TAKORADI LIMITED AND CONTROLLED ENTITIES
ACN 006 708 676

FINANCIAL REPORT

FOR THE
HALF-YEAR ENDED
31 DECEMBER 2009

The half-year financial report is to be read in conjunction with the financial report for the year ended 30th of June 2009.

The Directors present their report together with the condensed financial report of the consolidated entity consisting of Takoradi Limited ("Takoradi") and the entities it controlled for the half year ended 31 December 2009 and independent auditors review report thereon.

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

Rodney T. Hudspeth (Executive Chairman)
Rear Admiral (Ret'd) C. Kevin Dzang (Deceased – 29 December 2009)
Albert G. Harris
John S. McIntyre

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

REVIEW OF OPERATIONS
The consolidated operating loss of the economic entity comprising Takoradi and its controlled entities after tax for the period ended 31 December 2009 was $1,574,793 of which $1,529,663 is attributable to shareholders of Takoradi.

PRINCIPAL ACTIVITIES
The Company's principal activity is the exploration for minerals, specifically for gold, copper and base metal resources in Chile and Peru, South America, Namibia, South-western Africa and Ghana, West Africa. The company's mineral interests in Chile and Peru are held through Hampton Mining Limited in which Takoradi held a 27.2% shareholding as at 31 December 2009 (26.7% at date of this report).

MINERAL INTERESTS
Details outlined below are as at the date of this reporting period of 31 December 2009. Further updated information has been released since the date of the financial statements, being 31 December 2009.

The Company's African mineral investments are located in Namibia and Ghana. In Namibia the Company continued to assess the results of its exploration programme on its Kuiseb copper, gold project in which Takoradi holds a 70% interest through its wholly owned subsidiary Nimrod Metals Limited (Nimrod). In Ghana the Company holds an 80% interest in the Bole gold project and a 100% interest in the Kutukrom gold project.

The company's mineral interests in Chile are held through its 27.2% (26.7% at date of this report) shareholding in Hampton Mining Limited (Hampton) an Australian unlisted public company. Hampton has a 50% interest in a highly regarded portfolio of exploration properties located in the prime, well established Copper/Gold/Molybdenum geological environment, of Chile. The principal properties Mollacas, Vallecillo, Camaron, Isidro as well as Loica - Victoria are each being evaluated through extensive drilling programmes, resource assessment and pre-feasibility studies.

Hampton's mineral portfolio also includes the highly prospective Los Colatos project in Peru that has the potential for a large copper / molybdenum resource. In each of the areas in Chile and Peru, Hampton has entered into option agreements to earn equity by meeting specific expenditure commitments on the properties and making certain cash payments.

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

The Project contains a number of mineralized targets the most important of which are the Hope, Gorob, Vendome and Anomaly Deposits. Past drilling of each of the deposits has identified a copper/gold resource that the Company is delineating through recently conducted drilling programs designed to establish a copper / gold resource of suffcient size to support a commercial mining operation.

Drilling Activity
Previous drilling undertaken by the South African mining company JCI Limited (JCI) in the early 1980's of 19,000m of diamond holes and 55,000m of percussion holes had identified the potential of the Kuiseb Project area.

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

Hope Deposit - Resources
As at 31 December 2009 the JORC Code Complaint resources established at the Hope deposit are approximately 3,600,000 tonnes at a grade of 2.5% Copper (Cu) and 0.64g/t Gold (Au) at a 0.2% Cu cut-off based on the following:

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

During this half year reporting period the Company's drilling programs have been temporarily curtailed, however management has continued to evaluate technical data for ongoing work programs.

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

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

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

Pending the outcome of a further limited wide spaced drill program, a scoping study should be done in order to determine the economic parameters of the body.

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

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

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

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

The Company's prime objective is to establish an initial copper/gold mining operation at the Hope deposit supplemented by the mineralized deposits at Gorob, Vendome and Anomoly.

GHANA, WEST AFRICA

The Company continues to maintain its 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 Tarkwa. The Kutukrom area is adjacent to the border of the Prestea/Bogasu Gold mine.

The Company intends to further evaluate the gold tenements at Bole, including the Dokrupe Gold Project in the Yakomba Prospecting License. Application for renewals of the licenses have been lodged at the Minerals Commission in Ghana. Discussions are continuing with several parties that have expressed interest in acquiring equity in these licenses.

During the 6 months covered by this report, field and administration staff in Ghana carried out care and maintenance on the mineral tenements, camps and equipment.

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

SOUTH AMERICA PROJECTS - HAMPTON MINING LIMITED
LOS CALATOS

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

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

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

At the time of this report, the current JORC compliant resource established at Los Calatos, (Indicated plus Inferred) is 262 million tonnes at 0.43% copper and 0.042% molybdenum at a 0.2% copper cut-off. This resource is based on 12,639 metres of diamond core drilling, including 6,385 metres of drilling completed by Hampton, in late 2008. Further drilling has occurred since that time, as outlined in this report.

North Hill Holdings Group Inc (North Hill) wholly owned by Highland Resources Holdings Inc (HHR) is the beneficial holder of exploration rights to tenements Alfa, Gamma and Nelson at Los Calatos (North Hill / Los Calatos Tenements). These tenements, totalling 28 sq kms, contain the current drill delineated JORC mineral resources.

Hampton has an option to purchase the North Hill Los Calatos Tenements from North Hill.
Hampton also directly holds 100% of additional tenements totalling 149 sq kms that surround the North Hill Los Calatos Tenements.

Drilling and sampling

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

Approval was granted in September 2009 by the Peruvian Government for a substantial additional diamond drilling program. The drilling will consist of a combined program of 20,000 metres in 26 diamond holes, in two phases of 10,000 metres each.
Drilling commenced in early November 2009 of phase one of the programme employing two diamond drill rigs. By early 2010 six holes had been completed (holes CD 14, 15, 16, 17B, 18 and 19 totalling approximately 7,300 metres), and holes CD 20 and 21 were in progress.

Diamond drill holes CD 14, 15 and 16 encountered significant copper and molybdenum mineralisation, broadly consistent with the geological model. Assay results for 17B, 18 and 19 are awaited as at the date of this report.

Significant intersections from drill holes CD 14, 15 and l6 are as follows;

CD 14: between 665m to 1,200m. 427m @ 0.38% Cu and 266ppm Mo
(cumulative intercept, including 1,170m to 1,200m, 30m @ 0.66% Cu and 420ppm Mo).

CD 15: from 796m to 1,200m. 404m @ 0.32% Cu and 260ppm Mo
(including 1,107m to 1,200m, 93m @ 0.69% Cu and 71Oppm Mo).

CD 16: between 366m and 713m. 293m @ 0.50% Cu and 95lppm Mo
(cumulative intercept, including 422m to 621m, 199m @ 0.59% Cu and 1280ppm Mo)

Metallurgical testwork

Concurrent with the drilling, a program of initial metallurgical testwork has been undertaken on Los Calatos copper-molybdenum mineralisation samples extracted from diamond drill core from earlier drilling programs. Eleven composite samples were tested. Averaged results for the tests include:

- Concentrate grades: Cu 24.0% and Mo 2.5 %
- Metal recoveries into concentrates: Cu 87.5% and Mo 79.1%

The concentrate grades for copper are lower than expected in a commercial operation, owing to the presence of pyrite. However, it is believed that the grade can be readily increased by modifications to the flotation conditions.

By comparison, historically the average concentrate grade for the nearby Cuajone mine has been around 26% Cu, and for the Toquepala mine just over 27% Cu. Historic copper recoveries at these mines have generally been in the 85-90 % range. The molybdenum recoveries achieved are high compared to the rest of the industry.

MOLLACAS PROJECT

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

Initial drilling of 10 reverse circulation and 46 diamond core drill holes generated JORC compliant Indicated Resources of 7.2 million tonnes at 0.56% copper and Inferred Resources of 9.8 million tonnes @ 0.52% copper, for total copper resources of 17.0 million tonnes, at 0.54% Cu at a 0.2% Cu cut-off for 92,000 tonnes of copper metal in-situ.

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

Infill drilling and leach testing

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

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

Hampton is currently completing sample preparation ahead of detailed column leach testwork planned for completion during 2010.

VALLECILLO PROJECT

The Vallecillo gold-zinc project, covering a tenement area of 54.5 km2, is located approximately 70km southeast of La Serena and some 25km north of the Mollacas deposit. Vallecillo is a porphyry related mineralised breccia system, comprising 4 discrete hydrothermal alteration zones, known as Chiffon, Potrero Colorado, Las Pircas and La Colorada respectively, of which the most advanced is La Colorada.

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

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

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

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

- Indicated Resources: 7.9 million tonnes @ I .14g/t Au; 1 1.4g/t Ag; 1.32% Zn; 0.29% Pb
- Inferred Resources: 2.2 million tonnes @ 0.78g/t Au; 8.2g/t Ag; 0.58% Zn; 0.26% Pb

Sampling

Hampton has commenced detailed mapping and surface sampling of the extensive licences held at Vallecillo with a view to generating further base metal and gold targets on the project.

Metallurgical test work

During the December 2009 half year Hampton commissioned preliminary metallurgical test-work on the Vallecillo La Colorada ore to determine ultimate metal recoveries and whether saleable zinc and lead concentrates can be achieved as a precursor to a scoping study.

The test work assessed gravity concentration and flotation methods, to assess optimal economic recovery of gold and zinc. Results showed excellent recovery of gold through gravity concentration and also that remaining gold reporting into a zinc concentrate is suitable for recovery by leaching.

These preliminary results from the Vallecillo testing are very encouraging, suggesting:

- Total recovery of gold will be approximately 90% into Dore bullion on site.
- Recovery of zinc will be approximately 90% into a zinc concentrate averaging at least 50% zinc.

It is encouraging that a commercial grade zinc concentrate is likely to be achieved from a modest zinc head grade.

CAMARON PROJECT

The Camaron Project is located to the north of the Vallecillo Project, some 20km south of the town of Vicuna. Hampton has an extensive tenement holding of some 133.7 km2. Hampton holds most of these tenements in its own right and has an option to purchase (expiring 23 August 2010) 100% of the Genesis tenements (30 sq kms).

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

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

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

RC drilling program

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

ISIDRO PROJECT

Isidro is a predominantly copper gold manto (blanket) style early exploration project, located 85km east of La Serena. Hampton owns 100% of the Isidro tenements (269 km2), plus a 50% interest in the San Lorenzo tenements (20.5sq km).

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

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

LOICA / VICTORIA, CHILE

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

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

In the fourth quarter of 2008, early 2009, Hampton carried out a 6 hole – 2,400 meter diamond drilling program at the Victoria prospect on a 200 x 200 metre grid towards the north end of the 4km long north south Loica / Victoria copper – molybdenum porphyry system.

The results were inconclusive and at a lower grade than expected, consequently Hampton did not exercise its option to acquire the Victoria Tenements. Discussions have continued with the land owners in regard to ongoing Joint Venture arrangements.

TECHNOLOGY INTEREST
Matchtip Limited (100% owned UK Subsidiary)
The Company's subsidiary Matchtip Limited (Matchtip) is a developer of software applications for use in the mobile telecommunications industry. The Company intends to divest or Joint Venture this investment in due course.

CORPORATE
On 2 February 2009 the Company requested the ASX to accommodate a temporary halt on the trading of its securities. On 4 February 2009 the Company requested a temporary suspension of share trading to allow time for a number of important corporate and financial matters to be completed.

Discussions are in progress with financial institutions and high net worth individuals to arrange a capital raising to provide working capital for the Company's ongoing operations. A number of alternatives for the capital raising are being considered by the Directors, including a rights issue for Shareholders

The Directors are also reviewing the sale or joint venture of certain of the Company's assets.

SUBSEQUENT EVENTS – see Note 3 of the Financial Statements

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

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

AUDITOR'S INDEPENDENCE DECLARATION
A copy of the auditor's independence declaration is attached to this report.

For and on behalf of the directors

RODNEY T HUDSPETH
Chairman

Sydney

Date: 14 July 2010

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Takoradi Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

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

David Garvey

D J Garvey
Partner
PKF

14 July 2010
Melbourne

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

TAKORADI LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Half-year 2009 $	Half-year 2008 $
Revenue	2 (a)	28	3,663
Share of (loss)/profit of equity accounted associate		(375,871)	641,236
Expenses from continuing operations	2 (b)	(714,626)	(4,764,808)
Finance costs		(484,324)	(429,044)
Loss before income tax		(1,574,793)	(4,548,953)
Income tax		-	-
Loss for the half-year		(1,574,793)	(4,548,953)
Other comprehensive income			
Exchange differences on translation of foreign operations, net of tax		129,940	(41,310)
Share of change in associates foreign currency translation reserve		(669,670)	1,836,140
Other comprehensive income for the half year		(539,730)	1,794,830
Total comprehensive income for the half year		(2,114,523)	(2,754,123)
Loss is attributable to:			
Members of the parent		(1,529,663)	(3,684,123)
Non-controlling interest		(45,130)	(864,830)
		(1,574,793)	(4,548,953)
Total comprehensive income attributable to:			
Members of the parent		(2,300,947)	(2,628,199)
Non-controlling interest		186,424	(125,924)
		(2,114,523)	(2,754,123)
Basic earnings (loss) per share (cents)		(2.27)	(5.5)
Diluted earnings (loss) per share (cents)		(2.27)	(5.5)

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

TAKORADI LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	31 December 2009 $	30 June 2009 $
CURRENT ASSETS			
Cash and cash equivalents		64,962	30,424
Trade and other receivables		45,995	254,701
TOTAL CURRENT ASSETS		110,957	285,125
NON-CURRENT ASSETS			
Equity accounted investments	5	8,253,304	9,292,595
Property, plant and equipment		9,730	9,959
Exploration expenditure	6	7,208,630	7,395,377
TOTAL NON-CURRENT ASSETS		15,471,664	16,697,931
TOTAL ASSETS		15,582,621	16,983,056
CURRENT LIABILITIES			
Trade and other payables		4,587,075	4,660,195
Borrowings	7	11,352,549	10,670,341
TOTAL CURRENT LIABILITIES		15,939,624	15,330,536
NON-CURRENT LIABILITIES			
Trade and other payables		105,000	-
Borrowings	7	-	-
TOTAL NON-CURRENT LIABILITIES		105,000	-
TOTAL LIABILITIES		16,044,624	15,330,536
NET ASSETS		(462,003)	1,652,520
EQUITY			
Issued capital	8	39,351,423	39,351,423
Reserves		919,944	1,691,228
Accumulated losses		(40,001,557)	(38,471,894)
Parent entity interest		269,810	2,570,757
Issued capital		388,519	388,519
Reserves		1,137,203	905,649
Accumulated losses		(2,257,535)	(2,212,405)
Non-controlling interest		(731,813)	(918,237)
TOTAL EQUITY		(462,003)	1,652,520

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

TAKORADI LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Issued Capital $	Reserves $	Accumulated Losses $	Minority Equity Interests $	Total Equity $
Balance as at 1 July 2008	39,351,423	2,220,912	(34,238,641)	(104,044)	7,229,650
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency	-	(25,529)	-	(15,781)	(41,310)
Share of change in associates foreign currency translation reserve	-	1,836,140	-	-	1,836,140
Loss after income tax for the period	-	-	(4,438,810)	(110,143)	(4,548,953)
Balance as at 31 December 2008	39,351,423	4,031,523	(38,677,451)	(229,968)	4,475,527
Balance as at 1 July 2009	39,351,423	1,691,228	(38,471,894)	(918,237)	1,652,520
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency	-	(101,614)	-	231,554	129,940
Share of change in associates foreign currency translation reserve	-	(669,670)	-	-	(669,670)
Loss after income tax for the period	-	-	(1,529,663)	(45,130)	(1,574,793)
Balance as at 31 December 2009	39,351,423	919,944	(40,001,557)	(731,813)	(462,003)

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

TAKORADI LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Half-year	
	2009	**2008**
	$	**$**
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(226,490)	(749,661)
Interest received	28	3,663
Interest expense	-	(18)
Net cash used in operating activities	(226,462)	(746,016)
CASH FLOW FROM INVESTING ACTIVITIES		
Exploration expenditure	-	(144,478)
Purchase of shares in associated entity	-	(375,000)
Net cash used in investing activities	-	(519,478)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	261,000	1,268,800
Repayments on borrowings	-	(50,300)
Net cash provided by financing activities	261,000	1,218,500
Net increase (decrease) in cash and cash equivalents	34,538	(46,994)
Cash and cash equivalents at beginning of half year	30,424	131,091
Cash and cash equivalents at end of the half-year	64,962	84,097

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

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

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

The principal activity of the economic entity during the half year is exploration and software development.

This half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2009 and any public announcements made by Takoradi Limited during the half-year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

STATEMENT OF ACCOUNTING POLICIES

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

(a) Statement of compliance

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

(b) Basis of accounting

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

GOING CONCERN

The consolidated entity has incurred a loss of $1,574,793 for the half year ended 31 December 2009 (Loss of $4,548,953 for the 31 December 2008 half year) and had negative cash outflows from operating activities of $226,462 for the period then ended (Negative cash outflows of $746,016 for the 31 December 2008 half year). It also has an excess of current liabilities over current assets of $15,828,667 and is reliant on equity capital and/or loans and borrowings from third parties to meet its operating costs. These conditions and the fact the company is currently suspended from trading on the ASX indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The directors have carefully considered the consolidated entity's current position and these uncertainties and believe that the consolidated entity will continue to operate as a going concern. The financial statements have therefore been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the consolidated entity to continue as a going concern is dependent upon a number of factors, including the continued support/availability of funds from the related entity of a director and major shareholder, continued support from its financiers and through the successful implementation of the company's corporate strategies over the next twelve (12) months. The key objective of these strategies is to have the company's shares re-instated to trading on the ASX and to raise capital to provide on-going working capital for the consolidated entity.

Further to the above:

- In the past the company has received loan funding/financial support from the related entity of the chairman and major shareholder, Notesan Pty Limited. The company is expecting to receive further loan funding during the next twelve months from this major shareholder, either directly or indirectly to meet the working capital requirements of the company. This support is expected to continue until a capital raising is completed by the company;

- Subsequent to the balance date, the company has successfully renegotiated extensions of time with its secured note holders for the repayment of secured notes totalling $1,250,000, to July 2011;

- The company is continuing to work with its major financier and unsecured convertible note holder, the Sentient Group of Companies ("Sentient"), to reach a mutually beneficial outcome for both parties. At the date of this report, the convertible notes of $8,607,945, including accrued interest, are no longer convertible as the time for conversion under the notes has expired. The company has received on 24 December 2009, a demand for payment in respect of amounts owed. The period of compliance with the demand for payment has elapsed and the Company has not complied with this demand and has not had the demand set aside;

- Subject to shareholder approval, the company proposes to issue shares and raise capital through placements or by way of a rights issue, which will enable all shareholders to subscribe for new equity, to provide funding to the company for its working capital requirements. A number of significant shareholders have been approached and have indicated willingness to support a capital raising;

- The company is also negotiating a formal agreement in regard to an outstanding liability owed to a single creditor of approximately $A1.9 million incurred by its Namibian based subsidiary, Kuiseb Mining and Processing (Proprietary) Limited ("Kuiseb"). Initial negotiations on behalf of Kuiseb indicate a willingness by the creditor to defer the requirement for payment of funds over the next twelve (12) months;

- Expenditure commitments include minimum work obligations and annual expenditures to maintain exploration properties. Minimum work obligations, may, subject to negotiation and approval, be varied and/or satisfied by farm-out, sale, relinquishment or surrender of a permit;

- Should the capital raising activities outlined above not be successful or should the negotiations mentioned above not be successful, then it would be the consolidated entity's intention to meet its obligations through the realisation of its exploration and investment assets in the best interests of its shareholders, by the full or partial sale or farm out of its tenement interests, the latter course of action being part of its overall strategy, and or the full or partial realisation of its investments, including by way of potential sale; and

- The Company's Directors are also reviewing the sale or joint venture of certain of the company's assets to realise funding for the company.

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

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

(c) Principles of Consolidation

The half year financial statements incorporate the assets and liabilities of all entities controlled by the company as at 31 December 2009 and the results of all controlled entities for the half year then ended. The company and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

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 financial report.

NOTE 2: LOSS BEFORE TAX
Net loss before tax includes the following:

		Dec 2009 $	Dec 2008 $
(a)	**Revenue**		
	Interest	28	3,663
		28	3,663
(b)	**Expenses from continuing operations**		
	Impairment of exploration costs	(89,065)	(3,897,251)
	Consulting fees	(88,819)	(46,108)
	Administration expenses	(493,688)	(816,500)
	Other expenses	(43,054)	(4,949)
		(714,626)	(4,764,808)

NOTE 3: SUBSEQUENT EVENTS
Material events subsequent to the end of the half-year that have not been recognised in the half-year financial statements are as follows:

- On 27 January 2010 Hampton Mining Limited announced a pro rata Rights Issue Offer to raise $1.4 million. Takoradi did not subscribe for it's share of the issue and subsequently reduced it's holding in Hampton from 27.2% to 26.7%.
- On 9 February 2010 Takoradi provided a detailed Corporate Update on the Company to the ASX.
- On 12 February 2010 Takoradi announced a change of Directors following the passing of Rear Admiral Kevin Dzang.
- On 4 March 2010 Takoradi announced an update on the Los Calatos Project including advice of legal proceedings regarding Hampton Mining Limited (Hampton), certain Directors of Hampton and Metminco Limited (MNC). The announcement also included notification of a Rights Issue by Hampton to raise $1.4million.
- On 22 March 2010 Takoradi announced legal proceedings in regards to an application to be brought under Section 237 of the Corporations Act in the Federal Court of Australia involving Hampton, certain Directors and MNC.
- On 23 March 2010 MNC announced that it had no knowledge of the legal proceedings. MNC, however had been advised by letter in January 2010 of the pending action.
- On 24 March 2010 Takoradi advised the ASX of the legal proceedings and released a copy of the Originating Process, which had been filled in the Federal Court.
- On 30 March 2010 Agreement was reached with the Secured Note Holders which extended the date for repayment of monies owing to the 4 July 2011.
- On 2 July 2010, Takoradi announced in a letter to shareholders advising of a letter sent to shareholders by BJ Yahl & Associates requesting support to call an Extraordinary General Meeting to consider a resolution to wind up Takoradi. The directors are of the opinion that it is extremely unlikely that major shareholders will support the resolution.

NOTE 4: SEGMENT INFORMATION
Primary reporting – business segments

(a) Description of segments

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

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

NOTE 4: SEGMENT INFORMATION (CONT'D)

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

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

(b) Segment information

The segment information provided to the Board for the reportable segments for the half-year ended 31 December 2009 is as follows:

	Minerals		**Software Development**		**Unallocated**		**Consolidated**	
	Dec 2009	**Dec 2008**	**Dec 2009**	**Dec 2008**	**Dec 2009**	**Dec 2008**	**Dec 2009**	**Dec 2008**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Segment Revenue	-	-	-	-	28	3,663	28	3,663
Segment Result	(790,286)	(4,237,136)	(99,906)	(174,853)	(684,601)	(136,964)	(1,574,793)	(4,548,953)

Total Segment Assets	**Minerals**	**Software Development**	**Unallocated**	**Consolidated**
31 December 2009	15,547,595	-	35,026	15,582,621
30 June 2009	16,876,120	-	106,936	16,983,056

Total Segment Liabilities	**Minerals**	**Software Development**	**Unallocated**	**Consolidated**
31 December 2009	2,224,009	915,581	12,905,034	16,044,624
30 June 2009	2,316,024	1,053,303	11,961,209	15,330,536

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

NOTE 5: EQUITY ACCOUNTED INVESTMENT

	Half Year Ended 31 December 2009	Year Ended 30 June 2009
Investment in Associate	7,015,868	7,009,618
Share of Associate:		
Revaluation of share of net assets of associate to fair value upon change of ownership interest in associate	2,904,371	2,904,371
Equity share of change in foreign currency translation reserve	(442,778)	226,892
Equity share of loss after tax June 2006	(12,532)	(12,532)
Equity share of loss after tax June 2007	(223,136)	(223,136)
Equity share of loss after tax June 2008	(522,458)	(522,458)
Equity share of loss after tax June 2009	(90,160)	(90,160)
Equity share of loss after tax December 2009	(375,871)	-
	8,253,304	9,292,595

** As at 31 December 2009, Hampton Mining Ltd had assets of $30,802,350 (2008: $41,807,678) and liabilities of $696,889 (2008: $1,531,986). Revenue was immaterial for the current and prior year. The principal activity is exploration for mineral assets.*

Associate Entity	Place of Incorporation	31 December 2009 %	30 June 2009 %
Hampton Mining Ltd	New South Wales, Australia	27.2	27.2

NOTE 6: EXPLORATION EXPENDITURE

	Half Year Ended 31 December 2009	Year Ended 30 June 2009
	$	$
Opening Exploration Expenditure - At Cost	7,395,377	9,232,674
Exploration expenditure current period	-	1,982,106
Revaluation due to foreign currency movement	(186,747)	(1,643,315)
Impairment of capitalised exploration expenditure	-	(2,176,088)
	7,208,630	7,395,377

In line with Australian Accounting Standard AASB 6 “Exploration for and Evaluation of Mineral Resources”, exploration tenements with costs of $2,176,088 were fully provided for impairment in the 30 June 2009 financial year as the rights to tenure expired in July 2009. The rights to tenure are the subject of renewal applications as at the date of this report. The Directors anticipate that the applications for renewal will be accepted so that the consolidated entity will retain its interests in these tenements.

NOTE 7: BORROWINGS

	31 December 2009	30 June 2009
	$	$
CURRENT		
Secured Liabilities		
Secured Notes - Sellers Holdings Pty Ltd	312,144	292,356
Allstates Secretariet Pty Limited	302,382	283,214
City Natural Resources High Yield Trust PLC	907,683	850,140
Unsecured Liabilities		
Amount due to Director related entity	515,361	254,261
Unsecured Loan – Sentient Group	401,349	377,945
Short term facility – Sentient Group	305,685	286,781
Convertible Note – Sentient Group	8,607,945	8,325,644
	11,352,549	10,670,341

On 12 December 2006 Takoradi raised $3,750,000 by issue of a convertible note with a coupon rate of 8% per annum to the Sentient Group (Sentient). Interest is not payable until the repayment date or upon conversion of the Note, however it accumulates in addition to the loan balance owing. The Note may convert to 5,000,000 Takoradi shares at $0.75 per share on or before 12 December 2009.

On 16 May 2007 Takoradi raised a further $3,250,000 by an amendment to the abovementioned Convertible Note with Sentient under the same terms and conditions. Both Notes expired on 12 December 2009 and the Company has defaulted on its repayment obligations.

Interest of $1,607,945 has been accrued as at 31 December 2009.

Between July and August 2008 Takoradi raised $1,250,000 by issuing several secured loan notes. Each secured note is for an amount of $250,000. Each secured note is secured by a fixed charge over 1,562,500 shares in Hampton Mining Limited held by Takoradi. The term of each secured note is for 12 months with interest at 13.5% per annum. Interest of $272,209 has been accrued as at 31 December 2009. Subsequent to balance date, the company has successfully renegotiated extensions of time with its secured note holders for the repayment of secured notes totalling $1,250,000, to July 2011.

As at 31 December the Company has drawn down on a short term facility of $250,000 in addition to unsecured advances of $309,513 from Sentient. Interest of $147,521 is accrued on these loans as at 31 December 2009.

Non-interest bearing, unsecured loans from director-related entities amounted to $515,361 at the end of the reporting period. Interest of $23,861 is accrued on these loans as at 31 December 2009.

In summary, the balance of borrowing comprises of convertible notes, secured and unsecured loans of $9,301,013 and accrued interest on these borrowings of $2,051,536. All borrowings are classified as current liabilities.

NOTE 8: CONTRIBUTED EQUITY

	Half Year Ended Dec 2009		Year Ended June 2009	
	Qty	$	Qty	$
Opening balance	67,162,219	39,351,423	67,162,219	39,351,423
Movements during the period	-	-	-	-
Closing balance	67,162,219	39,351,423	67,162,219	39,351,423

Options Issued:

	Exercise Prices $	Number	Expiry Date
OPTIONS (Unlisted)			
Options issued 30 December 2008 *	$0.50	6,790,127	23 December 2011

* The Options were re-issued and were originally for a debt for equity swap to Notesan Pty Ltd.

NOTE 9: CONTINGENT LIABILITIES AND COMMITMENTS

a) The company is currently in negotiation with the Executrix of the Estate of George Blay Kwofie in respect to the Insamankaw Joint Venture Agreement which has expired. The following issues are being renegotiated: - the amount outstanding for payment; and renewal of the Joint Venture Agreement for an additional period. The Directors are confident that the Company and its subsidiaries will not incur a material liability.

b) On 18 December 2009, the Unsecured Convertible Noteholder – Sentient Group (Sentient) gave notice to Takoradi that it wished to have the financial facility of A$7million plus interest repaid and consequently the Convertible Note was no longer valid. On 24 December 2009, Sentient issued a Notice of Demand for the full repayment of the principal and interest. Subsequently, Sentient agreed to review its position. Negotiations continue with Sentient in regards to this matter.

c) In December 2009 the Company reached agreement with a former consultant to its technology subsidiary Matchtip Limited (Matchtip) whereby the total claim for outstanding services and costs of A$749,464 would be settled for a payment of A$305,000 (in default A$390,000). The terms of the settlement are payment of A$305,000 by way of:

A$25,000 within 30 days of execution of agreement – (paid)
A$25,000 on 31 March 2010 – (paid)
A$50,000 on 30 June 2010
A$100,000 on 31 December 2010
A$105,000 on 30 June 2011

A contingent liability of $90,000 applies if the repayment arrangements are not met.

d) The Company has made application for the renewal of its Bole Exploration Tenements in Ghana. Once approval is granted the Company will be required to pay US$60,000 to the Government of Ghana.

e) Minimum expenditure required to maintain exploration properties are approximately $US100,000 per annum for Ghana and $US80,000 per annum for Namibia

f) Takoradi has a 26.7% interest in Hampton Mining Limited at the date the directors signed this report. 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) 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. Hampton Directors' have received legal advice that the current litigation is also likely to be successfully defended.

NOTE 9: CONTINGENT LIABILITIES AND COMMITMENTS (CONT'D)

(ii) In July 2007 Hampton Mining Ltd entered into an option to purchase a 100% interest in exploration properties known as Los Calatos located in Peru by paying North Hill Holdings Group Inc (North Hill) A$285,000 (US$250,000). Hampton has met all its commitments under the Option Agreement as at the date of this report. Hampton must pay a further annual instalment of US$500,000 on or before 1 August 2010 and meet the licence fee obligations to earn the right to acquire a 100% interest in the Los Calatos Project. To exercise the option Hampton must complete a further 2,700 metres of drilling, and pay North Hill US$0.005 per lb copper equivalent proven and probable reserves as defined by a Scoping Study. If the Scoping Study is not completed by the 30 September 2010 then an interim payment, based on resources in the ground, must be paid prior to 30 September 2010, to be adjusted when the scoping study is completed. A bonus payment of A$1,850,000 (US$1,500,000) is payable on a decision to mine and a royalty of 2% Net Smelter Return ("NSR") is payable on production. If Hampton has not completed a Scoping Study by the end of September 2010, then Hampton must pay North Hill an interim payment based on resources identified at Los Calatos. A final payment must then be made on and when a Scoping Study is completed based on reserves identified in the Scoping Study.

(iii) On 23 August 2007 Minera Hampton Chile Limitada 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, Minera Hampton Chile Limitada must pay monthly instalments of A$12,000 (US$10,000) per month for a further 14 months (28 months to 31 December 2009 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. Minera Hampton Chile Limitada has met its commitments under the option agreement as at the date of this report. Minera Hampton Chile Limitada has met its commitments under the option agreement as at the date of this report.

(iv) On 25 September 2009, Metminco announced an Option Agreement with Junior Investment Company (JIC) the holder of a 31.9% interest in Hampton Mining Ltd. If the option is exercised, Metminco would increase its interest in Hampton Mining Ltd from 36.5% to a minimum of 53.6% and up to a maximum of 68.4, depending on the extent to which other Hampton shareholder (including Takoradi) exercise their pre-emptive rights. Metminco paid JIC US$700,000 for granting the Option for a period of 4 months, extendable at Metminco's election for a further month (5 months in total) on payment of US$100,000 and an additional one more (6 months in total) on payment of a further US$200,00. Metminco has agreed to pay US$0.18074 per share and 2 Metminco shares for every Hampton share (63,393,750) held by JIC. The total consideration is up to US$12million in cash and up to 132.8million Metminco shares.

Should Takoradi elect to exercise its rights, which allows it to take up a number shares under the pre-emptive rights process set out in Hampton's Constitution, Takoradi would be required to make a significant cash payment to JIC in proportion to the shares it would acquire. At the date of this report, Takoradi is evaluating its position to exercising its rights under the pre-emptive rights process.

(v) In December 2009 Metminco Limited (Metminco) announced it had entered into an agreement with Highland Resources Holding Inc (HHR) to acquire North Hill Holding Inc (North Hill) indirect beneficial owner of Alpa 1-900, Gamma 1-1000 and nelson 1-900 tenements located in southern Peru (North Hill Los Calatos tenements). The consideration for the acquisition was US0.5 million and the issue of 150,000,000 million fully paid ordinary shares in Metminco on settlement, and a payment of US$1.5million on or before 1 August 2010 (Metminco – HHR Agreement). The agreement was subject to:

*Metminco acquiring a controlling interest in Hampton (via exercising the JIC Option) and
*Metminco shareholder approval for the issue of Metminco shares to HHR.

NOTE 9: CONTINGENT LIABILITIES AND COMMITMENTS (CONT'D)

Separately, Hampton Mining Ltd has an option agreement with North Hill to acquire the North Hill Los Calatos Tenements as summarised below, which remains in place despite the Metminco – HHR Agreement.

If Hampton Mining Ltd exercises its option with North Hill, title to the North Hill Los Calatos Tenements would pass to Hampton in which North Hill would then receive:

*An option payment of US$0.5million on 1 August 2010
*US$0.05 /lb equivalent copper in reserves based on a scoping study; and
*A bonus payment of US$1.5million upon a decision to mine.

Takoradi has expressed concerns in regards to the Metminco and North Hill arrangement. Legal proceedings are in process regarding this matter.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 10 to 22 in accordance with the *Corporations Act 2001*:

(a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and

(b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

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

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

RODNEY T HUDSPETH
Chairman

Sydney

Date: 14 July 2010

Chartered Accountants
& Business Advisers

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Takoradi Limited, which comprises the consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, and notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration of the consolidated entity comprising Takoradi Limited, the company, and the entities it controlled at 31 December 2009 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year 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 control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Takoradi Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of Takoradi Limited on 14 July 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au

PKF | ABN 83 236 985 726

Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia

GPO Box 5099 | Melbourne | Victoria 3001

Chartered Accountants
& Business Advisers

Basis for Adverse Auditor's Conclusion

(i) Continuation as a Going Concern

The Directors have prepared the financial report on the going concern basis as described in Note 1 "Going Concern" and state in the Director's declaration that in their opinion there are reasonable grounds to believe that the company will be able to pay its debt as and when they fall due.

Sufficient evidence to support the Directors assertions that the company will be able to continue as a going concern and pay its debts as and when they fall due has not been provided.

As referred to in Note 1 "Going Concern" to the financial statements, the consolidated entity incurred a loss of $1,574,793 for the half year ended 31 December 2009, had negative cash flows of $226,462 for the period then ended and had an excess of current liabilities over current assets of $15,828,667 at that date. In addition, included in borrowings in Note 7 are amounts owed to the Sentient Group of Companies of $9,314,979 for which the company received a Demand for Payment from the Sentient Group on 24 December 2009. The period for compliance with the Demand for Payment has elapsed and the company has not complied with this Demand and has not had the Demand set aside. The Sentient Group of Companies has the right to seek winding up of the company and they reserve the right to do so at any time without notice to the company.

The company is reliant upon continued financial support from the related entity of a director and major shareholder and the support of its creditors whilst it implements its strategies to lift the temporary suspension from trading in its shares on the Australian Securities Exchange and raise additional capital to fund its ongoing operations and existing liabilities.

The financial report has been prepared on a going concern basis which presumes that the consolidated entity will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not included any adjustments relating to the recoverability and the 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 not be able to meet its debts as and when they fall due.

(ii) Recoverability of Capitalised Exploration Expenditure

The consolidated entity has $7,208,630 of capitalised exploration expenditure, the ultimate recoupment of which is dependent on the successful development and commercial exploitation or the sale of the respective areas of interest. We have been unable to obtain sufficient reliable independent evidence that the remaining capitalised exploration expenditure of $7,208,630 is in accordance with the recognition requirements of paragraph AUS 7.2 of Accounting Standard AASB 6: "*Exploration for and Evaluation of Mineral Resources"*

(iii) Limitation on Scope of Review of Subsidiary Entities

The company has Namibian based subsidiaries, Kuiseb Mining and Processing (Proprietary) Limited (70% owned) and Terradex (Proprietary) Limited (100% owned) which are subject to review by a Namibian based audit firm. At the date of this report the Namibian based audit firm has been unable to perform a review of these subsidiaries for the half year ended 31 December 2009. As a result there has been a limitation in the scope of our review and we are unable to conclude on the consolidated loss attributable to these subsidiaries of $132,699, or on the value of the consolidated net assets relating to these subsidiaries of $2,327,354.

Chartered Accountants
& Business Advisers

Adverse Auditor's Conclusion

For the reasons set out in the *Basis for Adverse Auditor's Conclusion* paragraph above, we conclude that the financial report of Takoradi Limited is not in accordance with the Corporations Act 2001, and does not:

(a) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

PKF

David Garvey

PKF

D J Garvey
Partner

16 July 2010
Melbourne