TAKORADI LIMITED AND CONTROLLED ENTITIES
ACN 006 708 676

ANNUAL FINANCIAL REPORT

FOR THE
YEAR ENDED
30 JUNE 2013

The Directors present their report together with the financial report of the consolidated entity consisting of Takoradi Limited ("Takoradi" or "Company") and the entities it controlled for the year ended 30 June 2013, and the Independent Auditors report thereon.

DIRECTORS NAMES

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

Rodney T. Hudspeth (Executive Chairman)
John S. McIntyre
Terence V. Willsteed

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

COMPANY SECRETARY

The name of the company secretary in office at the date of this report is Brendan Jones.

PRINCIPAL ACTIVITIES

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

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 2013 was $7,183,213 (2012: net loss of $17,291,887) of which $7,117,984 (2012: net loss of $17,236,835) is attributable to shareholders of Takoradi. The non-controlling interest's share of the consolidated operating loss of the economic entity for the financial year ended 30 June 2013 was $65,229 (2012: $55,052).

DIVIDENDS

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

REVIEW OF OPERATIONS

The consolidated operating loss of the economic entity comprising Takoradi and its controlled entities after tax for the year ended 30 June 2013 was $7,183,213 of which $7,117,984 is attributable to shareholders of Takoradi. A review of the company's activities for the financial year ended 30 June 2013 is presented below.

MINERAL INTERESTS

The Company's African mineral operations are located in Namibia and Ghana. In Namibia, the Company is focused on exploration activities at its Kuiseb copper, gold project in which Takoradi holds a 70% interest through its wholly owned subsidiary Nimrod Metals Limited (Nimrod). In Ghana the Company holds an 80% interest in the Bole gold project through Northern Goldfields Limited and a 100% interest in the Kutukrom gold project through Takoradi Gold (Ghana) Limited. The Company has previously impaired to NIL capitalised exploration costs in the Kutukrom and Bole gold projects. The rights to tenure at Bole were still subject to renewal applications as at 30 June 2013, which had been favourably recommended by the Minerals Commission to the Minister of Lands and Natural Resources, to re-new the licences. However, the licence renewal is currently in dispute.

The Company is currently reviewing its options with respect to its Ghanaian and Namibian interests. The Company will provide an update to the shareholders when further information is received.

As at 30 June 2013, the Company has an exposure to mineral interests in Chile and Peru through its shareholding in Metminco, which holds a highly regarded portfolio of exploration properties. Metminco holds 100% of the issued capital in Hampton Mining Limited ("Hampton") which is entitled to various titles.

Metminco's highly prospective Los Calatos project located in Peru has the potential to be a significant copper / molybdenum development project.

In Chile, the principal focus is on the copper / gold Mollacas project as well as the gold / base metal Vallecillo project.

MINERAL INTERESTS (CONT'D)

For more information regarding the activities of Metminco, please refer to their website www.metminco.com.au.

AFRICA PROJECTS
NAMIBIA, SOUTH WEST AFRICA
The Kuiseb Copper / Gold Project is located at the south-west end of the Matchless Amphibolite Belt ("MAB"), that has a strike length of 350kms, runs northeast to the capital city Windhoek and beyond. Takoradi through its wholly owned subsidiary, Nimrod, has a 70% interest in 37 km of the strike length.

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

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

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

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

Hope Deposit - Resources
As at 30 June 2013, the JORC Code Compliant resource established at the Hope deposit is 3,596,831 tonnes at a grade of 2.5% Copper (Cu) and 0.64g/t Gold (Au) at a 0.2% Cu cut-off based on the following:

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

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

Comparisons to other Matchless belt deposits strongly suggest continuity of mineralization down plunge at Hope for more than 4km, an increase of a further 50% of strike. Potential mineralised resources of approximately 6 to 8 million tonnes at 2.5% Cu, to a depth of 700m may be identified, in the future.

Wide spaced drill holes could be successful in extending the mineralized envelope without the expense of detailed drilling. This could identify mineralization that could be used for mine planning purposes.

The Company is currently analysing the results of the detailed review of its Kuiseb Copper-Gold project which included an initial scoping study by SRK Consulting South Africa. Full details will be made available by separate release once the study has been completed.

Metallurgical Test work - Hope
A 140m deep shaft with two levels of underground drives totaling 111m was established at the Hope deposit by previous owners including JCI. Underground drilling and bulk sampling was conducted from the underground development for metallurgical test work and resource assessment. JCI also extracted a 5,711 kg bulk sample and then carried out extensive beneficiation flotation test work, that reported:

NAMIBIA, SOUTH WEST AFRICA (CONT'D)

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

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

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

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

The 'Hope Deposit' initial targeted mineralised resource is around 6 to 8 million tonnes at an average grade of 2.5% Cu and 0.68g/t Au. There is a conceptual possibility of achieving an exploration target of 15-20 million tonnes of mineralisation at the Kuiseb project with extensions in depth and from nearby additional targets based on geological analysis. This would enable a potential commercial mining operation producing a throughput of 500,000 to 750,000 tonnes per annum.

GHANA, WEST AFRICA
Four of the prospecting licences are located in the north western region of the country near the township of Bole, while the fifth is located at Kutukrom in the south western region of the country near the township of Tarkwa. The Kutukrom area is adjacent to the border of the Prestea/Bogasu Gold mine. Local inhabitants have established small scale mining operations on the mining tenements.

As at the date of this report, all license renewal fees and ground rents in respect of the Bole licenses have been paid in accordance with the Minerals Commission written advice. However, in relation to the renewal application, formal confirmations are awaited from the Minister and are subject to dispute.

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

During the period covered by this report, field and administration staff in Ghana carried out care and maintenance on the mineral tenements, camps and equipment. Extensive local small scale mining activity has occurred on the tenements.

SOUTH AMERICA PROJECTS – METMINCO LIMITED

Takoradi continues to have an exposure to mineral interests in Chile and Peru, South America, through its interest in the issued capital of ASX listed Metminco.

Metminco has a strong portfolio of exploration projects located in Chile and Peru, South America which range from early stage exploration through to pre-feasibility.

The most advanced of these projects is the Los Calatos project located in Peru, South America.

PERU - LOS CALATOS PROJECT

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

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

To date, Metminco has completed four phases of drilling totalling 125,393m.

In January 2013, Metminco also completed a pit optimisation study aimed at potentially exploiting the higher grade zones of the project for an initial open-pit mining operation.

The pit optimisation study focused on maximising start up grades and identified a preferred mining scenario comprising:

- Initial Open Pit - Depths up to 500m from surface; and
- Underground Bulk Mining – Depths from 500m below surface

As a result of the pit optimisation study, Metminco released an updated mineral resource estimate in January 2013 and progressed a scoping study of the project resulting in a further updated mineral resource estimate upon completion of the scoping study in February 2013.

Resources

Increased Mineral Resource Estimate - February 2013

The Company has updated the January 2013 Mineral Resource Estimate completed by SRK Consulting (Chile) S.A. ("SRK") to provide for recent modelling of the near surface supergene mineralisation evident at Los Calatos and further pit optimisation work. This has resulted in an increase of those mineral resources which are amenable to open pit mining, and a minor decrease in the underground bulk mining resource (Table A). Overall there has been a 16% increase in the CuEq metal reporting into the open pit by comparison to the January 2013 Mineral Resource Estimate (See detailed Mineral Resource Statement in Tables B and C).

Table A: Total Mineral Resource - Preferred Mining Scenario (February 2013)

Type of Mining Operation	Tonnes (million)	Cu (%)	Mo (%)	CuEq (%)
Open Pit	304	0.36	0.018	0.44
Underground – Bulk Mining	1,058	0.51	0.024	0.61
Total tonnes mined	**1,362**	**0.48**	**0.023**	**0.57**

SOUTH AMERICA PROJECTS - METMINCO LIMITED (CONT'D)

Note:
i) Open Pit: Mineral resource estimate reported at a 0.15% CuEq cut-off grade.
ii) Underground: Mineral resource estimate reported at a 0.35% CuEq cut-off grade.
iii) Cu:Mo ratio of 1:4.2633 used to derive CuEq.

The recognition of higher grade domains within the Los Calatos porphyry system following the conclusion of the intensive Phase 4 drilling in October 2012, and the delineation of the supergene mineralisation present to a depth of 250 metres below surface, has contributed substantially to the proposed mining plan for the development of the deposit.

The resources have been categorised into Measured, Indicated and Inferred Mineral Resources in accordance with the JORC Code (2004) for Reporting Mineral Resources and Mineral Reserves (see Tables B and C below).

Table B: Mineral Resource Statement for the Los Calatos Project to a vertical depth of 500 metres below surface, SRK, February 2013

Resource Classification	Tonnes (million)	Cu (%)	Mo (%)	CuEq (%)
Measured	121	0.35	0.027	0.47
Indicated	117	0.35	0.016	0.42
Total Measured and Indicated	**238**	**0.35**	**0.022**	**0.44**
Inferred	66	0.40	0.006	0.43

Note:
i) Reported at a cut-off of 0.15% CuEq, above 2500 metres above sea level (masl).
ii) Rounding-off of figures may result in minor computational discrepancies; where this happens, it is not deemed to be significant.

Table C: Mineral Resource Statement for the Los Calatos Project sub-500 metres below surface, SRK, February 2013

Resource Classification	Tonnes (million)	Cu (%)	Mo (%)	CuEq (%)
Measured	281	0.48	0.035	0.63
Indicated	485	0.52	0.022	0.61
Total Measured and Indicated	**766**	**0.51**	**0.027**	**0.62**
Inferred	292	0.52	0.018	0.60

Note:
i) Reported at a cut-off of 0.35% CuEq, above 2500 metres above sea level (masl).
ii) Rounding-off of figures may result in minor computational discrepancies; where this happens, it is not deemed to be significant.

Scoping Study

The Study, undertaken by NCL Ingeniería y Construcción Ltda ("NCL"), an independent Chilean based engineering group with substantial experience in underground block cave design, has determined that the optimal development scenario for Los Calatos is a combination of an open pit and underground mining operation, with a combined LoM of 31 years, at a mining and processing rate of 21.9 million tonnes per annum (60,000 tonnes per day). The tonnes mined and treated over the life of the mine total 656 million tonnes as detailed in Table D.

SOUTH AMERICA PROJECTS - METMINCO LIMITED (CONT'D)

Table D: Total tonnes mined- Preferred Mining Scenario (February 2013)

Type of Mining Operation	Tonnes (million)	Cu (%)	Mo (%)	CuEq (%)
Open Pit	194	0.37	0.018	0.44
Underground – Bulk Mining	462	0.49	0.029	0.61
Total tonnes mined	**656**	**0.45**	**0.026**	**0.56**

The key results of the Study, as concluded by NCL, are summarised in Table E:

Table E: Preferred Mining Scenario - LoM operational parameters

Parameter	Life of Mine
Annual tonnes milled (millions)	21.9
Average annual copper in concentrate (kt)	83.3
Average annual molybdenum in concentrate (kt)	3.7
Strip Ratio (open pit)	2.2:1
Mining costs (US$/t)	7.11
Processing costs (US$/t)	4.55
G & A costs (US$/t)	0.59
Cash operating costs *net of credits (*US$/lb copper)	1.09
Pre-production capital (US$ millions)	1,506.3

Note:

i) Cash operating costs exclude government royalties, but include all other costs and royalties.

The envisaged development schedule can be summarised as follows:

- **Years 1 to 4:** Commence underground development;

- **Years 3 and 4:** Pre-strip of open pit with stockpiling of supergene ore. Commence construction of plant and infrastructure;

- **Years 5 to 11:** Open pit mining and processing, and establishment of low grade stockpile. Continued underground development; and

- **Years 12 to 35:** Underground bulk mining (block caving), which is supplemented by lower grade ore from the open pit stockpile over the period Years 12 to 16.

SOUTH AMERICA PROJECTS - METMINCO LIMITED (CONT'D)

The project development schedule allows for construction of the surface infrastructure and the metallurgical plant to be undertaken simultaneously with the development of the open pit operation. However, in order to commence underground bulk mining in Year 12, the requisite development would have to be initiated two years prior to the development of the open pit.

The life of the open pit is estimated to be seven years, during which time a low grade stockpile will be established, which will supplement high grade ore from the underground operation during the underground ramp-up stage (Years 12 to 16).

In August 2013, Metminco completed a further optimisation study which confirms larger open pit operation, increased production rates and significantly improved project economics.

The revised model projects average annual production rates of 100,100tpa of copper and 5,000 tpa of molybdenum in concentrate over a mine life of 34 years, representing a 20% and 35% increase in copper and molybdenum production per annum respectively when compared to the prior scoping study released in March 2013.

Total tonnes mined have increased by 24% to 811 million tonnes due to higher conversion ratios of the current mineral resource estimate. Further, due to the increase in the lift of the open pit from 7 to 14 years, the planned underground development and associated capital costs have been delayed until after the commencement of production from the open pit operation. This has contributed to a reduction in pre-production capital costs of 12%.

The optimisation study confirms the high quality mining tenements held by Metminco and supports the opportunity to increase production rates for both the open pit and the underground mining operations. The results demonstrate a case of significant improvement to the project economics.

The August 2013 optimisation study produced the following significant results:

<u>Open Pit Operation</u>
- Total tonnes treated of 362mt at 0.39% Cu and 0.026% Mo at a strip ratio of 3.36:1 (cut-off grade 0.15% CuEq).
- Sustainable production rate of 75 ktpd.
- Life of the open pit increased to 14-years.

<u>Underground Block Cave Operation</u>
- Total tonnes treated of 449mt at 0.56% Cu and 0.035% Mo (cut-off grade 0.35% CuEq).
- At an average drawpoint extraction rate of 120tpd, a sustained production rate of 70ktpd can be achieved.
- Detailed underground mine design and planning required to ensure targeted production rate.
- Exploration drilling, geotechnical and hydrological work required in support of deepest mining level (Level 1300).

<u>Life of Mine</u>
- Total tonnes treated of 811mt at 0.48% copper and 0.03% molubdenum.
- Life of mine metal production of 3.4mt copper; 169kt molybdenum; 547koz gold; 18.4 moz silver and 405t rhenium.
- Cash operating costs of US $1.06/lb after by-product credits.
- Pre-production capital of US $1,320 million.

OTHER Metminco PROJECTS

Other projects within the Metminco portfolio are:

- Mollacas, Chile
- Vallecillo, Chile
- Camaron, Chile
- Isidro, Chile
- Loica, Chile

For more information regarding the above projects, please refer to Metminco's website www.metminco.com.au.

ADDITIONAL TECHNICAL INFORMATION PROVIDED TO THE MARKET IN RESPECT OF SOUTH AMERICAN ACTIVITIES

23 July 2012	Mollacas – Increased mineral resource
26 July 2012	Los Calatos project update
13 September 2012	Investor update
16 October 2012	Metminco Presentation October 2012
7 January 2013	Optimisation Studies to Focus on High Grades at Los Calatos
4 March 2013	Los Calatos – Independent Mining Scoping Study concluded
26 June 2013	Metminco – Corporate update
12 August 2013	Los Calatos Optimisation – Improved project economics

CORPORATE

The following announcements were lodged with the Australian Securities Exchange (ASX) in regards to the corporate activity of the Company during the year ended 30 June 2013, and to the date of this financial report.

3 July 2012	Company Secretary Appointment
31 July 2012	Quarterly Activities and Cashflow Report for the quarter ended 30 June 2012
7 August 2012	Response to ASX Appendix 5B Query
28 September 2012	Full Year Statutory Accounts
25 October 2012	Quarterly Activities and Cashflow Report for the quarter ended 30 September 2012
29 October 2012	Notice of Annual General Meeting/Proxy Form
29 October 2012	Annual Report to Shareholders
29 November 2012	Results of Meeting
30 January 2013	Quarterly Activities and Cashflow Report for the quarter ended 31 December 2012
6 February 2013	Response to ASX Query – Appendix 5B
15 March 2013	Half Yearly Report and Accounts
26 April 2013	Quarterly Activities & Cashflow Report for the quarter ended 31 March 2013
6 May 2013	Appendix 5B Query and Response
30 July 2013	Quarterly Activities & Cashflow Report for the quarter ended 30 June 2013

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Company during the Financial Year ended 30 June 2013 other than as referred to in the Review of Operations and Financial Statements or notes thereto.

FINANCIAL POSITION

At 30 June 2013 the consolidated entity held cash, receivables and financial assets available for sale totalling approximately $750,592. This compares with an equivalent figure of $7,295,310 at 30 June 2012.

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

These liquid assets will provide the Directors with alternatives sufficient to cover the Company's expected commitments and projected outgoings for the current year.

BUSINESS STRATEGIES AND PROSPECTS

The Company's strategy is to continue exploration activities for minerals through its mining tenements held in Ghana and Namibia and monitoring its shareholding in Metminco Limited and to continue to evaluate its shareholding level.

The Company will continue to fund its operations through disposal of Metminco Limited shares, which have subsequently increased its value from 30 June 2013.

The Company has also actively pursued sales and joint venture opportunities for the Namibian mining tenements.

The Board understands that Takoradi is subject to a number of business risks, with the main risk being the volatility in Metminco Limited share price. The Company will continue to monitor its exposure to Metminco Limited and will adjust shareholding level requirements from time to time.

EVENTS SUBSEQUENT TO BALANCE DATE

The Company's main liquid asset, being Metminco Ltd shares, have significantly increased in value since 30 June 2013. The share price at 30 June 2013 was 1.3 cents per share and this has now increased to 4.2 cents per share.

No other significant events have occurred since balance date which would impact on the financial position of the Company disclosed in the statement of financial position as at 30 June 2013 or on the results and cash flows of the Company for the year ended on that date.

LIKELY FUTURE DEVELOPMENTS

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

INDEMNIFICATION OF OFFICERS / AUDITORS

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

INFORMATION ON DIRECTORS

Rodney T Hudspeth, Executive Chairman since 1993

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

John S McIntyre, Non-Executive Director since 1993

Mr McIntyre is a qualified engineer with over 40 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 Australasia, Ghana, Philippines, New Zealand and Vietnam. In 1994, he was appointed Managing Director of Behre Dolbear Australia Pty Ltd, a subsidiary of Behre Dolbear and Company Inc. of the United States of America, and he remains in that position. He has since also been appointed a Director of Behre Dolbear and Company Inc, which is an international mineral industry consultancy that has operated continuously since 1911. Mr McIntyre has not been a director of any other listed companies over the past three years.

Terence V Willsteed, Non-Executive Director since 2011

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

His 50 year plus career in the mining industry has included senior operational and engineering management positions with Zinc Corporation, Mt Isa Mines Limited and Consolidated Goldfields Australia Limited. He is currently a Director of the listed resource companies International Ferro Metals Limited (since September 2005), Vantage Goldfields Limited (since November 2010), Goldsearch Limited (since July 2004), South American Ferro Metals Ltd (since September 2005), Timpetra Resources Ltd (since January 2011) and Niuminco Group Limited (since May 2011). He was previously a director of European Gas Limited (ceased September 2009), Citigold Corporation Limited (ceased August 2010), Austral Gold Limited and Climax Mining Ltd. In his consulting experience, Mr Willsteed has been involved in the assessment and development of a wide range of mineral, coal and oil shale projects, and has participated in the management of developing and operating mineral projects both in Australia and internationally. Mr Willsteed has not been a director of any other listed companies over the past 3 years.

INFORMATION ON COMPANY SECRETARY:

Brendan Jones since 2012

Mr Jones holds a Bachelor of Economics and is a member of the Institute of Chartered Accountants in Australia.

NON AUDIT SERVICES

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

AUDIT INDEPENDENCE DECLARATION

The Company's independent auditor has provided an independence declaration to the Company for the year ended 30 June 2013. 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, Namibia, and South Western Africa. Operations are subject to the environmental regulations under the mining laws of those countries.

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

MEETINGS OF THE BOARD

The Board of Directors held six meetings during the year ended 30 June 2013. 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 2013			Particulars of Directors' Interests in Shares and Options of Parent Entity	
			Ordinary Shares	
	A	B	1	2
R T Hudspeth	6	6	-	22,658,194
J S McIntyre	6	3	-	583,000
T V Willsteed	6	6	-	1,103,834
***Column A** meetings held* ***Column B** number attended*			**1**. Beneficially in own name. **2**. Non-beneficially, director of private Company or family member.	

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

REMUNERATION REPORT (AUDITED)

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

- R T Hudspeth – Executive Director and Chairman
- J S McIntyre – Non Executive Director
- T V Willsteed – Non Executive Director
- B W Jones – Company Secretary

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

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

REMUNERATION REPORT (AUDITED) (CONT'D)

Relationship between Remuneration Policy and Company Performance

Due to the nature of the Company's principal activity being the exploration for minerals, the Company utilises performance measures other than profitability and share price to determine remuneration packages for key management personnel.

Other performance measures include:

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

Key management personnel currently receive fixed remuneration packages as listed below. No other short-term or long-term incentives have been paid during this year and the year ended 30 June 2013 (2012: NIL).

The Company's share and earning's performance is not directly linked to remuneration. Bonus and incentive payments are at the discretion of the Board.

Response to vote against 2012 Remuneration Report

At Takoradi's 2012 Annual General Meeting, Takoradi received votes against its Remuneration Report representing greater than 25% of the votes cast by persons entitled to vote. In other words, Takoradi received a "First Strike" against its 2012 Remuneration Report.

In these circumstances, the Corporations Act 2001 requires Takoradi to include in this year's Remuneration Report, an explanation of the Board's proposed action in response to that First Strike or, alternatively, if the Board does not propose any action, the Board's reason for such inaction.

Takoradi held discussions with a key shareholder to understand the main reasons why Takoradi received the vote against the 2012 Remuneration Report.

In summary, the concern was directed at Takoradi's share performance. The key shareholder also disputed the financial arrangement which involved accruing interest on outstanding directors' fees at a rate of 13.5% per annum.

The Board is of the opinion that the interest accrual was both fair and reasonable. The interest rate is in line with the interest being paid to secured creditors. The interest rate also recognises the fact that the fees owed to the directors are unsecured and therefore subject to greater commercial risk.

The Board has nevertheless taken account of the concern submitted. The Board has agreed to reduce the interest rate to 6.75% from the date of the Annual General Meeting being 29 November 2012.

The Board maintains the current Remuneration Report is in line with the industry remuneration standards.

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 capabilities 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.

REMUNERATION REPORT (AUDITED) (CONT'D)

Schedule of remuneration for the year ended June 2013
Key Management Personnel

	Short-term employee benefits	Termination benefits	Post-employment benefits	
Executive Directors	**Salary, Management Fee (1) $**	**Other Benefits $**	**Super Contribution $**	**Total $**
R T Hudspeth *	300,000	-	-	300,000
Total	300,000	-	-	300,000
Non-Executive Directors	**Salary, Management Fee $**	**Other Benefits $**	**Super Contribution $**	**Total $**
J S McIntyre	55,000	-	-	55,000
T V Willsteed	55,000	-	-	55,000
Total	110,000	-	-	110,000
Other Executives Company Secretary	**Salary, Management Fee $**	**Other Benefits $**	**Super Contribution $**	**Total $**
B W Jones****	72,000	-	-	72,000
Total	72,000	-	-	72,000
Total Key Management Personnel	482,000	-	-	482,000

The company had no other executives and no share based payments were made during the 2013 financial year.

REMUNERATION REPORT (AUDITED) (CONT'D)

Schedule of remuneration for the year ended June 2012
Key Management Personnel

	Short-term employee benefits	Termination benefits	Post-employment benefits	
Executive Directors	**Salary, Management Fee $**	**Other Benefits $**	**Super Contribution $**	**Total $**
R T Hudspeth *	300,000	-	-	300,000
A G Harris**	32,081	-	-	32,081
Total	332,081	-	-	332,081
Non-Executive Directors	**Salary, Management Fee $**	**Other Benefits $**	**Super Contribution $**	**Total $**
J S McIntyre	55,000	-	-	55,000
T V Willsteed	51,557	-	-	51,557
Total	106,557	-	-	106,557
Other Executives Company Secretary	**Salary, Management Fee $**	**Other Benefits $**	**Super Contribution $**	**Total $**
R. Blake***	10,000	165,000	50,000	225,000
Total	10,000	165,000	50,000	225,000
Total Key Management Personnel	448,638	165,000	50,000	663,638

** Notesan Pty Ltd, a company which provides management services to the Takoradi group, received $300,000 for the year ended 30 June 2012 in respect to services provided by Mr Hudspeth as Executive Chairman.*
*** Mr Harris ceased his role as a director of Takoradi on 13 November 2011.*
**** Mr Blake ceased his role as a company secretary of Takoradi on 29 June 2012.On cessation, Mr Blake received a final payment of $165,000 on account of his services to the company since 2001 as approved by the Board.*
***** Company secretarial fees are paid to Pitcher Partners NSW Pty Ltd, an accounting firm in which Mr Jones acts as one of the Directors.*
(1) Salary and Management Fee paid to the directors are recognised on an accrual basis. The company has deferred all director fee payment to the non-executive directors for the year ended 30 June 2013. The company has also deferred payment to the executive director from 28 February 2013.

The company had no other executives and no share based payments were made during the 2013 financial year.

DIRECTORS DEFERRED REMUNERATION

From August 2008 to 1 January 2011 the Company had withheld all payments to Key Management Personnel, due to the Company's financial position. The Company commenced the part-payment of deferred directors' remuneration to all Key Management Personnel from 1 January 2011 (Refer to note 12(ii) to the financial statements).

From 28 February 2013, the Company once again had commenced withholding all payments to Key Management Personnel, due to the Company's financial position. The Board determined that it was prudent for the company to defer all personnel payments until such time it was deemed appropriate. The deferral of payments of the directors' remunerations and management fees has remained in place as of the date of this report. The Board plans to commence payment when the Company's financial position improves.

Interest had previously been accrued at a rate of 13.5% per annum for such amounts owing to directors. This interest rate has subsequently been reduced to a rate of 6.75% per annum effective from 29 November 2012 (Refer to "Response to vote against 2012 Remuneration Report").

This concludes the remuneration report.

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 AusIMM, as a Competent Person, has overviewed the technical information in this report and consents to the inclusion of these matters based on the information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

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

For and on behalf of the directors

RODNEY T HUDSPETH
Chairman

Sydney

Date: 30 September 2013

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2013.

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

The names of the independent directors of the company are:

John S McIntyre
Terence V Willsteed

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

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

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

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

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

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

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

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

Diversity Policy
Given the size and scale of operations of the Company, the Board has decided not to adopt a Diversity Policy at this stage. Accordingly, the Board has not yet set any measurable objectives for achieving gender diversity.

Audit Committee
Takoradi does not currently have a formal Audit or Nomination and Remuneration Committee 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 six 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.

During the year ended 30 June 2013, Takoradi had an informal Audit Committee, comprising of one executive director, Rodney Hudspeth and the company secretary.

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

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

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

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

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

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

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

Remuneration Policies
The consolidated entity has structured an executive remuneration framework which is market competitive and complimentary to the rewards strategy of the organisation. All executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits. The Board reviews executive packages annually by reference to comparable information from industry sectors and other listed companies and independent advice. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

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

Remuneration Policies (CONT'D)

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

No shares or options have been issued in respect of remuneration in the 30 June 2012 or 30 June 2013 financial years.

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

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

Since August 2008 the Company has withheld all payments to the Directors and Management, due to the Company's financial position. The amounts have been accrued in the Company's financial statements and will be paid at such a point when the Company has sufficient capital to satisfy creditors. The Company re-commenced the part payment of deferred Directors' remuneration to all Key Management Personnel from 1 January 2011 but deferred all payments again from 1 March 2013.

The Chairman has determined that it would be prudent to defer all payments until the Company's financial position improve.

Interest had been accruing at a rate of 13.5% per annum on all outstanding directors' fees up to 28 November 2012. This interest rate has subsequently been reduced to 6.75% per annum from 29 November 2012.

Please refer to note 12(ii) for details of the total amount outstanding to the Directors.

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

Remuneration Committee
The Board does not have a remuneration committee.

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

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

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

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

ASX PRINCIPLES OF GOOD CORPORATATE GOVERNANCE AND BEST PRACTICE RECOMMENDATIONS

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

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

Best Practice Recommendation	Notification of departure	Explanation of Departure
Principle 2.4	The Board does not have a separate nomination committee.	The Board has not formed a separate Nomination Committee. The Full Board consists of three 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 3.2 & 3.3	The Board does not have a formal policy concerning gender diversity.	Given the size and scale of operations of the Company, the Board has decided not to adopt a Diversity Policy at this stage. Accordingly, the Board has not yet set any measurable objectives for achieving gender diversity.

Best practice Recommendation	Notification of departure	Explanation of Departure
Principle 4.1	The board does not have a formally constituted Audit Committee.	The board has not formally established an Audit Committee to assist to ensure the truthful and factual presentation of the company's financial position as it believes that, given the size of the Board, no efficiencies are derived from a formal committee structure. The informal Audit Committee meets and reports to the Board as required but in any case at least twice a year. Notwithstanding the non-existence of a formal Audit Committee, ultimate responsibility for the integrity of the Company's financial reporting rests with the full Board.
Principle 5.1 & 5.2	The Board does not have established written policies designed to ensure compliance with ASX listing Rule disclosure requirements.	The Company does not currently have a formal written policy in place, but instead relies on the extensive experience of the Board to ensure ongoing compliance.
Principle 8.1	The Board does not have remuneration committee.	Because of the limited number of key management personnel, the Board as a whole determines the remuneration for all Executive Directors, Directors and senior staff. The remuneration policy of the consolidated entity is set out in the Directors' Report of the Financial Statements. With respect to Non-Executive Director remuneration, shareholders have approved an aggregate annual sum of $200,000. In respect of Executive Directors' remuneration, the fees paid are not dependent upon the performance of the Company's level of activity and its financial capacity. As such there is no separate Remuneration Committee.

DECLARATION OF INDEPENDENCE BY ALEX SWANSSON TO THE DIRECTORS OF TAKORADI LIMITED

As lead auditor of Takoradi Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Takoradi Limited and the entities it controlled during the period.

Alex Swansson
Partner

BDO East Coast Partnership

Melbourne, 30 September 2013

The directors of Takoradi Limited declare that:

(a) In the Directors' opinion of the financial statements and notes set out on pages 24 to 58, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in note 1; and

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

The remuneration disclosures contained in the remuneration report comply with Section 300A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors.

RODNEY T HUDSPETH
Chairman

SYDNEY
Date: 30 September 2013

	Note	Consolidated 2013 $	2012 $
Other income	3	-	71,088
Expenses from continuing operations	3	(1,185,184)	(2,033,717)
Finance costs	3	(558,132)	(491,524)
Other expenses	3	(5,439,897)	(26,332,519)
(Loss) before Income tax		(7,183,213)	(28,786,672)
Income tax benefit	4	-	11,494,785
Net (Loss) for the year		(7,183,213)	(17,291,887)
Other comprehensive income			
Exchange differences on translation of foreign operations, net of tax		(33,437)	(444,357)
Total other comprehensive income for the year		(33,437)	(444,357)
Total comprehensive income for the year		(7,216,650)	(17,736,244)
Net (Loss) is attributable to:			
Members of the parent		(7,117,984)	(17,236,835)
Non-controlling interest		(65,229)	(55,052)
		(7,183,213)	(17,291,887)
Total comprehensive income attributable to:			
Members of the parent		(7,069,421)	(17,756,952)
Non-controlling interest		(147,229)	20,708
		(7,216,650)	(17,736,244)
Basic Earnings (Loss)/Profit Per Share (cents per share)	7	(10.60)	(25.66)
Diluted Earnings (Loss)/ Profit Per share (cents per share)	7	(10.60)	(25.66)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

TAKORADI LIMITED AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	Consolidated 2013 $	2012 $
CURRENT ASSETS			
Cash and Cash Equivalents	19(a)	24,880	63,339
Trade and Other Receivables	8	25,703	58,679
Other Financial Assets	11	700,009	2,500,000
TOTAL CURRENT ASSETS		750,592	2,622,018
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	2,761	3,681
Exploration & Evaluation Expenditure	10	6,066,732	6,275,417
Other Financial Assets	11	-	4,673,292
TOTAL NON-CURRENT ASSETS		6,069,493	10,952,390
TOTAL ASSETS		6,820,085	13,574,408
CURRENT LIABILITIES			
Trade and Other Payables	12	3,302,791	3,140,766
Borrowings	13	2,099,501	1,930,973
TOTAL CURRENT LIABILITIES		5,402,292	5,071,739
NON-CURRENT LIABILITIES			
Borrowings	13	1,508,808	1,377,034
Net Deferred Tax Liabilities	14	-	-
TOTAL NON-CURRENT LIABILITIES		1,508,808	1,377,034
TOTAL LIABILITIES		6,911,100	6,448,773
NET ASSETS/(LIABILITIES)		(91,015)	7,125,635
EQUITY			
Equity attributable to Equity Holders of the Parent			
Contributed Equity	15	30,855,433	30,855,433
Foreign Exchange Translation Reserve	17a	(2,332,727)	(2,446,519)
Asset Revaluation Reserve	17b	-	-
Accumulated Losses		(27,648,198)	(20,530,214)
PARENT ENTITY INTEREST		874,508	7,878,700
Non-controlling interest	18	(965,523)	(753,065)
TOTAL EQUITY/(DEFICIENCIES)		(91,015)	7,125,635

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

TAKORADI LIMITED AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

Consolidated	**Issued Capital $**	**Foreign Exchange Translation Reserve $**	**Asset Revaluation Reserve $**	**Accumulated Losses $**	**Non-controlling interest $**	**Total Equity $**
Balance as at 1 July 2011	39,351,423	(1,981,454)	-	(3,293,379)	(718,721)	33,357,869
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency	-	(465,065)	-	-	20,708	(444,357)
Net (Loss) after income tax for the year	-	-	-	(17,236,835)	(55,052)	(17,291,887)
Total Comprehensive Income for the year	-	(465,065)	-	(17,236,835)	(34,344)	(17,736,244
Return of Capital – In specie distribution	(8,495,990)	-	-	-	-	(8,495,990)
Balance as at 30 June 2012	30,855,433	(2,446,519)	-	(20,530,214)	(753,065)	7,125,635

Consolidated	**Issued Capital $**	**Foreign Exchange Translation Reserve $**	**Asset Revaluation Reserve $**	**Accumulated Losses $**	**Non-controlling interest $**	**Total Equity $**
Balance as at 1 July 2012	30,855,433	(2,446,519)	-	(20,530,214)	(753,065)	7,125,635
Exchange differences arising from translation of results and financial positions of foreign subsidiaries from their transactional currency to the reporting currency	-	113,792	-	-	(147,229)	(33,437)
Net (Loss) after income tax for the year	-	-	-	(7,117,984)	(65,229)	(7,183,213)
Total Comprehensive Income for the year	-	113,792	-	(7,117,984)	(212,458)	(7,216,650)
Balance as at 30 June 2013	30,855,433	(2,332,727)	-	(27,648,198)	(965,523)	(91,015)

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

TAKORADI LIMITED AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated Inflows (Outflows) 2013 $	2012 $
Cash Flows from Operating Activities			
Receipts from Customers		-	-
Payments to Suppliers and Employees		(1,029,354)	(2,302,968)
Exploration activities		(28,275)	(2,600)
Interest Received		326	12,142
Net Cash Used in Operating Activities	19(b)	(1,057,303)	(2,293,426)
Cash Flows from Investing Activities			
Proceeds from the sale of equity investments		1,073,844	1,998,199
Net Cash provided by Investing Activities		1,073,844	1,998,199
Cash Flows from Financing Activities			
Proceeds from loans by Related Parties		-	74,500
Repayments of loans from Related Parties		(55,000)	(86,631)
Net Cash Used by Financing Activities		(55,000)	(12,131)
Net Decrease in Cash Held		(38,459)	(307,358)
Cash and Cash Equivalents at Beginning of Year		63,339	370,697
Cash and Cash Equivalents at End of Year	19(a)	24,880	63,339

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

INTRODUCTION

The financial report covers the consolidated entity of Takoradi Limited ("Takoradi") and its controlled entities as an economic entity. Takoradi is a listed public company, incorporated and domiciled in Australia and is the parent entity.

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

The principal activity of the economic entity during the financial year was exploration and its investment in Metminco Limited, an Australian Securities Exchange ("ASX") listed company. The registered office is located at Level 22, MLC Centre, 19 Martin Place, Sydney, NSW, Australia ((02)92212099) and the principal place of business is located at Level 9, 2-10 Loftus Street, Sydney, NSW, Australia.

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

1. BASIS OF PREPARATION OF FINANCIAL REPORT

(a) Basis of Accounting

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

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

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

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

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

(b) Statement of Compliance with IFRS

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

1. BASIS OF PREPARATION OF FINANCIAL REPORT (CONT'D)

(c) Going Concern

The consolidated entity incurred a loss of $7,183,213 and had negative cash flows from operating activities of $1,057,303 for the year ended 30 June 2013. In addition the consolidated entity had net current liabilities of $4,651,700 and a deficiency in equity of $91,015 as at 30 June 2013. Included in total liabilities of $6,911,100 are amounts due to secured note holders totaling $2,099,501 that fell due for repayment on 31 October 2011 and have yet to be repaid. Also included in total liabilities of the consolidated entity is an amount of $1,000,665 due to a mining services contractor. A demand for repayment of this amount was issued in February 2012 and to date no repayments have been made.

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The financial report has been prepared on a going concern basis which assumes the realisation of assets and discharge of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- The ability of the company to maximise the value of its investment in ASX listed company Metminco Limited which has traded between 1.1 cents and 7.6 cents over the last three months. Based on the current shareholdings this would value the investment between $592k and $4m over this timeframe. As at 30 September 2013, the value of the investment is approximately $1.84m. A proportion of these shares are pledged as security against secured note holders;

- The ability to continue to defer payment to secured noteholders in relation to borrowings totalling $2,099,501 as detailed in Note 13. The company's intention is to repay the noteholders from the proceeds from the commercialisation of the company's exploration assets. The directors confirm that no legal action has been taken against the consolidated entity by these note holders;

- The ability to continue to defer payment with the mining services contractor in relation to outstanding amounts of $1,000,665 due by a subsidiary that has been guaranteed by Takoradi Limited, as detailed in Note 12(i). The directors confirm that despite a demand for repayment being received in February 2012, no legal action has been taken against the consolidated entity by the mining services contractor;

- Included in trade and other payables are amounts owing to directors and other related parties of $1,657,164 and included in borrowings are amounts owing to Notesan Pty Ltd, a director-related entity, of $1,508,808. Confirmation has been obtained that these amounts totalling $3,165,972 shall not be demanded for repayment until the consolidated entity has sufficient cash resources to meet these obligations without having a negative impact on the ability of the consolidated entity to continue as a going concern;

- The directors of the consolidated entity are currently in the process of renewing its licences with the Namibian government. The renewal of the tenements is required by the Nambian government in order to enable the company to commercialise the project by either sale or joint venture. The company seeks to raise funds from the commercialisation of this asset by means of sale or joint venture;

- Should the company not obtain sufficient funds from the Metminco shares or commercialisation of the exploration assets, the directors have the ability to raise additional funds via a capital raising to existing shareholders or to sophisticated investors. This placement will be dependent on financial market conditions at the time that any additional equity funds are being sought and subject to shareholder approval at a general meeting of members; and

The directors have prepared cash flow forecasts that indicate that the consolidated entity will have sufficient cash to meet all of its expenses for the next 12 months based on the matters outlined above. Based on the cash flow forecasts and the additional funding highlighted above, the directors are satisfied that, the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

1. BASIS OF PREPARATION OF FINANCIAL REPORT (CONT'D)

(c) Going Concern (cont'd)

If the consolidated entity 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 report. The report does not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they become due and payable.

(d) Principles of Consolidation

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

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

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

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

2. SUMMARY OF ACCOUNTING POLICIES

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

(a) Accounting estimates and judgements

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

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

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

(b) Property, Plant and Equipment

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

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Plant and equipment

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

Depreciation

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

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

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

(c) Leases

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

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

Lease incentives under operating leases are recognised as a liability.

(d) Investments

Controlled Entities

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

Associated Entities

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

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(d) Investments (Cont'd)

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

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

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

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

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

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

(e) Exploration and Development Expenditure

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

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

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(e) Exploration and Development Expenditure (cont'd)

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

(f) Foreign Currency Translation

Foreign currency transactions

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

Foreign operations

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

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

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

(g) Employee Benefits

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

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

(h) Cash and Cash Equivalents

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

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

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(i) Impairment

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

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

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

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

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

(j) Fair Value

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

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

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

(k) Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(l) Revenue

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

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

(m) Receivables

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

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

(n) Goods and Services Tax (GST)

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

(o) Taxes

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

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

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

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

(p) Research and Development Expenditure

Research costs are recognised as an expense when incurred. Other development costs are expensed when incurred, except to the extent that such cost is 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.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(q) Accounts Payable

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

(r) Borrowings

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

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

(s) Comparative Figures

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

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

(t) Adoption of new and amended accounting standards that are first operative at 30 June 2013

None of the new and amended accounting standards effective for the financial year beginning 1 July 2012 affected any amounts recorded in the current or prior year. AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of items of Other Comprehensive Income requires items of other comprehensive income to be presented separately for those items that would be reclassified to profit or loss in the future and those that would never be reclassified to profit or loss and the impact of tax on those items.

The adoption of AASB 2011-9 has no effect on the amounts recognised in current or prior years. However, it has resulted in changes to presentation of other comprehensive income in the group's consolidated financial statements.

(u) Accounting standards and interpretations Issued but not Operative at 30 June 2013

The following standards and interpretations have been issued at the reporting date but are not yet effective. The directors' assessment of the impact of these standards and interpretations is set out below.

(i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosure (effective from 1 January 2015)*

AASB 9 *Financial Instruments* improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The standard is not applicable until 1 January 2015 but is available for early adoption.

When adopted, the standard could change the classification and measurement of financial assets. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income for equity investments that are not held for trading.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(u) Accounting standards and interpretations Issued but not Operative at 30 June 2013 (cont'd)

The consolidated entity does not have any financial liabilities that are designated at fair value through profit or loss. The new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. Therefore, there will be no impact on the consolidated entity's accounting for financial liabilities. The consolidated entity has decided not to early adopt AASB 9 at 30 June 2013.

(ii) *AASB 10 Consolidated Financial Statements,* AASB 11 *Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards, and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2013)*

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements,* and Interpretation 12 *Consolidation – Special Purpose Entities.* The standard fundamentally changes the way control is defined for the purpose of identifying those entities to be included in the consolidated financial statements. It focuses on the need to have power over the investee, rights or exposure to variable returns and ability to use the power to affect the amount of its returns. Returns must vary and can be positive, negative or both. There is also new guidance on substantive rights versus protective rights and on agent versus principal relationships. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the accounting for consolidation.

AASB 11 does not focus on the legal structure of joint arrangements, but rather on how and what rights and obligations are shared between parties. If the parties share the right to the net assets of the joint arrangement, these parties are parties to a joint venture. A joint venturer accounts for an investment in the arrangement using the equity method, and the choice to proportionately consolidate will no longer be permitted. If the parties share the right to the separate assets and obligations for the liabilities of the joint arrangement, these parties are parties to a joint operation. A joint operator accounts for assets, liabilities and corresponding revenues and expenses arising from the arrangement by recognising their share of interest in each item.

The consolidated entity has determined AASB 10 and AASB 11 will have no impact on the composition of the consolidated group.

AASB 12 sets new minimum disclosures requirements for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard will affect the type of information disclosed in relation to the consolidated entity's investments as the new standard requires extensive new disclosures regarding the nature of risk associated with the entity's interest in other entities and the effect of those interest on its financial position, financial performance and cash flows.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest if an investment a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The consolidated entity is still assessing the impact of these amendments.

The consolidated entity does not expect to adopt the new standard before its operative date. It would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(u) Accounting standards and interpretations Issued but not Operative at 30 June 2013 (cont'd)

(iii) *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 introduces a fair value framework for all fair value measurements in the full suite of accounting standards. This standard explains how to measure fair value and aims to enhance fair value disclosures. The consolidated entity is currently assessing which, if any of its current measurement techniques will have to change as a result of the new standard. However, it is not yet possible to provide a reliable estimate of the impact, if any, of these new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

The consolidated entity does not expect to adopt the new standard before its operative date. It would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

(iv) *AASB 127 Separate Financial Statements (Revised)*
AASB 128 Investments in Associates and Joint Ventures (Reissued)
These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

(v) *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement*
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

(vi) *AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

(vii) *AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will increase the disclosures by the consolidated entity.

(viii) *AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

(u) Accounting standards and interpretations Issued but not Operative at 30 June 2013 (cont'd)

(ix) *AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

(x) *AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity.

(xi) *AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*
These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the consolidated entity.

3. (LOSS)/PROFIT: Net (Loss)/Profit before tax includes the following:

	Consolidated 2013 $	2012 $
Other income		
Foreign currency gain	-	71,088
	-	71,088
Expenses from continuing operations		
Depreciation of plant and equipment	(920)	(1,227)
Tenement maintenance costs	(117,032)	(163,658)
Consulting fees	(102,521)	(327,550)
Administration expenses	(368,469)	(296,003)
Corporate expenses	(446,136)	(756,498)
Other expenses	(150,106)	(488,781)
	(1,185,184)	(2,033,717)
Net financial expense		
Interest income	326	12,142
Interest expense	(558,458)	(503,666)
	(558,132)	(491,524)
Other expenses		
Loss on disposal of investments (i)	(817,304)	(13,375,895)
Impairment in fair value of available for sale investments (i)	(4,576,983)	(12,956,624)
Foreign currency loss	(45,610)	-
	(5,439,897)	(26,332,519)

(i) Further details at Note 11.

4. INCOME TAX

	Consolidated 2013 $	2012 $
The components of tax (benefit)/expense reported in the Statement of Comprehensive Income at the balance date include:		
Current tax expense	-	-
Prior year tax losses recognised	-	(3,487,277)
Recoupment of prior year tax losses	-	2,277,713
Deferred tax expense/(future income tax benefit) relating to origination and reversal of temporary differences	-	(10,285,221)
	-	(11,494,785)
The prima facie tax on loss from ordinary activities before income tax is reconciled as follows:		
Prima facie tax payable/(benefit) on profit/(loss) from continuing activities before income tax at 30% (2012: 30%)	(2,154,964)	(8,636,002)
Add: non-deductible items	2,062,425	397,135
Add: tax loss carried forward not recognised as deferred tax asset	115,960	-
Less: non-assessable items	(23,421)	(32,543)
Less: prior year tax losses previously not brought to account	-	(3,257,096)
Less: net of deferred tax losses not recognised and brought to accounts	-	33,721
Income tax expense/(benefit) attributable to the consolidated entity	-	(11,494,785)

At 30 June 2013, the Company had a net deferred tax asset not brought to account totalling $1,768,557. The deferred tax asset has been excluded from the financial statements on the basis that the Company may not generate sufficient taxable income to offset this against accumulated tax losses.

5. KEY MANAGEMENT PERSONNEL

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

Parent Entity Directors:	
Mr Rodney T Hudspeth	Executive Chairman since 1993
Mr John S McIntyre	Non-Executive Director since 1993
Mr Terence V Willsteed	Non-Executive Director since 2012
Mr Brendan W Jones	Company Secretary since 2012

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

5. KEY MANAGEMENT PERSONNEL (CONT'D)

(a) Key Management Personnel Compensation

	Consolidated	
	2013	**2012**
	$	**$**
Short-term employee benefits	482,000	448,638
Post-employment benefits	-	50,000
Termination benefits	-	165,000
TOTAL	482,000	663,638

Detailed remuneration disclosures are provided in the remuneration report on pages 12 to 15.

(b) Shareholdings
Number of shares held by Key Management Personnel: -
2013

	Balance 1.7.12	**Acquired**	**(Disposed)**	**Balance 30.6.13**
Parent Entity Directors				
Mr Rodney T Hudspeth *	22,658,194			22,658,194
Mr John S McIntyre**	583,500			583,500
Mr Terence V Willsteed***	1,103,834			1,103,834

* Shares are owned by entities associated with Mr R T. Hudspeth
** Shares are owned by entities associated with Mr J S. McIntyre
*** Shares are owned by entities associated with Mr T V. Willsteed

Additions refer to shares acquired, purchased or recognised on appointment of directors and executives.

Disposals refer to shares disposed, sold or derecognised on resignation of directors and executives.

2012

	Balance 1.7.11	**Acquired**	**Acquired/ (Disposed)**	**Balance 30.06.12**
Parent Entity Directors				
Mr Rodney T Hudspeth *	22,658,194			22,658,194
Mr Albert G Harris	198,867		(198,867)	-
Mr John S McIntyre**	583,500			583,500
Mr Terence V Willsteed***	-	1,103,834		1,103,834
Other Parent Entity Executives				
Mr Robert Blake ****	870,000	-	(870,000)	-

* Shares are owned by entities associated with Mr R T. Hudspeth
** Shares are owned by entities associated with Mr J S. McIntyre
*** Shares are owned by entities associated with Mr T V. Willsteed
**** Shares are owned by an entity associated with Mr R Blake

Additions refer to shares acquired, purchased or recognised on appointment of directors and executives.

Disposals refer to shares disposed, sold or derecognised on resignation of directors and executives.

	Consolidated 2013 $	2012 $
6. AUDITORS' REMUNERATION		
BDO East Coast Partnership*:		
- Auditing and reviewing the financial report of the parent entity	84,294	98,119
Remuneration of other auditors of subsidiaries for:		
- Auditing and reviewing the financial report of subsidiaries		
BDO – United Kingdom**	19,330	20,996
Grant Thornton – Namibia	-	5,775
	19,330	26,771
	103,624	124,890

*BDO East Coast Partnership formerly PKF East Coast Practice.
** BDO United Kingdom formerly PKF UK

7. EARNINGS PER SHARE (EPS)	Consolidated 2013 Cents	2012 cents
Basic EPS (Loss)/Profit	(10.60)	(25.66)
Diluted EPS (Loss)/Profit	(10.60)	(25.66)
Net (Loss)/Profit used in calculation of basic and diluted earnings (Loss)/Profit per share	(7,117,984)	(17,236,835)
	Number	**Number**
Weighted average number of shares on issue used in calculation of basic earnings (Loss)/Profit per share	67,162,219	67,162,219
Weighted average number of shares on issue used in calculation of diluted earnings/(Loss) Profit per share *	67,162,219	67,162,219

	Consolidated 2013 $	2012 $
8. RECEIVABLES		
OTHER RECEIVABLES		
CURRENT		
Non trade debtors receivable *	6,262	1,190
Goods and services tax refund *	19,441	57,489
	25,703	58,679

* Amounts received are current and not past due.

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2013 $	Consolidated 2012 $
Roads - at Cost	12,976	12,976
Less: Accumulated Depreciation	(12,976)	(12,976)
	-	-
Buildings and Improvements		
- at Directors' 1993 Valuation	24,882	24,882
- at Cost	22,041	22,041
	46,923	46,923
Less: Accumulated Depreciation	(46,923)	(46,923)
	-	-
Exploration Equipment and Vehicles - at Cost	200,577	200,577
Less: Accumulated Depreciation	(197,816)	(196,896)
	2,761	3,681
Furniture, Fixtures and Fittings - at Cost	42,463	42,463
Less: Accumulated Depreciation	(42,463)	(42,463)
	-	-
Office Equipment - at Cost	48,941	48,941
Less: Accumulated Depreciation	(48,941)	(48,941)
	-	-
TOTAL PROPERTY PLANT & EQUIPMENT	2,761	3,681

Movements during the year	**Roads**	**Buildings**	**Furniture Fixtures Fittings**	**Exploration Equipment & Vehicles**	**Office Equipment**	**Total**
2013:	**$**	**$**	**$**	**$**	**$**	**$**
Consolidated:						
Beginning of year	-	-	-	3,681	-	3,681
Additions	-	-	-	-	-	-
Currency Movements	-	-	-	-	-	-
Depreciation charge	-	-	-	(920)	-	(920)
End of year	-	-	-	2,761	-	2,761

Movements during the year	**Roads**	**Buildings**	**Furniture Fixtures Fittings**	**Exploration Equipment & Vehicles**	**Office Equipment**	**Total**
2012:	**$**	**$**	**$**	**$**	**$**	**$**
Consolidated:						
Beginning of year	-	-	-	4,908	-	4,908
Additions	-	-	-	-	-	-
Currency Movements	-	-	-	(682)	-	(682)
Depreciation charge	-	-	-	(545)	-	(545)
End of year	-	-	-	3,681	-	3,681

	Consolidated 2013 $	Consolidated 2012 $
10. EXPLORATION EXPENDITURE		
Opening Exploration Expenditure - At Cost (Namibia)	6,275,417	6,832,795
Exploration expenditure current year	-	-
Revaluation due to foreign currency movement	(208,685)	(557,378)
	6,066,732	6,275,417

In line with the Australian Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources", Ghanaian exploration tenements with costs of $2,176,088 were previously fully impaired during the year ended 30 June 2009. Formal confirmation on the renewals is awaited from the Minister.

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

(a) Group Interests In Mineral Tenements

Tenement	**Type of Licence**	**Group Interest 2013 %**	**Group Interest 2012 %**
Ghana, West Africa			
- Kutukrom	Prospecting Licence (i)	100	100
- Baju	Prospecting Licence (iii)	80	80
- Yakomba	Prospecting Licence (iii)	80	80
- Sakpa	Prospecting Licence (iii)	80	80
- Cherebong	Prospecting Licence (iii)	80	80
Namibia			
- Kuiseb	Prospecting Licence (ii)	70	70

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

(ii) As at the date of this report, applications have been submitted to the respective government authority, to renew the licence. All licence fees and ground rents have been paid in accordance with the written advice. Formal confirmation on the renewals is awaited from the appropriate minister.

(iii) The licence renewal are in dispute.

11. OTHER FINANCIAL ASSETS

(a) Available-for-sale investments at fair value	Consolidated 2013 $	Consolidated 2012 $
CURRENT		
Available – for – sale financial assets:		
Shares in quoted investments at Fair Value* - Metminco Limited	700,009	2,500,000
	700,009	2,500,000
NON-CURRENT		
Available – for – sale financial assets:		
Shares in quoted investments at Fair Value** - Metminco Limited	-	4,673,292
Total Available-for-sale investments at fair value	-	7,173,292

*The closing share price as at 30 June 2013 of Metminco on the ASX was $0.013 (30 June 2012: $0.098), giving Takoradi's shares a fair value of $700,009 (30 June 2012: $7,173,292). The current share price of Metminco on the ASX as at the date of signing is $0.042, giving Takoradi's shares a fair value of $1,841,568.

11. OTHER FINANCIAL ASSETS (CONT'D)

(b) Controlled Entities	Place of Incorporation	Group Interest 2013 %	Group Interest 2012 %
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
Takoradi Resources Limited	Ghana	75	75
Nimrod Metals Limited	Bahamas	100	100
Kuiseb Mining and Processing (Pty) Ltd	Namibia	70	70
Terradex (Pty) Ltd	Namibia	100	100

12. TRADE AND OTHER PAYABLES

	Consolidated 2013 $	Consolidated 2012 $
CURRENT		
Trade creditors and accruals (i)	1,645,627	1,728,291
Amounts payable to Notesan Pty Ltd	156,905	156,905
Amounts due in respect of outstanding directors fees (ii)	1,500,259	1,255,570
	3,302,791	3,140,766

All accounts payable are unsecured.

Net Fair Values
The carrying amounts of accounts payable approximate their net fair values.
Refer Note 23 for unhedged foreign currency monetary items.

(i) Trade creditors and accruals include $1,000,665 (2012: $1,080,124) payable by a controlled subsidiary Kuiseb Mining and Processing (Proprietary) Limited to a drilling contractor and $55,000 (2012: $55,000) payable to Mr T V Willsteed for geological services rendered before he became a director. The payment to the drilling contractor is overdue and a statutory demand for payment was received on 6 February 2012 and remains unpaid at balance date. Takoradi Limited (parent entity) has guaranteed payment obligations to the drilling contractor.

(ii) As at 30 June 2013 amounts owing in respect of directors services were as follows:

	2013 $	2012 $
Mr R T Hudspeth	1,099,712	959,936
Mr J McIntyre	274,030	216,251
Mr T V Willsteed (Appointed 25 July 2011)	126,517	79,383
Mr A G Harris	-	-
	1,500,259	1,255,570

Interest has been accrued to the outstanding directors' fees and interest has been charged at a rate of 13.5% per annum up to 28 November 2012. The interest rate has been reduced to 6.75% from 29 November 2012.

	Consolidated 2013 $	2012 $
13. BORROWINGS		
CURRENT		
Secured Liabilities		
Sellers Holdings Pty Ltd (i)	426,147	392,582
All States Secretariat Pty Limited (i)	418,214	384,501
City Natural Resources High Yield Trust PLC (i)	1,255,140	1,153,890
	2,099,501	1,930,973
NON-CURRENT		
Secured Liabilities		
Amount due to Director related entity (ii)	1,508,808	1,377,034
	1,508,808	1,377,034
	3,608,309	3,308,007

Secured Notes

(i) On 4 April 2008 Takoradi issued a secured note to Sellers Holdings Pty Ltd for the amount of $250,000. The secured note was secured by a fixed charge over 1,562,500 shares in Hampton Mining Limited held by Takoradi. As at 24 November 2010, following the exchange of the Hampton shares, the secured notes are now secured by a fixed charge over 2,500,000 shares in Metminco held by Takoradi. The secured note was repayable on 31 October 2011 together with interest at 13.5% per annum. Interest of $176,147 has been accrued in the balance of financial liabilities for the period to 30 June 2013.

On 4 July 2008 and 7 July 2008 Takoradi issued secured notes to Allstates Secretariet Pty Limited for the sum of $250,000. The secured notes were secured by a fixed charge over 1,562,500 shares in Hampton Mining Limited held by Takoradi. As at 24 November 2010, following the exchange of the Hampton shares, the secured notes are now secured by a fixed charge over 2,500,000 shares in Metminco held by Takoradi. The secured note was repayable on 31 October 2011 together with interest at 13.5% per annum. Interest of $168,214 has been accrued in the balance of financial liabilities for the period to 30 June 2013.

On 4 July 2008 Takoradi issued a secured note to City Natural Resources High Yield Trust PLC for the amount of $750,000. The secured notes were secured by a fixed charge over 4,687,500 shares in Hampton Mining Limited held by Takoradi. As at 24 November 2010, following the exchange of the Hampton shares, the secured notes are now secured by a fixed charge over 7,000,000 shares in Metminco held by Takoradi. The secured note was repayable on 31 October 2011 together with interest at 13.5% per annum. Interest of $505,140 has been accrued in the balance of financial liabilities for the period to 30 June 2013.

The Company has requested an extension of time from the secured note holders for scheduled pro-rata repayments of the secured notes, totalling $1,250,000 plus interest. No formal agreements for these extensions have been executed. Discussions with secured note holders are continuing on a regular basis. No secured noteholders have commenced legal proceedings as at signing date.

Secured loans

(ii) Takoradi has received advances by way of secured loans totalling $1,508,808 from Notesan Pty Limited, a related entity of Mr Rodney T Hudspeth. Interest of $567,048 has been accrued in the balance of financial liabilities and is in addition to the amount of director's fees payable to Notesan totalling $1,099,712 as disclosed in Note 12 Payables. As at the date of this report, Notesan had made no further advances to Takoradi.

At 30 June 2013, these advances were not due for repayment per the terms of the arrangement with Notesan Pty Limited for a period of 12 months from the date of signing the financial reports.

The loan advanced by Notesan Pty Limited is secured and it consists of a floating charge over Takoradi assets (up to $1,000,000 in company assets).

	2013 $	2012 $
14. NET DEFERRED TAX ASSETS/(LIABILITIES)		
Deferred Tax Liabilities – Amounts recognised in profit or loss		
Opening Balance	-	(11,494,785)
(Charged)/credited to income tax expense resulting from the change in fair value of Metminco Limited shares	-	10,077,081
Closing Balance	-	(1,417,704)
Deferred Tax Asset – Amounts recognised in profit or loss		
Opening Balance	-	-
Prior year tax losses recognised	-	3,487,277
Current year tax losses recognised	-	464,547
Recoupment of prior year tax losses	-	(2,534,120)
Closing Balance	-	1,417,704
Net Deferred Tax Assets/(Liabilities)	**-**	**-**

	Consolidated 2013 $	Consolidated 2012 $
15. CONTRIBUTED EQUITY		
Issued Ordinary Shares, fully paid *	30,855,433	30,855,433

	2013	2012
	Number of fully paid shares	
Movement in Share Capital		
Opening Balance	67,162,219	67,162,219
Ordinary shares issued during the year	-	-
Closing Balance	67,162,219	67,162,219

* On 20 June 2012, Takoradi completed an in-specie distribution of 73,878,144 ordinary fully paid shares in Metminco Limited to shareholders by way of a return of capital of $8,495,990, as approved by shareholders, on 4 June 2012.

Ordinary Shares

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

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

Options

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

15. CONTRIBUTED EQUITY (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 2013 and 30 June 2012 are as follows:

	Note	Consolidated 2013 $	Consolidated 2012 $
Total liabilities *	12,13	6,911,102	6,448,773
Less cash and cash equivalents		(24,880)	(63,339)
Net debt		6,886,222	6,385,434
Total equity		(91,015)	7,125,635
Total capital		6,795,207	13,511,069
Gearing ratio		102%	47%

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

The gearing ratio has significantly increased in the current year due to the reduction in total equity held as at 30 June 2013. The reduction in total equity largely reflects the significant write down of investment in Metminco Limited. The company will continue to monitor this investment to ensure effective capital management.

At 30 June 2013 the Company held net debt totalling $6,886,222. This compares with an equivalent figure of $6,385,434 at 30 June 2012. Subsequent to year end, the directors have further addressed the company's debt levels by:

- Execution of an agreement with an entity related to Mr R T Hudspeth, Notesan Pty Limited, for an extension of payment until the later of 12 months from signing of this report.

16. OPTIONS (Unlisted)

	Exercise Prices $	Number	Expiry Date
Outstanding as at 30 June 2012	-	-	Not applicable
Outstanding as at 30 June 2013	-	-	Not applicable

(i) No options were outstanding at balance date.

17. RESERVES

17a. Foreign Currency Translation Reserve

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

17b. Asset Revaluation Reserve

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

	Consolidated 2013 $	Consolidated 2012 $
18. NON-CONTROLLING INTEREST		
Ordinary shares	388,519	388,519
Revaluation reserve	801,390	801,390
Foreign currency translation reserve	333,489	480,718
Accumulated losses	(2,488,921)	(2,423,692)
	(965,523)	(753,065)

19. NOTES TO STATEMENT OF CASH FLOWS

	2013	2012
(a) Components of Cash and Cash Equivalents		
Cash on Hand	170	224
Cash at Bank	24,710	63,115
	24,880	63,339

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

	2013	2012
Operating (Loss) after Income tax	(7,183,213)	(17,291,887)
Depreciation	920	1,227
Loss on disposal of investments	1,152,033	13,375,895
Decrease in fair value of investment	4,242,254	12,956,624
Net movements in foreign currency	175,247	113,022
Decrease/(Increase) in Debtors	32,976	(6,476)
Increase/(Decrease) in Payables	75,672	(450,712)
Increase in Interest Payable *	446,808	503,666
(Decrease) in Deferred Tax Liability	-	(11,494,785)
Net Cash Used in Operating Activities	(1,057,303)	(2,293,426)

*Unpaid interest capitalised into borrowings in Note 12

20. RELATED PARTIES

Controlled Entities

Details of interest in controlled entities are set out in Note 11. Takoradi Limited, which is the Parent Entity, has made loans totalling $24,074,374 (2012: $23,568,011) to the following Controlled Entities:

	2013 $	2012 $
Takoradi Gold (International) Limited	2,080,778	2,080,778
Takoradi Gold (Ghana) Limited	12,353,856	12,092,923
Northern Goldfields Limited	3,929,998	3,851,936
Nimrod Metals Limited	5,701,797	5,534,429
Takoradi Gold (Australia) Pty Ltd	7,945	7,945
Total	24,074,374	23,568,011

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

Interest is charged on loans to Northern Goldfields Limited at normal commercial rates. The Company is entitled to receive interest of $78,062 (2012: $80,048).

During the year the parent entity provided for a further allowance for diminution of $506,363 (2012: $1,150,233) in the value of the loans receivable from Controlled Entities. At 30 June 2013, these loans were carried at a recoverable value of nil (2012: Nil).

Directors

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

Remuneration of Directors

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

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

Administration

An amount of $39,600 (2012: $39,600) was charged in relation to administration and other occupancy expenses.

Loan from Director Related Entity

During the year the Company received no additional loans (2012: $74,500) from Notesan Pty Ltd a company in which Mr RT Hudspeth is a Director. Repayments of $55,000 (2012: $86,631) were made during the year against these loans. The balance of the secured loan at 30 June 2013 is $1,508,808 (2012: $1,377,034).

Share Issue to Directors

During the year, no shares were issued to directors as payment for unpaid services and director fees (2012: Nil).

21. SEGMENT INFORMATION

Primary reporting – business segments

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

(a) Description of segments

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

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

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

(b) Segment accounting policies

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

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

(c) Segment information

The segment information provided to the Board for the reportable segments for the year ended 30 June 2013 is as follows:

	Minerals		Corporate		Consolidated	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**	**$**	**$**
REVENUE						
Segment						
Other Revenue	-	-	-	71,088	-	71,088
RESULT						
Segment net (loss) after income tax	(544,877)	(739,507)	(6,638,336)	(16,552,380)	(7,183,213)	(17,291,887)
ASSETS						
Segment assets	6,073,703	6,317,281	746,380	7,257,127	6,820,083	13,574,408

21. SEGMENT INFORMATION (CONT'D)

(c) Segment information (Cont'd)

LIABILITIES						
Segment liabilities	1,000,665	1,075,778	5,910,435	5,372,995	6,911,100	6,448,773
OTHER						
Acquisitions of non-current segment assets	-	-	-	-	-	-
Depreciation	920	1,227	-	-	920	1,227
Impairment losses by segment	-	-	-	-	-	-

22. COMMITMENTS AND CONTINGENT LIABILITIES

a) The following issues are being renegotiated with relation to the Insamankaw Joint Venture Agreement: - 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 to extend the company's interest in the Joint Venture.

b) As at the date of this report, applications for the renewal of its Bole Exploration Tenements in Ghana have been filed to the Minerals Commission to the Minister of Lands and Natural Resources, to grant the licences. All licence fees and ground rents have been paid in accordance with the Minerals Commission written advice. Formal confirmation on the renewals is awaited from the Minister.

c) Minimum expenditures required to maintain exploration properties in Africa are approximately $US75,000 per annum for Ghana and $US150,000 per annum for Namibia.

d) In March 2011, the Company reached agreement with a mining services contractor (Drillcon) contracted by and with Takoradi's subsidiary, Kuiseb Mining and Processing Pty Limited (Kuiseb), whereby the total claim for outstanding services and costs of N$14,281,715 together with interest at 10% per annum calculated and capitalised monthly would be settled by payment of the following:
N$350,000 in December 2010 – (paid)
N$700,000 on 31 January 2011– (paid)
N$1,000,000 on or before 25 February 2011– (paid)
N$1,450,000 within 10 business days of renewal of Kuiseb's existing mineral licence – (paid)
N$3,500,000 on 31 May 2011 – (paid)
N$3,500,000 on 31 August 2011 – (paid)
N$3,500,000 on 30 November 2011 (part-paid)
N$281,715 being the balance of principal debt on 31 December 2011
Residual of aforementioned interest of N$4,681,717 on or before 31 March 2012

As at 30 June 2013, the total amount outstanding to Drillcon including interest was N$9,383,016 (Principal of A$462,278 and interest of A$538,387 totalling A$1,000,665).

Per the terms of the agreement, in the event of default, the Company has 10 business days from the receipt of written notice from Drillcon to remedy the event of default. The Company received written notice from Drillcon in regards to the finalisation of the outstanding amounts. Discussions have continued on a regular basis during the 2013 financial year and the Board expects to formalise agreement with relation to the total borrowings.

As at the date of signing the report, the Company has sufficient assets to ultimately meet outstanding obligations to Drillcon.

23. FINANCIAL INSTRUMENTS RISK EXPOSURES

(a) Financial Risk Management Policies

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

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

(i) Treasury Risk Management

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

(ii) Financial Risk Exposures & Management

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk and liquidity risk.

Interest Rate Risk
Financial instruments that have interest rate risk relate to secured notes issued to noteholders (refer to note 13 to the financial statements). In each case a fixed interest rate is established under the terms and conditions of each note issue. Management considers that as interest rates on these financial debt instruments are fixed there is no significant exposure to risk arising from interest rate fluctuations in the broader economy. In addition amounts held in cash deposits during the current and preceding financial year have not been material. Accordingly, there has been no sensitivity analysis performed in respect of potential interest rate fluctuations.

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

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

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

- the company has liquid financial assets of $700,009 that can be readily converted into cash; and
- the company's directors are also continuing to review the sale or joint venture of certain of the company's assets and of the need for further capital raisings, as necessary, to realise funding for the company.

23. FINANCIAL INSTRUMENTS RISK EXPOSURES (CONT'D)

(b) Interest Rate Risk

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

Consolidated Entity	Consolidated Non-interest bearing $	Consolidated interest bearing $	Total Carrying Amount $
2013			
Financial Assets			
Cash	-	24,880	24,880
Receivables	25,703	-	25,703
Other Financial Assets	700,009	-	700,009
	725,712	24,880	750,592
Weighted Average Interest Rate		5%	
Financial Liabilities			
Accounts payable	3,302,791	-	3,302,791
Interest bearing liabilities	-	3,608,309	3,608,309
	3,302,791	3,608,309	6,911,100
Weighted Average Interest Rate		13.5%	
Net financial assets/(liabilities)	(2,577,079)	(3,583,429)	(6,160,508)

2012	Consolidated Non-interest bearing $	Consolidated interest bearing $	Total Carrying Amount $
Financial Assets			
Cash	-	63,339	63,339
Receivables	58,679	-	58,679
Other Financial Assets	7,173,292	-	7,173,292
	7,231,971	63,339	7,295,310
Weighted Average Interest Rate		5%	
Financial Liabilities			
Accounts payable	3,140,766	-	3,140,766
Interest bearing liabilities	-	3,308,007	3,308,007
	3,140,766	3,308,007	6,448,773
Weighted Average Interest Rate		13.5%	
Net financial assets/(liabilities)	4,091,205	(3,244,668)	846,537

23. FINANCIAL INSTRUMENTS RISK EXPOSURES (CONT'D)

(c) Credit Risk

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

(d) Foreign Exchange Risk

	Consolidated 2013 $	Consolidated 2012 $
Current assets not effectively hedged		
Cash		
- US Dollars	494	-
	494	-
Current liabilities not effectively hedged		
Accounts payable		
- Ghanaian Cedis (Cedis)	28,407	28,407
- Namibian Rand (NAD)	1,000,665	1,075,778
	1,029,072	1,104,185

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss and other equity, and the balances below would be negative.

AUD Movement	Cedis Impact		USD Impact		NAD Impact	
	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
10% Increase	(2,841)	(2,841)	-	-	(100,067)	(107,578)
10% Decrease	2,841	2,841	-	-	100,067	107,578

(e) Fair Values of Financial Assets and Liabilities

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

The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(e) Fair Values of Financial Assets and Liabilities (cont'd)

Consolidated - 2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Ordinary Shares	700	-	-	700
Total assets	700	-	-	700

Consolidated - 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Ordinary Shares	7,173	-	-	7,173
Total assets	7,173	-	-	7,173

NOTE 24. PARENT ENTITY INFORMATION

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

Statement of Comprehensive Income

	Parent Entity 2013 $	2012 $
(Loss)/Profit after Income Tax	(7,040,727)	(17,601,530)
Total Comprehensive Income	(7,040,727)	(17,601,530)

Statement of Financial Position

	Parent Entity 2013 $	2012 $
Total Current Assets	2,626,390	2,554,230
Total Assets	2,626,390	9,127,522
Total Current Liabilities	5,878,146	5,338,551
Total Liabilities	5,878,146	5,338,551
Net Assets	(3,251,756)	3,788,971
Equity		
Issued Capital	30,855,433	30,855,433
Accumulated Losses	(34,107,189)	(27,066,462)
Total Equity	(3,251,756)	3,788,971

NOTE 24. PARENT ENTITY INFORMATION (CONT'D)

Contingent liabilities
The parent entity has contingent liabilities at 30 June 2013 and 30 June 2012 consistent with those of the consolidated entity, as disclosed in Note 22.

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

NOTE 25: SUBSEQUENT EVENTS

The Company's main liquid asset, being Metminco Ltd shares, have significantly increased in value since 30 June 2013. The share price at 30 June 2013 was 1.3 cents per share and this has now increased to 4.2 cents per share.

No other significant events have occurred since balance date which would impact on the financial position of the Company disclosed in the statement of financial position as at 30 June 2013 or on the results and cash flows of the Company for the year ended on that date.

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INDEPENDENT AUDITOR'S REPORT

To the members of Takoradi Limited

Report on the Financial Report

We have audited the accompanying financial report of Takoradi Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company'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 qualified audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Takoradi Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

The company has two Namibian based subsidiaries, Kuiseb Mining and Processing (Pty) Ltd ("Kuiseb") (70% owned) and Terradex (Pty) Ltd ("Terradex") (100% owned).

Included in the statement of financial position of the consolidated entity at 30 June 2013 are capitalised exploration assets related to the above subsidiaries amounting to $6,066,732. The ultimate recoupment of these exploration assets is dependent on the successful development and commercial exploitation or the sale of the respective areas of interest. The ultimate recoupment of the exploration assets depends on the subsidiaries being able to continue as a going concern.

A demand for payment was served on the subsidiaries by a mining services contractor on 6 February 2012, as detailed in Note 12 to the financial report, which has not been settled to date.

We were unable to obtain sufficient appropriate audit evidence to support the ability of the subsidiaries to continue as a going concern because of the potential impact that failure to settle the liability could have on these entities and consequently we were unable to determine whether any adjustments might be necessary in the consolidated entity.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

(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 consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies *with International Financial Reporting Standards* as disclosed in Note 1(b).

Emphasis of matter

Without modifying our opinion further, we draw attention to Note 1(c) "Going Concern" in the financial report which indicates that the consolidated entity incurred a net loss of $7,183,213 for the year ended 30 June 2013 and had net current liabilities of $4,651,700 and a deficiency in equity of $91,015 as at 30 June 2013. Included in total liabilities of $6,911,100 are amounts due to secured note holders totalling $2,099,501 that fell due for repayment on 31 October 2011 and have yet to be repaid. Also included in total liabilities of the consolidated entity is an amount of $1,000,665 due to a mining services contractor. A demand for repayment of this amount was issued in February 2012 and to date no repayments have been made. These conditions, along with other matters as set out in Note 1(c), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 15 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Takoradi Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Alex Swansson
Partner

Melbourne, 30 September 2013