



ACN 006 708 676

6 February 2013

Mr S Daniels  
Advisor  
ASX Compliance  
20 Bridge Street  
SYDNEY NSW 2000

#### **Response to ASX Query – Appendix 5B**

Further to your letter dated 1 February 2013, we confirm the following:

1. In answer to question one of your letter, the answer is “no”.

Takoradi Limited (“Company”) continues to hold approximately \$3.6 million in tradable securities.

The Company has continued to divest certain parcels of shares as and when additional cash flow is required as reported in the Appendix 5B for the quarter ended 31 December 2012.

The Company continues to assess various funding options as an alternative to the abovementioned strategy including other possible asset sales.

2. Consistent with other junior mineral explorers, the Company expects to have negative operating cash flows in future quarters. Please refer to point 1 for details regarding the steps the Company has taken, to ensure that it has sufficient funds in order to continue its operations.
3. Refer points 1 and 2 above. The Company continues to review its expenditure commitments and cash requirements. The Company continues to maintain its mineral tenements in Ghana and Namibia.

As reported in the Appendix 5B for the quarter ended 31 December 2012, the Company’s Kutukrom Gold project in Ghana is currently subject to general exploration and surface sampling. The Company is also currently preparing a new exploration program.

4. The Company confirms that it is in compliance with the listing rules and in particular listing rule 3.1.
5. The Company confirms that it continues to adhere with Listing Rule 12.2.

Yours faithfully,  
**Takoradi Limited**

A handwritten signature in cursive script, appearing to read "Rodney T. Hudspeth".

RODNEY T HUDSPETH

Chairman



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1 February 2013

Brendan Jones  
Company Secretary  
Level 46, 1 Farrer Pl  
Sydney, NSW 2000

Dear Brendan,

**Takoradi Limited (the "Company")**

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 December 2012, released to ASX Limited ("ASX") on 30 January 2013 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$0.
2. Net negative operating cash flows for the quarter of \$275,000.
3. Cash at end of quarter of \$32,000.

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

**Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email at [simon.daniels@asx.com.au](mailto:simon.daniels@asx.com.au) or on facsimile number (02) 9227 0137. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5:00 p.m. E.D.S.T. on Wednesday 6 February 2013.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on (02) 9227 0137.

Yours sincerely,

[Sent electronically without signature]

Simon Daniels  
Adviser, Listings Compliance (Sydney).