



CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED  
JUNE 30, 2009

*(Unaudited)*

(Expressed in Canadian Dollars, unless otherwise stated)

*These financial statements have not been reviewed by the Company's auditors*

**ANOORAQ RESOURCES CORPORATION**  
**Consolidated Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian Dollars)

	note	June 30 2009	December 31 2008
			(as restated per note 11)
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Deferred acquisition costs		\$ 13,412,879	\$ 1,587,959
Equipment		411,742	469,635
Investment in joint venture	7	2,239,932	2,518,971
Mineral property interests	8	4,200,000	4,200,000
		<u>20,264,553</u>	<u>8,776,565</u>
<b>Current assets</b>			
Accounts receivable		340,862	158,644
Prepaid expenses		17,543	112,910
Cash and cash equivalents		451,601	3,850,674
		<u>810,006</u>	<u>4,122,228</u>
<b>Total Assets</b>		<b>\$ 21,074,559</b>	<b>\$ 12,898,793</b>
<b>EQUITY</b>			
Share capital		\$ 55,843,998	\$ 54,948,341
Reserves		19,460,510	17,584,974
Foreign Currency Translation Reserve		(2,178,249)	129,684
Accumulated deficit		(83,560,626)	(76,266,461)
		<u>(10,434,367)</u>	<u>(3,603,462)</u>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Long term loan	9	<u>–</u>	<u>12,967,753</u>
<b>Current Liabilities</b>			
Balances payable to related parties	10	748,000	794,072
Accounts payable and accrued liabilities		12,555,676	1,004,767
Current portion of term loan	9	18,205,250	1,735,663
		<u>31,508,926</u>	<u>3,534,502</u>
<b>Total Liabilities</b>		<b><u>31,508,926</u></b>	<b><u>16,502,255</u></b>
<b>Total Equity and Liabilities</b>		<b>\$ 21,074,559</b>	<b>\$ 12,898,793</b>

*The accompanying notes are an integral part of these consolidated interim financial statements.*

Approved by the Board of Directors

/s/ Philip Kotze

Philip Kotze  
Director

/s/ Iemrahn Hassen

Iemrahn Hassen  
Director

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

	<b>Three months ended June 30</b>		<b>Six months ended June 30</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	(as restated per note 11)		(as restated per note 11)	
<b>Expenses</b>				
Accounting, audit and legal	\$ 311,985	\$ 35,117	\$ 372,575	\$ 114,546
Amortization	31,350	10,287	59,722	18,118
Conference and travel	149,959	188,412	198,651	241,138
Consulting	105,361	106,908	167,397	128,890
Exploration	1,350	59,811	28,542	110,350
Foreign exchange loss	2,049	81	2,768	1,598
Office and administration	165,098	287,981	397,855	464,353
Salaries and benefits	1,800,194	689,525	2,598,947	1,705,087
Share-based compensation	1,824,077	5,110,375	1,875,536	5,232,693
Shareholders communications	86,626	53,986	122,299	98,451
Trust and filing	85,946	26,332	161,039	189,179
Net loss from operating activities	4,563,995	6,568,815	5,985,331	8,304,403
Equity loss from joint venture	106,064	52,772	212,423	104,417
Interest income	(18,317)	(40,734)	(68,594)	(135,459)
Interest costs	590,446	491,616	1,191,312	906,493
Rental income	(12,037)	–	(26,307)	–
Gain on disposal of equipment	–	(5,736)	–	(5,736)
<b>Loss for the period</b>	<b>5,230,151</b>	<b>7,066,733</b>	<b>7,294,165</b>	<b>9,174,118</b>
Other comprehensive loss (income)				
Foreign exchange loss (gain) on translation of foreign operation	2,150,388	181,101	2,307,933	(244,817)
<b>Total comprehensive loss</b>	<b>\$ 7,380,539</b>	<b>\$ 7,247,834</b>	<b>\$ 9,602,098</b>	<b>\$ 8,929,301</b>
<b>Basic and diluted loss per share</b>	<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>
Weighted average number of common shares outstanding	186,640,007	185,253,743	186,640,007	185,253,743

*The accompanying notes are an integral part of these consolidated interim financial statements.*

**ANOORAQ RESOURCES CORPORATION**

**Consolidated Interim Statement of Changes in Equity**

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves	Deficit	Foreign Currency Translation	Total Equity
	Number of shares	Amount				
<b>Balance at January 1, 2008</b>	185,208,607	\$ 51,855,350	\$ 13,254,905	\$ (62,296,365)	\$ –	\$ 2,813,890
Share based compensation	–	–	5,232,693	–	–	5,232,693
Share options exercised	1,431,400	866,990	(299,432)	–	–	567,558
Comprehensive income (loss) for the period	–	–	–	(9,174,118)	244,817	(8,929,301)
<b>Balance at June 30, 2008</b>	<b>186,640,007</b>	<b>\$ 52,722,340</b>	<b>\$ 18,188,166</b>	<b>\$ (71,470,483)</b>	<b>\$ 244,817</b>	<b>\$ (315,160)</b>
<b>Balance at January 1, 2009</b>	186,640,007	\$ 54,948,341	\$ 17,584,974	\$ (76,266,461)	\$ 129,684	\$ (3,603,462)
Share based compensation	–	–	1,875,536	–	–	1,875,536
Share issued	806,898	895,657	–	–	–	895,657
Comprehensive loss for the period	–	–	–	(7,294,165)	(2,307,933)	(9,602,098)
<b>Balance at June 30, 2009</b>	<b>187,446,905</b>	<b>\$ 55,843,998</b>	<b>\$ 19,460,510</b>	<b>\$ (83,560,626)</b>	<b>\$ (2,178,249)</b>	<b>\$ (10,434,367)</b>

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**ANOORAQ RESOURCES CORPORATION**  
**Consolidated Interim Statement of Cash Flows**  
(Unaudited - Expressed in Canadian Dollars)

	<b>Three months ended June 30</b>		<b>Six months ended June 30</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Operating activities</b>				
Net loss for the period	\$ (5,230,151)	\$ (7,066,733)	\$ (7,294,165)	\$ (9,174,118)
Adjustments for:				
Amortization	31,350	10,287	59,722	18,118
Interest costs	590,446	491,616	1,191,312	906,493
Share-based compensation	1,824,077	5,110,375	1,875,536	5,232,693
Unrealized foreign exchange loss (gain)	20,681	(40,558)	13,665	(71,142)
Equity loss from joint venture	106,064	52,772	212,423	104,417
Common shares issued as compensation	895,657	–	895,657	–
Changes in non-cash operating working capital:				
Accounts receivable and prepaid expenses	(118,389)	(55,267)	(86,851)	(97,133)
Accounts payable and accrued liabilities	11,844,174	253,073	11,550,909	74,306
Balances payable to related parties	125,115	(236,484)	(46,072)	43,940
<b>Cash and cash equivalents provided by (used in) operating activities</b>	<b>10,089,024</b>	<b>(1,480,919)</b>	<b>8,372,136</b>	<b>(2,962,426)</b>
<b>Investing activities</b>				
Purchase of equipment	(89)	(131,340)	(1,829)	(338,673)
Proceeds on disposal of fixed assets	–	23,724	–	23,724
Deferred acquisition costs	(11,793,765)	(623,823)	(11,824,920)	(962,803)
<b>Cash and cash equivalents (used in) investing activities</b>	<b>(11,793,854)</b>	<b>(731,439)</b>	<b>(11,826,749)</b>	<b>(1,277,752)</b>
<b>Financing activities</b>				
Finance costs paid	–	21,325	–	(1,756,654)
Common shares issued for cash, net of issue costs	–	504,000	–	567,558
<b>Cash and cash equivalents provided by (used in) financing activities</b>	<b>–</b>	<b>525,325</b>	<b>–</b>	<b>(1,189,096)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(1,704,830)</b>	<b>(1,687,033)</b>	<b>(3,454,613)</b>	<b>(5,429,274)</b>
Effect of exchange rate fluctuations on cash held	110,066	75,238	55,540	(562,188)
Cash and cash equivalents, beginning of period	2,046,365	2,752,154	3,850,674	7,131,821
<b>Cash and cash equivalents at end of period</b>	<b>\$ 451,601</b>	<b>\$ 1,140,359</b>	<b>\$ 451,601</b>	<b>\$ 1,140,359</b>

*The accompanying notes are an integral part of these consolidated interim financial statements.*

**ANOORAQ RESOURCES CORPORATION**  
**Consolidated Schedules of Exploration Expenses**  
(Unaudited - Expressed in Canadian Dollars)

<b>Republic of South Africa</b>	<b>Three months ended June 30</b>		<b>Six months ended June 30</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Northern Limb of the Bushveld Complex</b>				
Amortization	\$ –	\$ –	\$ –	\$ –
Assays and analysis	(61)	–	(61)	–
Engineering	1,322	6,426	26,749	11,354
Geological and consulting	–	54,816	–	56,661
Graphics	–	1,348	53	3,286
Property fees and assessments (recovery)	(424)	(9,219)	(8,589)	(10,664)
Property option payments	513	(126)	10,390	10,406
Site activities	–	23,396	–	25,292
Transportation	–	(25,719)	–	9,358
	<b>1,350</b>	<b>50,922</b>	<b>28,542</b>	<b>105,693</b>
<b>Eastern Limb of the Bushveld Complex</b>				
Geological and consulting	–	12	–	4,657
Graphics	–	(454)	–	–
Property fees and assessments	–	9,331	–	–
	–	<b>8,889</b>	–	<b>4,657</b>
<b>Exploration expenses</b>	<b>1,350</b>	<b>59,811</b>	<b>28,542</b>	<b>110,350</b>
Cumulative expenditures, beginning of period	26,296,327	25,977,731	26,269,135	26,927,192
<b>Cumulative expenditures, end of period</b>	<b>\$ 26,297,677</b>	<b>\$ 26,037,542</b>	<b>\$ 26,297,677</b>	<b>\$ 27,037,542</b>

*The accompanying notes are an integral part of these consolidated interim financial statements.*

## ANOORAQ RESOURCES CORPORATION

Notes to Consolidated Interim Financial Statements

For the three and six months ended June 30, 2009

(Unaudited – Expressed in Canadian Dollars, unless stated otherwise)

### Reconciliation of Assets, Liabilities and Equity

	As at January 1, 2008			As at June 30, 2008			As at December 31, 2008			
	note	GAAP	Effect of Transition to IFRS	IFRS	GAAP	Effect of Transition to IFRS	IFRS	GAAP	Effect of Transition to IFRS	IFRS
<b>ASSETS</b>										
Non-current assets										
Deferred acquisition costs		368,146	–	\$ 368,146	\$1,330,949	\$ –	\$1,330,949	\$1,587,959	\$ –	\$1,587,959
Equipment		105,494	–	105,494	408,061	–	408,061	469,635	–	469,635
Investment in joint venture	11(b) (d)	4,878,714	(1,919,929)	2,958,785	4,926,896	(2,290,525)	2,636,371	4,793,645	(2,274,674)	2,518,971
Mineral property interests		4,200,000	–	4,200,000	4,200,000	–	4,200,000	4,200,000	–	4,200,000
<b>Total non-current assets</b>		<b>9,552,354</b>	<b>(1,919,929)</b>	<b>7,632,425</b>	<b>10,865,906</b>	<b>(2,290,525)</b>	<b>8,575,381</b>	<b>11,051,239</b>	<b>(2,274,674)</b>	<b>8,776,565</b>
Current assets										
Accounts receivable		167,779	–	167,779	337,630	–	337,630	158,644	–	158,644
Receivable from related parties		–	–	–	–	–	–	–	–	–
Prepaid expenses		101,409	–	101,409	40,436	–	40,436	112,910	–	112,910
Cash and cash equivalents		7,131,821	–	7,131,821	1,140,359	–	1,140,359	3,850,674	–	3,850,674
<b>Total current assets</b>		<b>7,401,009</b>	<b>–</b>	<b>7,401,009</b>	<b>1,518,425</b>	<b>–</b>	<b>1,518,425</b>	<b>4,122,228</b>	<b>–</b>	<b>4,122,228</b>
<b>Total Assets</b>		<b>16,953,363</b>	<b>(1,919,929)</b>	<b>15,033,434</b>	<b>12,384,331</b>	<b>(2,290,525)</b>	<b>10,093,806</b>	<b>15,173,467</b>	<b>(2,274,674)</b>	<b>12,898,793</b>

## ANOORAQ RESOURCES CORPORATION

Notes to Consolidated Interim Financial Statements

For the three and six months ended June 30, 2009

(Unaudited – Expressed in Canadian Dollars, unless stated otherwise)

Note	As at January 1, 2008			As at June 30, 2008			As at December 31, 2008		
	GAAP	Effect of Transition to IFRS	IFRS	GAAP	Effect of Transition to IFRS	IFRS	GAAP	Effect of Transition to IFRS	IFRS
<b>SHAREHOLDER'S EQUITY</b>									
Share capital	51,855,350	–	<b>51,855,350</b>	52,722,340	–	<b>52,722,340</b>	54,948,341	–	<b>54,948,341</b>
Reserves	13,254,905	–	<b>13,254,905</b>	18,188,166	–	<b>18,188,166</b>	17,584,974	–	<b>17,584,974</b>
Translation reserve	11(b) –	–	–	–	244,817	<b>244,817</b>	–	129,684	<b>129,684</b>
Accumulated loss	(60,376,436)	(1,919,929)	<b>(62,296,365)</b>	(68,875,109)	(2,535,342)	<b>(71,410,451)</b>	(73,862,103)	(2,404,358)	<b>(76,266,461)</b>
<b>Total Equity</b>	<b>4,733,819</b>	<b>(1,919,929)</b>	<b>2,813,890</b>	<b>2,035,397</b>	<b>(2,290,525)</b>	<b>(255,128)</b>	<b>(1,328,788)</b>	<b>(2,274,674)</b>	<b>(3,603,462)</b>
<b>LIABILITIES</b>									
<b>Non-Current Liabilities</b>									
Long-term loan	9,806,636	–	<b>9,806,636</b>	8,931,210	–	<b>8,931,210</b>	12,967,753	–	<b>12,967,753</b>
<b>Current Liabilities</b>									
Balances payable to related parties	45,609	–	<b>45,609</b>	101,294	–	<b>101,294</b>	794,072	–	<b>794,072</b>
Accounts payable and accrued liabilities	475,102	–	<b>475,102</b>	549,408	–	<b>549,408</b>	1,004,767	–	<b>1,004,767</b>
Accrued finance costs	1,892,197	–	<b>1,892,197</b>	767,022	–	<b>767,022</b>	1,735,663	–	<b>1,735,663</b>
	<b>2,412,908</b>	–	<b>2,412,908</b>	<b>1,417,724</b>	–	<b>1,417,724</b>	<b>3,534,502</b>	–	<b>3,534,502</b>
<b>Total Liabilities</b>	<b>12,219,544</b>	–	<b>12,219,544</b>	<b>10,348,934</b>	–	<b>10,348,934</b>	<b>16,502,255</b>	–	<b>16,502,255</b>
<b>Total Equity and Liabilities</b>	<b>16,953,363</b>	<b>(1,919,929)</b>	<b>15,033,434</b>	<b>12,384,331</b>	<b>(2,290,525)</b>	<b>10,093,806</b>	<b>15,173,467</b>	<b>(2,274,674)</b>	<b>12,898,793</b>



# ANOORAQ RESOURCES CORPORATION

Notes to Consolidated Interim Financial Statements

For the three and six months ended June 30, 2009

(Unaudited – Expressed in Canadian Dollars, unless stated otherwise)

## Reconciliation of Loss and Comprehensive Loss

	Note	Three months ended June 30, 2008			Six months ended June 30, 2008		
		GAAP	Effect of Transition to IFRS	IFRS	GAAP	Effect of Transition to IFRS	IFRS
<b>Expenses</b>							
Accounting, audit and legal		\$ 35,117	\$ –	\$ 35,117	\$ 114,546	\$ –	\$ 114,546
Amortization		10,287	–	10,287	18,118	–	18,118
Conference and travel		188,412	–	188,412	241,138	–	241,138
Consulting		106,908	–	106,908	128,890	–	128,890
Exploration	11(a)	59,811	–	59,811	110,350	–	110,350
Foreign exchange loss (gain)	11(b)	299,021	(289,940)	81	(612,815)	614,413	1,598
Gain on disposal of fixed assets		(5,736)	–	(5,736)	(5,736)	–	(5,736)
Office and administration		287,981	–	287,981	464,353	–	464,353
Salaries and benefits		689,525	–	689,525	1,705,087	–	1,705,087
Share-based compensation		5,110,375	–	5,110,375	5,232,693	–	5,232,693
Shareholders communications		53,986	–	53,986	98,451	–	98,451
Trust and filing		26,332	–	26,332	189,179	–	189,179
Net loss from operating activities		6,862,019	(289,940)	<b>6,572,079</b>	7,684,254	614,413	<b>8,298,667</b>
Equity loss on joint venture	11(a)	–	52,772	52,772	–	104,417	104,417
Interest income		(40,734)	–	(40,734)	(135,459)	–	(135,459)
Finance costs	11(a)	484,356	7,260	491,616	862,108	44,385	906,493
Net loss before taxes		7,305,641	(229,908)	<b>7,066,733</b>	8,410,903	763,215	<b>9,174,118</b>
Future income tax recovery	11(d)	–	–	–	(1,000)	1,000	–
Loss for the period		7,305,641	(229,908)	<b>7,066,733</b>	8,409,903	764,215	<b>9,174,118</b>
Foreign exchange (gain) loss on translation of foreign operation	11(b)	–	181,101	<b>181,101</b>	–	(244,817)	<b>(244,817)</b>
<b>Total comprehensive loss</b>		<b>\$ 7,305,641</b>	<b>\$ (48,807)</b>	<b>\$ 7,247,834</b>	<b>\$ 8,409,903</b>	<b>\$ 519,398</b>	<b>\$ 8,929,301</b>

# ANOORAQ RESOURCES CORPORATION

Notes to Consolidated Interim Financial Statements

For the three and six months ended June 30, 2009

(Unaudited – Expressed in Canadian Dollars, unless stated otherwise)

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## Notes to Reconciliations

### (a) *Basis of Consolidation*

Under GAAP, the Company accounted for its 50% interest in GPM as a variable interest entity. However, the Company is not considered the primary beneficiary and therefore accounted for its interest using the equity method.

IFRS does not include the concept of a variable interest entity. IFRS requires the Company to consolidate entities including Special Purpose Entities ("SPE") only where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. On transition to IFRS, the Company has determined that GPM is not a SPE and that the Company has joint control of GPM. Accordingly, under IFRS, the Company can elect to use either the equity method or proportionate consolidation method to account for its interest in GPM.

The Company has elected to continue using the equity method of accounting for Anooraq's interest in GPM. Therefore, other than an adjustment related to foreign currency discussed below, there was no impact on the opening balance sheet at the Transition Date or on the consolidated balance sheet at December 31, 2008 other than the effect of the foreign currency translation adjustment noted below. The Company's equity investment in joint venture is now presented separately on the balance sheet rather than included in mineral property interests.

### (b) *Functional Currency*

Under GAAP, all the Company's subsidiaries were integrated foreign operations. Therefore, monetary items were translated at period end rates and non-monetary items were translated at average rates with all foreign currency gains and losses recognized in profit or loss. IFRS requires that the functional currency of each subsidiary of the Company be determined separately.

It was determined that as at the Transition Date, the Canadian dollar was the functional currency of all subsidiaries except Plateau and GPM, which have ZAR as their functional currency. In accordance with the IFRS 1 optional exemptions, the Company has elected to transfer the foreign currency translation differences, recognized as a separate component of shareholder's equity, to accumulated loss on the Transition Date.

### (c) *Share-based Payment*

Under GAAP, the Company measured share-based compensation related to share options at the fair value of the options granted using the Black-Scholes option pricing formula and recognized this expense over the vesting period of the options. For the purpose of accounting for share-based payment transactions, an individual was classified as an employee when the individual was consistently represented to be an employee under law. The fair value of the options granted to employees was measured on the date of grant. The fair value of options granted to contractors and consultants (non-employee) were measured on the date the services were completed. Forfeitures were recognized as they occurred.

# ANOORAQ RESOURCES CORPORATION

Notes to Consolidated Interim Financial Statements

For the three and six months ended June 30, 2009

(Unaudited – Expressed in Canadian Dollars, unless stated otherwise)

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IFRS 2, similar to GAAP, requires the Company to measure share-based payment transactions related to share options granted to employees at the fair value of the options on the date of grant and to recognize such expense over the vesting period of the options. However, for options granted to non-employees, IFRS requires that share-based compensation be measured at the fair value of the services received unless the fair value cannot be reliably measured. For the purpose of accounting for share-based payment transactions, an individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. This definition of an employee is broader than that previously applied by the Company and resulted in certain contractors and consultants being classified as employees under IFRS. However, the Company has determined that no adjustments was required at the Transition Date, on June 30, 2008 or for the year ended December 31, 2008.

(d) *Deferred tax on mineral properties*

Under GAAP, in determination of the net loss from its interest in GPM, the Company recognized future income taxes on temporary differences arising on the initial recognition of the GPM mineral property interest (where the fair value of the asset acquired exceeded its tax basis) in a transaction which was not a business combination and affected neither accounting profit (loss) nor taxable profit (loss). IAS 12, *Income Taxes* ("IAS 12"), does not permit the recognition of deferred taxes on such transactions.

As of the Transition Date, June 30, 2008, and December 31, 2008, the Company has derecognized the impacts of all deferred taxes which had previously been recognized on the initial acquisition of the mineral properties through transactions deemed not to be business combinations and affecting neither accounting profit (loss) nor taxable profit (loss).

(e) *Presentation*

Certain amounts on the balance sheet, statement of comprehensive loss and statement of cash flows have been reclassified to conform to the presentation adopted under IFRS.