



27 April 2012

DISTRIBUTION IN SPECIE OF METMINCO SHARES

The Board of Directors of Takoradi Limited is pleased to announce that the Company intends to distribute to shareholders up to 107 million shares of the 152 million shares that it currently holds as an investment in Metminco Limited (ASX Code: MNC). Metminco's major asset is the Los Calatos, Copper-Molybdenum project located in Peru, South America.¹

If approved by shareholders, the distribution of up to 107 million Metminco shares will be made by way of a return of capital, on a pro rata basis, to all shareholders at the record date, on the basis of 1.5 Metminco shares for every 1 Takoradi share (subject to fractional entitlements being rounded down). By way of illustrative example, assuming a Metminco share price of \$0.18 per Metminco share, and the distribution of 107 million Metminco shares, the capital reduction will be \$19.26 million or \$0.29 per Takoradi share.

The Company's Directors consider that the proposed capital return will provide Takoradi shareholders with the liquidity and benefits from owning Metminco shares directly and having direct exposure to the future potential value of Metminco's mineral interests in Chile and Peru. The Takoradi Shareholders will continue to hold their existing shares in the Company with interests in Ghana and Namibia.

Following the proposed transaction, shareholders will hold a direct investment in two separate public companies, one holding interests in South America (Chile and Peru) and the other in West Africa (Ghana and Namibia).

The Metminco shares retained by the Company will provide the Company with sufficient current assets to satisfy its creditors and meet its on-going future working capital requirements as it continues to explore opportunities to unlock the value of its interests in Ghana and Namibia.

A Notice of a General Meeting to be held on Monday 4 June 2012 to consider the proposed capital return is attached.

On behalf of the Board of Directors.

RODNEY T HUDSPETH
Chairman

¹ For further information regarding Metminco, please refer to www.metminco.com.au.



ABN 12 006 708 676

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

DATE AND TIME OF MEETING:

4 June 2012 at 10.00AM

(Sydney time)

PLACE OF MEETING:

SOFITEL WENTWORTH HOTEL

61-101 PHILLIP STREET

SYDNEY NSW 2000

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it, or any part of it,
you should consult your professional advisors.

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ABN 12 006 708 676

NOTICE OF EXTRAORDINARY GENERAL MEETING AND PROXY FORM

Notice is hereby given that an Extraordinary General Meeting of members of TAKORADI LIMITED will be held at 10.00am (Sydney time) on 4 June 2012, Sofitel Wentworth Hotel, 61-101 Phillip Street, Sydney, Australia for the purpose of transacting the following business.

An Explanatory Memorandum containing information in relation to the following matters to be considered accompanies, and forms part of, this Notice of Meeting.

An enclosed Proxy Form forms part of this Notice of Meeting. The completed Proxy Form must be received by the Company at its Share Registry c/o Computershare Investor Pty Limited, GPO Box 242, Melbourne, Victoria, 3001 at least 48 hours prior to the commencement of the meeting. Proxy Forms received after this time will be invalid.

The Directors have determined pursuant to 7.11.37. of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as shareholders of the Company on 2 June 2012 at 10.00am (Sydney time). Accordingly, transactions registered after that time will be disregarded in determining Takoradi shareholders entitled to attend and vote at the Meeting.

BUSINESS OF THE MEETING

RESOLUTION 1 - DISTRIBUTION IN SPECIE OF METMINCO LIMITED SHARES

(See Note 1 of Explanatory Memorandum)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, in accordance with Section 256B of the Corporations Act 2001 (Cth) and for all other purposes approval be granted for the Company to reduce its issued share capital by the value of the Metminco In-specie Shares with such capital reduction to be effected and satisfied by the Company distributing in specie to Shareholders the Metminco In-specie Shares and otherwise on the terms and conditions in the Explanatory Memorandum accompanying this Notice of Meeting."

Terms used in this Notice of Meeting are defined in the Explanatory Memorandum which accompanies this Notice of Meeting.



EXPLANATORY NOTES ON ITEMS OF BUSINESS

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

VOTING ENTITLEMENTS

The time nominated by the Board for the purpose of determining the voting entitlements at the meeting is 10.00am (Sydney time) on 2 June 2012.

VOTING BY PROXY

A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member. A proxy need not be a member of the Company. A proxy may also be appointed by reference to an office held by the proxy e.g. the Company Secretary.

Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.

How the Chair will vote undirected proxies

The Chair intends to vote any undirected proxy in favour of the Resolution.

You should note that if you appoint the Chair as your proxy, or the Chair is appointed your proxy by default, and the proxy form does not specify whether to vote "For", "Against" or "Abstain", your undirected proxies held by the Chair will be taken as a direction to the Chair to vote in accordance with his stated voting intention, which is to vote in favour of the Resolution.

Shareholders always have the ability to appoint the Chair as their proxy to cast the votes contrary to the Chair's stated voting intention or to abstain from voting on a Resolution.

A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at GPO Box 5021, Sydney, NSW, 2001. Alternatively, you may photocopy the enclosed form.

A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at the share registry address or fax number set out below, **not less than 48 hours before** the time for commencement of the meeting. **Please send your proxy by post or deliver in person to the share registry of Takoradi Limited Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria, 3001 or by fax Takoradi Limited c/ Computershare Registry (61) 3 9473 2555.**

The Company will accept proxy appointments by a corporate member executed in accordance with either section 127(1) (not under seal) or section 127(2) (under seal) of the *Corporations Act 2001* (Cth).



BODY CORPORATE REPRESENTATIVES

Any corporate member or proxy will be required to complete a "Certificate of Appointment of Corporate Representative" in accordance with section 250D of the *Corporations Act 2001* (Cth) to enable a person to attend on their behalf. A form of this Certificate may be obtained from the Company's share registry and is required to be provided prior to the meeting.

BY ORDER OF THE BOARD

Robert Blake

Company Secretary

27 April 2012

Sydney NSW, Australia



ABN 12 006 708 676

Explanatory Memorandum to Shareholders

to accompany the Notice of Extraordinary General Meeting

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in TAKORADI LIMITED in connection with the Company's Meeting to be held on 4 June 2012 at 10.00am (Sydney time).

This Explanatory Memorandum is an important document and should be read carefully in its entirety by all Shareholders. Shareholders are strongly advised to consult their legal or financial advisors if they require further advice in connection with the matters contained in this Explanatory Memorandum. This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

NOTE 1 – DISTRIBUTION OF METMINCO LIMITED SHARES

1.1 Introduction

Shareholders are being asked to consider an Ordinary Resolution authorising the Company to reduce its issued share capital by undertaking a return of capital and distributing in specie to Shareholders up to 107 million of the Company's Metminco shares.

Any in-specie distribution of Metminco shares will be to Shareholders on a pro rata basis (subject to fractional entitlements being rounded down) by way of an equal capital reduction under section 256B of the Corporations Act.

Shareholders would not be required to pay any consideration for the Metminco In-specie Shares as the Company would make an appropriate capital reduction to reflect the distribution. As a result of the return of capital the Company's paid-up share capital (contributed equity) will be reduced by the total value of the Metminco In-specie Shares distributed to Shareholders.

The terms of the Capital Reduction are the same for each Takoradi Shareholder. The date for determining which Shareholders are entitled to participate in the return of capital is the Record Date. For the purposes of the Corporations Act, the proposed return of capital is an "equal" reduction of capital which requires the approval of Shareholders by Ordinary Resolution in a general meeting. Accordingly, for the return of capital to proceed, a majority of votes must be cast in favour of the Resolution.



NOTE 1 – DISTRIBUTION OF METMINCO LIMITED SHARES (CONTINUED)

1.2 Reasons for the return of capital

The primary purpose of the return of capital is to distribute to Shareholders that part of the Company's capital that represents the Metminco In-specie Shares.

The return of capital will mean that Shareholders' indirect interest in Metminco will become a direct interest.

The Company intends to distribute up to 107 million shares in Metminco held by it, to the Shareholders of Takoradi on a pro rata basis (subject to fractional entitlements being rounded down).

As at the date of this Explanatory Memorandum, 67,162,219 Shares were eligible to participate in the Capital Return. Assuming that 107 million Metminco Shares are distributed, Shareholder entitlements would be as follows:

Security	Metminco In-specie Shares	Shares Participating	Ratio
Metminco shares	107,000,000	67,162,219	1.5 Metminco shares for each Takoradi Share held

The exact Capital Reduction Amount will not be known until the Record Date, at which time the value of the Metminco shares would be determined. At the price of \$0.18 per Metminco share (being the price at the date of the Notice), and assuming that 107 million Metminco Shares are distributed to Shareholders, the Capital Reduction Amount would be \$19.26 million.

1.3 Entitlement to participate

All Shareholders who hold Shares at 4.00pm (Sydney time) on the Record Date will be entitled to participate in the return of capital.

1.4 Amount of entitlement

Each shareholder who is entitled to participate in the return of capital will receive the Return per Share.

1.5 Timetable for return of capital

Set out below is an indicative timetable for the return of capital. These indicative dates are subject to change at the Board's discretion.

Event	Date
Meeting of Shareholders	4 June 2012
Trading in Shares on an "ex return of capital" basis	6 June 2012
Record Date	13 June 2012
Anticipated date of distribution of Metminco In-specie Shares	20 June 2012



NOTE 1 – DISTRIBUTION OF METMINCO LIMITED SHARES (CONTINUED)

1.6 Trading in shares

Shares will trade on an “ex return of capital” basis on 6 June 2012 which is the second business day after the meeting of the Shareholders has approved the return of capital.

1.7 Effect on return of capital

(a) Effect on creditors

The return of capital involves a reduction in the Company’s paid-up share capital (contributed equity). However, in the opinion of the Board, this will not materially prejudice the Company’s ability to pay its creditors. The return of capital will not involve the payment by the Company of any cash amounts and the Company will retain sufficient current assets after the proposed capital return to pay its creditors.

(b) Effect on Shareholders

The return of capital will have no effect on the number of Shares held by Shareholders or on their proportionate interests in the share capital of the Company. The Company has no partly paid shares on issue and no convertible securities on issue.

(c) Effect on Company’s capital structure

The return of capital will have no effect on the total number of Shares on issue.

(d) Effect on Company’s contributed equity

On completion of the return of capital, the contributed equity of the Company will be reduced by the Capital Reduction Amount. Details of the effect the return of capital will have on the net asset position of the Company is contained in the pro-forma financial position set out below.

(e) Effect on Company’s financial position

To illustrate the effect of the return of capital on the financial position of the Company, the Pro Forma Statement of Financial Position (unaudited) set out below has been based on the Company’s reviewed financial statements at 31 December 2011 adjusted to reflect the Capital Return and the appreciation of the value of the Company’s Metminco shares (\$0.18 as at date of this Notice).



NOTE 1 – DISTRIBUTION OF METMINCO LIMITED SHARES (CONTINUED)

1.7 Effect on return of capital (Continued)

	Consolidated 31/12/2011	Revaluation of Other Financial Assets	Proposed Capital Return	Post Capital Return
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash	37,418			37,418
Trade and Other Receivables	52,058			52,058
Total Current Assets	89,476			89,476
Non-current Assets				
Property, Plant & Equipment	4,294			4,294
Capitalised Exploration	6,333,257			6,333,257
Other Financial Assets	18,604,658	9,302,329	(19,260,000)	8,646,987
Total Non-current Assets	24,942,209			14,984,538
Total Assets	25,031,685			15,074,014
LIABILITIES				
Current Liabilities				
Trade & Other Payables	3,135,749			3,135,749
Borrowings	3,263,250			3,263,250
Total Current Liabilities	6,398,999			6,398,999
Non-current Liabilities				
Deferred Tax Liabilities	516,266			516,266
Total Non-current Liabilities	516,266			516,266
Total Liabilities	6,915,265			6,915,265
Net Assets	18,116,420			8,158,749
EQUITY				
Issued Capital	39,351,423		(19,260,000)	20,091,423
Foreign Exchange Translation Reserve	(2,376,830)			(2,376,830)
Retained Profits/(Accumulated Losses)	(18,076,337)	9,302,329		(8,774,008)
Parent Entity Interest	18,898,256			8,940,585
Non-controlling Interest	(781,836)			(781,836)
Total Equity	18,116,420			8,158,749

N.B. The pro-forma adjustment entries have been calculated based on the market value of the Metminco shares proposed to be distributed, as at the date of the Notice of Meeting. The actual entries may differ depending on the market value of the Metminco shares at the date of distribution.



NOTE 1 – DISTRIBUTION OF METMINCO LIMITED SHARES (CONTINUED)

1.8 Tax consequences

The Company believes the distribution will constitute a disposal of the Metminco In-specie Shares and will result in a capital gain to the Company. However, the Company should have losses in excess of the likely capital gain, and hence no taxation liability is expected to arise to the Company.

The Company believes the taxation implications to Shareholders will be a reduction in the cost base of their Shares in the Company equal to the value of the Metminco In-specie Shares distributed to them. Should the value of the Metminco In-specie Shares distributed exceed this cost base, then an assessable capital gain may result, based on the number of Metminco In-specie Shares being distributed and the value at the Shares which were acquired by Shareholders.

Shareholders should consult their own professional advisors to confirm these implications as they may vary depending on individual circumstances and taxation positions.

The Company has not sought any class ruling from the ATO as to the tax implications of the return of capital to Shareholders. For specific taxation advice, Shareholders should consult their own taxation adviser so that their particular circumstances are taken into consideration.

1.9 Directors' interests

The Directors hold Shares in the Company, accordingly they will be taking part in the return of capital to Shareholders.

The table below sets out the interests of Directors (held directly or indirectly) in the Company as at the date of the Notice of Meeting:

Director	Number of shares held
R T Hudspeth	22,658,194
J S McIntyre	583,000
T V Willsted	1,103,834

1.10 Approvals required to implement return of capital

The proposed return of capital by way of the in-specie distribution of the Metminco In-specie Shares to Shareholders is an equal reduction.

Under Section 256B of the Corporations Act, the Company may only reduce its capital if:

- (a) It is fair and reasonable to Shareholders as a whole;
- (b) It does not materially prejudice the Company's ability to pay its creditors; and
- (c) It is approved by Shareholders in accordance with Section 256C of the Corporations Act.



NOTE 1 – DISTRIBUTION OF METMINCO LIMITED SHARES (CONTINUED)

1.10 Approvals required to implement return of capital (Continued)

Section 256C of the Corporations Act requires that an equal reduction be approved by Shareholders by an Ordinary Resolution passed at a general meeting of the Company.

In relation to these requirements:

- (a) the Board considers the return of capital to Shareholders is fair to all Shareholders as it applies to all Shareholders equally. Further, the Board considers the Return Per Share is a reasonable return to Shareholders;
- (b) the Board considers that the return of capital will not have a material impact on the Company's ability to pay its creditors; and
- (c) the Resolution requires approval of Shareholders in accordance with section 256C of the Corporations Act. This Notice notifies Shareholders of the Meeting at which approval of the Resolution is being sought.

1.11 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of the Resolution.

1.12 Other information

There is no further information known to the Company that is material to the decision of Shareholders on how to vote on this Resolution. If any Shareholder is in doubt as to how to vote on the Resolution or as to how the Resolution may affect the Shareholder, he or she should seek advice from his or her accountant, solicitor or other professional adviser as soon as possible.

SCRUTINEER

A representative of Computershare will act as a scrutineer for any poll that may be required at the meeting.

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to the Shareholders to ask questions and make comments on the management of the Company at the meeting.



DEFINED TERMS

In this Explanatory Memorandum and the Notice of Extraordinary General Meeting and Proxy Form:

ASX means ASX Limited (A.C.N. 008 624 691).

ATO means the Australian Tax Office.

Board means the Board of Directors of the Company.

Capital Reduction Amount means the total value of the Metminco In-specie Shares distributed to Shareholders of the Company .

Capital Return means the distribution of Metminco In-specie Shares to Shareholders by way of an in specie capital return.

Company or Takoradi means Takoradi Limited (A.C.N. 006 708 676).

Constitution means the Company's Constitution, as amended from time to time.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company from time to time and **Director** means any one of them.

Explanatory Memorandum means the explanatory memorandum which accompanies the Notice.

Extraordinary General Meeting or Meeting means the meeting convened by the Notice.

Metminco means Metminco Limited (A.C.N. 119 759 349).

Metminco In-specie Shares means up to 107 million Metminco shares to be distributed in-specie to Shareholders on the terms and conditions set out in the Explanatory Memorandum.

Metminco shares means fully paid ordinary shares in the capital of Metminco.

Notice or Notice of Meeting means this notice of Extraordinary General Meeting.

Ordinary Resolution means a resolution passed by more than 50% of the votes at this Meeting.

Proxy Form means the proxy form attached to this Notice.

Record Date means 13 June 2012.

Return Per Share means, subject to fractional entitlements being rounded down, 1.5 Metminco shares for every one Share held on the Record Date.

Resolution means the resolution contained in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Takoradi Limited

ABN 12 006 708 676

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 TKG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 10.00am (Sydney time) Saturday 2 June 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of TAKORADI LIMITED hereby appoint

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the Chairman
of the meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of TAKORADI LIMITED to be held at the Sofitel Wentworth Hotel, 61-101 Phillip Street, Sydney, Australia on Monday, 4 June 2012 at 10.00am and at any adjournment of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

1 To approve the distribution In-specie of Metminco Limited Shares

For

Against

Abstain

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

TKG

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Computershare +