



TAKORADI LIMITED AND CONTROLLED ENTITIES
ACN 006 708 676

FINANCIAL REPORT
FOR THE
HALF-YEAR ENDED
31 DECEMBER 2012

The half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2012.



Takoradi Limited and Controlled Entities Directors' Report For the half year ended 31 December 2012

The Directors present their report together with the financial report of the consolidated entity consisting of Takoradi Limited ("Takoradi") and the entities it controlled for the half year ended 31 December 2012 and independent auditor's review report thereon.

DIRECTORS NAMES

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

Rodney T. Hudspeth (Executive Chairman)

John S. McIntyre

Terence V. Willstead

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

REVIEW OF OPERATIONS

The consolidated operating loss after tax of the consolidated entity comprising Takoradi and its controlled entities for the period ended 31 December 2012 was \$3,593,586 (2011: \$14,818,142). A loss of \$3,560,812 (2011: \$14,782,958) is attributable to the shareholders of Takoradi with a loss of \$32,774 (2011: \$35,184) being attributable to non-controlling interests.

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, and maintaining an exposure to mineral tenements in Chile, Peru, South America, through the company's investment interests held through Metminco Limited.

MINERAL INTERESTS

The Company's African mineral interests 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 all the capitalised exploration costs in the Kutukrom and Bole gold projects. The rights to tenure at Bole were subject to renewal applications as at 31 December 2012, which have been favourably recommended by the Minerals Commission to the Minister of Lands and Natural Resources, to re-new the licences. As at the date of this report, the licences are currently waiting formal approval from the Minister. 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 31 December 2012, 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").

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

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

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 150km 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.



Takoradi Limited and Controlled Entities
Directors' Report
For the half year ended 31 December 2012

NAMIBIA, SOUTH WEST AFRICA (CONT'D)

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 and drilling 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 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 of the Kuiseb Project. The latest drilling shows the eastward continuity of the geology and mineralization at the Hope deposit over a plunge of 2.6 km, being 1600m beyond historical work.

Hope Deposit - Resources

As at 31 December 2012, the JORC Code Compliant resource established at the Hope deposit is 3.6 million 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 (Million)	Cu	Au	Cut Off
Indicated Resource	1.8	2.4%	0.59g/t	0.2% Cu
Inferred Resource	1.8	2.6%	0.65g/t	0.2% Cu
Total	3.6	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:

“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 flotation products.”

Other Kuiseb Targets

Gorob and Vendome Deposits

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



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NAMIBIA, SOUTH WEST AFRICA (CONT'D)

Anomaly Area

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

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 could 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.

As at the date of this report, the licences near Bole have been favourably recommended by the Minerals Commission to the Minister of Lands and Natural Resources, to grant the licences. All licence renewal 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.

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 licences.

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. During the period, the Company also carried out general exploration and surface sampling at the Kutukrom Gold project.

The Company is currently awaiting the renewal of its licences prior to commencing a new exploration program and or entering into a joint venture arrangement for on-going development.

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.



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SOUTH AMERICA PROJECTS - METMINCO LIMITED (CONT'D)

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 current and 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, Cujajone 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

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.



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SOUTH AMERICA PROJECTS - METMINCO LIMITED (CONT'D)

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.



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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 <i>net of credits</i> (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.



Takoradi Limited and Controlled Entities
Directors' Report
For the half year ended 31 December 2012

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).

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.

CORPORATE

The following announcements were lodged with the Australian Securities Exchange (ASX) in regards to the corporate activity of the Company during the half year ended 31 December 2012, and to the date of this financial report.

3 July 2012	Secretary appointment – Brendan Jones
31 July 2012	Quarterly Cashflow Report for the quarter ended June 2012
31 July 2012	Quarterly Activities Report for the quarter ended June 2012
28 September 2012	Full Year Statutory Accounts
25 October 2012	Quarterly Cashflow & Activities Report for the quarter ended September 2012
29 October 2012	Notice of Annual General Meeting
29 October 2012	Annual Report to shareholders
29 November 2012	Results of Meeting
30 January 2013	Quarterly Cashflow & Activities Report for the quarter ended December 2012
6 February 2013	Response to ASX Query – Appendix 5B



**Takoradi Limited and Controlled Entities
Directors' Report
For the half year ended 31 December 2012**

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

A handwritten signature in black ink, appearing to read 'Rodney T Hudspeth', written over a horizontal line.

RODNEY T HUDSPETH
Chairman

Sydney

Date: 15 March 2013



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AUSTRALIA

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

As lead auditor for the review of Takoradi Limited for the half-year ended 31 December 2012, 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in blue ink, appearing to read 'Alex Swansson', with a long horizontal line extending to the right.

Alex Swansson
Partner

BDO East Coast Partnership
Melbourne, 15 March 2013



TAKORADI LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	Half-year 2011 \$
Revenue	2a	323	12,046
Other income	2a	-	8,073
Expenses from continuing operations	2b	(3,240,484)	(25,398,682)
Finance costs		(353,425)	(418,098)
Loss before income tax		(3,593,586)	(25,796,661)
Income tax benefit		-	10,978,519
Loss for the half-year		(3,593,586)	(14,818,142)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translation of foreign operations, net of tax		(112,026)	(423,307)
Other comprehensive income for the half year, net of tax		(112,026)	(423,307)
Total comprehensive income for the half year		(3,705,612)	(15,241,449)
Loss for the half year is attributable to:			
Members of the parent		(3,560,812)	(14,782,958)
Non-controlling interest		(32,774)	(35,184)
		(3,593,586)	(14,818,142)
Total comprehensive income for the half year is attributable to:			
Members of the parent		(3,728,297)	(15,178,334)
Non- controlling interest		22,685	(63,115)
		(3,705,612)	(15,241,449)
Basic loss per share (cents)		(5.30)	(22.01)
Diluted loss per share (cents)		(5.30)	(22.01)

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



TAKORADI LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	31 December 2012	30 June 2012
Note	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	40,504	63,339
Trade and other receivables	55,263	58,679
Other financial assets	5 1,500,000	2,500,000
TOTAL CURRENT ASSETS	<u>1,595,767</u>	<u>2,622,018</u>
NON-CURRENT ASSETS		
Property, plant and equipment	3,221	3,681
Exploration expenditure	4 6,120,496	6,275,417
Other financial assets	5 2,306,811	4,673,292
TOTAL NON-CURRENT ASSETS	<u>8,430,528</u>	<u>10,952,390</u>
TOTAL ASSETS	<u>10,026,295</u>	<u>13,574,408</u>
CURRENT LIABILITIES		
Trade and other payables	3,177,476	3,140,766
Borrowings	6 2,015,913	1,930,973
TOTAL CURRENT LIABILITIES	<u>5,193,389</u>	<u>5,071,739</u>
NON-CURRENT LIABILITIES		
Borrowings	6 1,412,883	1,377,034
TOTAL NON-CURRENT LIABILITIES	<u>1,412,883</u>	<u>1,377,034</u>
TOTAL LIABILITIES	<u>6,606,272</u>	<u>6,448,773</u>
NET ASSETS	<u>3,420,023</u>	<u>7,125,635</u>
EQUITY		
Issued capital	7 30,855,433	30,855,433
Foreign exchange translation reserve	(2,581,230)	(2,446,519)
Accumulated losses	(24,091,026)	(20,530,214)
Parent entity interest	4,183,178	7,878,700
Non-controlling interest	8 (763,154)	(753,065)
TOTAL EQUITY	<u>3,420,023</u>	<u>7,125,635</u>

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



TAKORADI LTD AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Issued Capital \$	Foreign Exchange Translation 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
Loss after income tax for the period	-	-	(14,782,958)	(35,184)	(14,818,142)
Other comprehensive income for the half year, net of tax	-	(395,376)	-	(27,931)	(423,307)
Balance as at 31 December 2011	<u>39,351,423</u>	<u>(2,376,830)</u>	<u>(18,076,337)</u>	<u>(781,836)</u>	<u>18,116,420</u>
Balance as at 1 July 2012	30,855,433	(2,446,519)	(20,530,214)	(753,065)	7,125,635
Loss after income tax for the period	-	-	(3,560,812)	(32,774)	(3,593,586)
Other comprehensive income for the half year, net of tax	-	(134,711)	-	22,685	(112,026)
Balance as at 31 December 2012	<u>30,855,433</u>	<u>(2,581,230)</u>	<u>(24,091,026)</u>	<u>(763,154)</u>	<u>3,420,023</u>

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



**TAKORADI LTD AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Half-year	
	2012	2011
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(656,707)	(1,233,805)
Payments for exploration costs	(57,063)	(67,640)
Interest received	323	12,046
Net cash used in operating activities	<u>(713,447)</u>	<u>(1,289,399)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from the sale of equity investments	<u>745,612</u>	<u>956,120</u>
Net cash provided by investing activities	<u>745,612</u>	<u>956,120</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of borrowings	<u>(55,000)</u>	-
Net cash used in financing activities	<u>(55,000)</u>	-
Net increase in cash and cash equivalents	(22,835)	(333,279)
Cash and cash equivalents at beginning of half year	<u>63,339</u>	<u>370,697</u>
Cash and cash equivalents at end of the half-year	<u><u>40,504</u></u>	<u><u>37,418</u></u>

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



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

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

The principal activity of the economic entity during the half year was exploration and management of its investment in Metminco Limited, an ASX listed company.

This half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2012 and any public announcements made by Takoradi Limited during the half-year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern

For the half year ended 31 December 2012, the consolidated entity incurred a loss of \$3,593,586 and had negative cash flows from operating activities of \$713,447 and net current liabilities of \$3,597,622 as at 31 December 2012. Included in total liabilities of \$6,606,272 are amounts due to secured note holders totaling \$2,015,913 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 \$1,016,414 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 Company has liquid financial assets of \$3,806,811 at December 2012, of which \$720,000 are secured, which relate to the company's investment in ASX listed company Metminco Limited;
- During the half year ended 31 December 2012, the company has funded its operations and settled its liabilities from the sales of shares in Metminco Limited. The directors are of the opinion that they will be able to continue to dispose of shares in the future as required;
- As at the date of approving the half year report, the value of the consolidated entity's investment in Metminco Limited had decreased to \$2,855,109. The directors have prepared cash flow projections for the twelve months post completion of the half year financial report and believe the value of the investment will be sufficient to continue to fund the operations of the consolidated entity. The directors also believe, for the reasons outlined below that the realisation of investment will not be required for the purpose of repaying the outstanding borrowings;



NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONT'D)

GOING CONCERN (CONT'D)

- Included in trade and other payables are amounts owing to directors and other related parties of \$1,634,157 and included in borrowings are amounts owing to Notesan Pty Ltd, a director-related entity, of \$1,412,883. Confirmation has been obtained that these amounts totalling \$3,050,040 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's ability to continue as a going concern;
- The directors of the consolidated entity have continued to negotiate with the secured note holders in relation to borrowings totalling \$2,015,913. Negotiations are at an advanced stage and agreements are expected to formalised in the near future. Additionally, no demand for repayment has been issued by the note holders since the borrowings fell due for repayment on 31 October 2011;
- The directors of the consolidated entity have continued to negotiate with mining services contractor (Drillcon) in relation to the demand for repayment issued in February 2012 relating to outstanding amounts of \$1,016,414. The directors have approached the mining services contractor, through their legal representatives in an effort to agree an extended date for settlement of the amounts outstanding and to date, no further action has been taken against the consolidated entity;
- The company's directors are also continuing to seek opportunities to sell or joint venture certain of the company's assets; and
- If presented with opportunities requiring further capital, the directors believe the company could obtain additional equity funding for appropriate projects. If required the company can also raise additional funds from capital raisings to meet operational expenses.

Based on the above, the financial report has been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial statements.

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.

(a) Principles of Consolidation

The half year financial statements incorporate the assets and liabilities of all entities controlled by the company as at 31 December 2012 and the results of all controlled entities for the half year then ended. The company and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

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

(b) New or revised Standards and Interpretations that are first effective in the current reporting period

The Company has adopted applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2012. Adoption of the Standards and Interpretations did not have any effect on the financial position or performance of the Company.



NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2012

NOTE 2: LOSS BEFORE TAX

Loss before tax includes the following:

	Dec 2012 \$	Dec 2011 \$
(a) Revenue		
Interest	323	12,046
Foreign currency gain	-	8,073
	<u>323</u>	<u>20,119</u>
(b) Expenses from continuing operations		
Impairment of exploration costs	(57,063)	(67,640)
Consulting fees	(31,220)	(95,703)
Administration expenses	(306,653)	(400,888)
Other expenses	(224,678)	(395,229)
Loss on disposal of available for sale investments	(209,890)	(730,682)
Fair value impairment in value of available for sale investments	(2,410,980)	(23,708,540)
	<u>(3,240,484)</u>	<u>(25,398,682)</u>

NOTE 3: SEGMENT INFORMATION

Primary reporting – business segments

(a) Description of segments

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

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 2012, 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 information

The segment information provided to the Board for the reportable segments for the half-year ended 31 December 2012 is as follows:

Segment Performance

	Minerals		Corporate		Consolidated	
	Dec 2012	Dec 2011	Dec 2012	Dec 2011	Dec 2012	Dec 2011
	\$	\$	\$	\$	\$	\$
Segment Revenue	-	-	-	20,119	-	20,119
Segment Result	(312,043)	(612,931)	(3,281,542)	(14,205,211)	(3,593,586)	(14,818,142)



NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2012

NOTE 3: SEGMENT INFORMATION

(b) Segment information (Cont'd)

Total Segment Assets

	Minerals \$	Corporate \$	Consolidated \$
31 December 2012	6,163,619	3,862,676	10,026,295
30 June 2012	6,317,281	7,257,127	13,574,408

Total Segment Liabilities

	Minerals \$	Corporate \$	Consolidated \$
31 December 2012	1,089,509	5,516,762	6,606,271
30 June 2012	1,075,778	5,372,995	6,448,773

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

NOTE 4: EXPLORATION EXPENDITURE

	Half Year Ended 31 December 2012	Year Ended 30 June 2012
	\$	\$
Opening balance - At Cost	6,275,417	6,832,795
Revaluation due to foreign currency movement	(154,921)	(557,378)
Closing balance - At Cost	6,120,496	6,275,417

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.

NOTE 5: OTHER FINANCIAL ASSETS

	31 December 2012	Consolidated 30 June 2012
	\$	\$
(a) Available-for-sale investments at fair value		
CURRENT		
Available – for – sale financial assets:		
Shares in quoted investments at Fair Value* - Metminco Limited	1,500,000	2,500,000
	<u>1,500,000</u>	<u>2,500,000</u>
NON-CURRENT		
Available – for – sale financial assets:		
Shares in quoted investments at Fair Value* - Metminco Limited	2,306,811	4,673,292
Total Available-for-sale investments at fair value	<u>2,306,811</u>	<u>7,173,292</u>

*The closing share price as at 31 December 2012 of Metminco on the ASX was \$0.06 (30 June 2012 : \$0.098), giving Takoradi's shares a fair value of \$3,806,811. The current share price of Metminco on the ASX as at the date of signing is \$0.045, giving Takoradi's shares a fair value of \$2,855,109.



NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2012

NOTE 6: BORROWINGS

	31 December 2012 \$	30 June 2012 \$
CURRENT		
Secured Liabilities		
Sellers Holdings Pty Ltd (i)	409,503	392,582
Allstates Secretariat Pty Limited (i)	401,477	384,501
City Natural Resources High Yield Trust PLC (i)	1,204,933	1,153,890
	<u>2,015,913</u>	<u>1,930,973</u>
NON-CURRENT		
Unsecured Liabilities		
Amount due to Director related entity (ii)	1,412,883	1,377,034
	<u>3,428,796</u>	<u>3,308,007</u>

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 \$159,503 has been accrued in the balance of financial liabilities for the period to 31 December 2012.

On 4 July 2008 and 7 July 2008 Takoradi issued secured notes to Allstates Secretariat 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 \$151,477 has been accrued in the balance of financial liabilities for the period to 31 December 2012.

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 \$454,933 has been accrued in the balance of financial liabilities for the period to 31 December 2012.

The Company has requested a time extension from the secured note holders for the structured repayment of the secured notes, totalling \$1,250,000 plus interest, commencing from April 2013. As at the date of the half year financial report, the note holders have not issued a demand for repayment.

Unsecured loans

(ii) Takoradi has received advances by way of unsecured loans totalling \$1,412,883 from Notesan Pty Limited, a related entity of Mr Rodney T Hudspeth. Interest of \$472,462 has been accrued in the balance of financial Liabilities and is in addition to the amounts payable to Notesan totalling \$1,164,058, included in current trade and other payables. As at the date of this report, Notesan had made no further advances to Takoradi.

Notesan has undertaken not to demand repayment of the amounts outstanding until such time as the directors determine Takoradi has sufficient funds available to make the repayments without affecting its ability to continue as a going concern.



NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS
31 DECEMBER 2012

NOTE 7: CONTRIBUTED EQUITY

	Qty	Dec 2012 \$
Opening balance 1 July 2012	67,162,219	30,855,434
Movements during the period	-	-
Closing balance 31 December 2012	67,162,219	30,855,434

NOTE 8: NON-CONTROLLING INTEREST

	31 Dec 2012 \$	30 June 2012 \$
NON-CONTROLLING INTEREST		
Ordinary shares	388,519	388,519
Revaluation reserve	801,390	801,390
Foreign currency translation reserve	503,403	480,718
Accumulated losses	<u>(2,456,466)</u>	<u>(2,423,692)</u>
	<u>(763,154)</u>	<u>(753,065)</u>



NOTE 9: CONTINGENT LIABILITIES AND COMMITMENTS

- a) The company has reached agreement in principle with the Trustee of the Estate of George Blay Kwofie in respect to the Insamankaw Joint Venture Agreement which has expired. The following issues are being renegotiated: - the amount outstanding for payment; and renewal of the Joint Venture Agreement for an additional period. The Directors are confident that the Company and its subsidiaries will not incur a material liability 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 favourably recommended by 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 \$US100,000 per annum for Ghana and \$US80,000 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 (not paid)
 - Residual of aforementioned interest of N\$4,681,717 as at 31 December 2011 on or before 31 March 2012 (not paid)

As at 31 December 2012, the total amount outstanding to Drillcon including interest was N\$8,930,925 (A\$1,016,414).

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 during the 2012 financial year in regards to the finalisation of the outstanding amounts. The Company has approached Drillcon through their legal representatives to agree to an extended date for settlement of the outstanding amounts.

NOTE 10: SUBSEQUENT EVENTS

No 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 31 December 2012 or on the results and cash flows of the Company for the year ended on that date.



DIRECTORS' DECLARATION
31 DECEMBER 2012

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 11 to 21 are in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

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

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

A handwritten signature in black ink, appearing to read 'Rodney T. Hudspeth'.

RODNEY T HUDSPETH
Chairman

Sydney

Date: 15 March 2013



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Takoradi Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Takoradi Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, 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 review report.



**INDEPENDENT AUDITOR'S REVIEW REPORT (CONT'D)
TO THE MEMBERS OF TAKORADI LIMITED**

Basis for Qualified Conclusion

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 consolidated statement of financial position of the consolidated entity at 31 December 2012 are capitalised exploration assets related to the above subsidiaries amounting to \$6,120,496. 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 9(d) to the half-year financial report, which has not been settled to date.

We were unable to complete our review procedures relating to the exploration assets due to the incomplete review procedures relating to 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 to the half-year financial report.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the matter described in the preceding paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Takoradi Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without further qualifying our conclusion, we draw attention to Note 1 "Going Concern" in the financial report, which indicates the consolidated entity incurred a loss of \$3,593,586 and had negative cash flows from operating activities of \$713,447 and net current liabilities of \$3,597,622 as at 31 December 2012. Included in total liabilities of \$6,606,272 are amounts due to secured note holders totaling \$2,015,913 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 \$1,016,414 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 set forth in Note 1 "Going Concern" give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity 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.

BDO East Coast Partnership

Alex Swansson
Partner

Melbourne, 15 March 2013