



CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2008

(Expressed in Canadian Dollars, unless otherwise stated)
(unaudited)

ANOORAQ RESOURCES CORPORATION

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

	June 30	December 31
	2008	2007
	(unaudited)	
Assets		
Current assets		
Cash and equivalents	\$ 1,140,359	\$ 7,131,821
Amounts receivable	337,630	167,779
Prepaid expenses	40,436	101,409
	1,518,425	7,401,009
Deferred acquisition costs	1,330,949	368,146
Equipment (note 4)	408,061	105,494
Mineral property interests (note 5)	9,126,896	9,078,714
	\$ 12,384,331	\$ 16,953,363
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 549,408	\$ 475,102
Due to related parties (note 8)	101,294	45,609
Current portion of term loan (note 6)	767,022	1,892,197
	1,417,724	2,412,908
Term loan (note 6)	8,931,210	9,806,636
	10,348,934	12,219,544
Shareholders' equity		
Share capital	52,722,340	51,855,350
Contributed surplus	18,188,166	13,254,905
Deficit	(68,875,109)	(60,376,436)
	2,035,397	4,733,819
Nature of operations (note 1)		
Commitments (note 7(c))		
Proposed transaction (note 10)		
	\$ 12,384,331	\$ 16,953,363

See accompanying notes to consolidated financial statements

Approved by the Board of Directors

/s/ Philip Kotze

Philip Kotze
Director

/s/ Iemrahn Hassen

Iemrahn Hassen
Director

ANOORAQ RESOURCES CORPORATION
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Expenses				
Accounting, audit and legal	\$ 35,117	\$ 37,457	\$ 114,546	\$ 140,242
Accretion on term loan	20,483	26,011	44,385	51,959
Conference and travel	188,412	19,154	241,138	122,276
Consulting	106,908	6,705	128,890	85,434
Exploration (schedule)	70,098	48,868	128,468	81,888
Foreign exchange loss (gain)	299,021	(65,098)	(612,815)	(327,346)
Gain on disposal of fixed assets	(5,736)	–	(5,736)	–
Interest expense	463,873	516,116	906,493	959,292
Interest income	(40,734)	(212,261)	(135,459)	(432,039)
Office and administration	287,981	111,225	464,353	202,437
Salaries and benefits	689,525	633,466	1,705,087	963,220
Stock-based compensation - office and administration	5,110,375	–	5,232,693	1,044
Stock-based compensation - exploration	–	–	–	401
Shareholders communications	53,986	73,614	98,451	131,981
Trust and filing	26,332	57,403	189,179	199,001
Loss before the following	7,305,641	1,252,660	8,499,673	2,179,790
Future income tax recovery	–	(1,000)	(1,000)	(2,000)
Loss for the period	7,305,641	1,251,660	8,498,673	2,177,790
Other comprehensive loss	–	–	–	–
Total Comprehensive Loss	\$ 7,305,641	\$ 1,251,660	\$ 8,498,673	\$ 2,177,790
Basic and diluted loss per share	\$ 0.04	\$ 0.01	\$ 0.05	\$ 0.01
Weighted average number of common shares outstanding	185,253,743	154,821,467	185,235,828	151,542,901

See accompanying notes to consolidated financial statements

ANOORAQ RESOURCES CORPORATION

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

	Six months ended June 30, 2008		Year ended December 31, 2007	
	<i>(unaudited)</i>			
	<u>Number of shares</u>		<u>Number of shares</u>	
Share capital				
Balance at beginning of the period	185,208,607	\$ 51,855,350	148,220,407	\$ 50,207,363
Share purchase options exercised at \$1.40 per share	360,000	504,000	883,200	1,236,480
Share purchase options exercised at \$0.95 per share	–	–	100,000	95,000
Share purchase options exercised at \$2.97 per share	21,400	63,558	5,000	14,850
Fair value of stock options allocated to shares issued on exercise	–	299,432	–	301,657
Common shares issued	–	–	36,000,000	–
Balance at end of the period	185,590,007	\$ 52,722,340	185,208,607	\$ 51,855,350
Contributed surplus				
Balance at beginning of the period		\$ 13,254,905		\$ 4,849,043
Stock-based compensation		5,232,693		8,707,519
Fair value of stock options allocated to shares issued on exercise		(299,432)		(301,657)
Balance at end of the period		\$ 18,188,166		\$ 13,254,905
Deficit				
Balance at beginning of the period		\$ (60,376,436)		\$ (46,080,305)
Loss for the period		(8,498,673)		(14,296,131)
Balance at end of the period		\$ (68,875,109)		\$ (60,376,436)
TOTAL SHAREHOLDERS' EQUITY		\$ 2,035,397		\$ 4,733,819

See accompanying notes to consolidated financial statements

ANOORAQ RESOURCES CORPORATION

Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Operating activities				
Loss for the period	\$ (7,305,641)	\$ (1,251,660)	\$ (8,498,673)	\$ (2,177,790)
Items not involving cash				
Amortization included in exploration expenses	10,287	4,534	18,118	9,268
Accretion on term loan	20,483	26,011	44,385	51,959
Future income tax recovery	–	(1,000)	(1,000)	(2,000)
Accrued interest on term loan (note 6)	408,455	439,852	799,430	851,760
Stock-based compensation	5,110,375	–	5,232,693	1,445
Gain on disposal of equipment	(5,736)	–	(5,736)	–
Unrealized foreign exchange gain	249,860	61,000	(563,249)	(102,000)
Equity loss from interest in Ga-Phasha project (note 5)	91,001	17,667	11,818	36,470
Changes in non-cash operating working capital				
Amounts receivable	(88,078)	(27,749)	(169,851)	2,948
Amounts due to and from related parties	(224,739)	16,176	55,685	(7,942)
Prepaid expenses	21,066	41,353	60,973	65,069
Accounts payable and accrued liabilities	253,073	(34,556)	74,306	(830,671)
Cash and equivalents used by operating activities	(1,459,594)	(708,372)	(2,941,101)	(2,101,484)
Investing activities				
Purchase of equipment	(131,340)	(4,864)	(338,673)	(7,420)
Proceeds received on disposal of equipment	23,724	–	23,724	–
Deferred acquisition costs	(623,823)	–	(962,803)	–
Equity investment	–	(12,194)	–	(24,907)
Cash and equivalents used by investing activities	(731,439)	(17,058)	(1,277,752)	(32,327)
Financing activities				
Issuance of common shares	504,000	416,300	567,558	535,300
Payment of term loan interest	–	–	(1,777,979)	–
Cash and equivalents provided by (used by) financing activities	504,000	416,300	(1,210,421)	535,300
Effect of exchange rate changes on cash and equivalents	75,238	(524,659)	(562,188)	(1,056,369)
Decrease in cash and equivalents	(1,611,795)	(833,789)	(5,991,462)	(2,654,880)
Cash and equivalents, beginning of period	2,752,154	10,954,055	7,131,821	12,775,145
Cash and equivalents, end of period	\$ 1,140,359	\$ 10,120,266	\$ 1,140,359	\$ 10,120,266

Supplementary information

Interest paid	\$ –	\$ –	\$ 1,777,979	\$ –
Interest received	\$ (40,734)	\$ (212,261)	\$ (135,459)	\$ (432,039)
Taxes paid	\$ –	\$ –	\$ –	\$ –

Non-cash operating, financing and investing activities

Fair value of options allocated to shares issued on exercise	\$ 40,232	\$ 65,292	\$ 299,432	\$ 122,135
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See accompanying notes to consolidated financial statements

ANOORAQ RESOURCES CORPORATION

Consolidated Schedules of Exploration Expenses

(Unaudited - Expressed in Canadian Dollars)

Republic of South Africa	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Northern Limb of the Bushveld Complex				
Amortization	\$ 10,287	\$ 4,534	\$ 18,118	\$ 9,268
Assays and analysis	–	(2,227)	–	200
Engineering	6,426	11,407	11,354	19,784
Geological and consulting	54,816	21,436	56,661	26,561
Graphics	1,348	100	3,286	2,084
Property fees and assessments (recovery)	(9,219)	(22,599)	(10,664)	(22,599)
Property option payments	(126)	26,940	10,406	32,548
Site activities	23,396	3,348	25,292	5,429
Transportation	(25,719)	3,358	9,358	3,358
	61,209	46,297	123,811	76,633
Eastern Limb of the Bushveld Complex				
Geological and consulting	12	2,571	4,657	5,255
Graphics	(454)	–	–	–
Property fees and assessments	9,331	–	–	–
	8,889	2,571	4,657	5,255
Exploration expenses before the following	70,098	48,868	128,468	81,888
Stock-based compensation	–	–	–	401
Exploration expenses	70,098	48,868	128,468	82,289
Cumulative expenditures, beginning of period	26,040,433	23,646,735	25,982,063	23,613,314
Cumulative expenditures, end of period	\$ 26,110,531	\$ 23,695,603	\$ 26,110,531	\$ 23,695,603

See accompanying notes to consolidated financial statements