the Board of TKG with its deliberations and assessment of the company's future corporate plans, the Directors have been working closely with an independent advisory group, Ironbark Group as well as with Southern Cross Corporate Advisory.

A further release will be made in the very near future in regards to all these issues.

For and on behalf of the Board

RODNEY T HUDSPETH
Chairman

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