



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2010

(Unaudited)

(Expressed in Canadian Dollars unless otherwise stated)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Financial Position

As at 30 June 2010

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

			<u>Audited</u>
	<u>Note</u>	<u>30 June 2010</u>	<u>31 December 2009</u>
Assets			
Non-current assets			
Property, plant and equipment	5	907,387,297	693,393,736
Capital work-in-progress	6	8,975,176	235,838,915
Mineral property interests		13,072,908	13,223,703
Goodwill		12,138,061	12,382,569
Platinum producers' environmental trust (restricted cash)		2,596,267	2,578,131
Other non-current assets		714	729
Total non-current assets		944,170,423	957,417,783
Current assets			
Inventories		403,078	1,091,860
Trade and other receivables		28,988,051	23,466,503
Cash and cash equivalents		30,692,492	30,947,511
Restricted cash		1,262,450	1,291,348
Total current assets		61,346,071	56,797,222
Total assets		1,005,516,494	1,014,215,005
Equity and Liabilities			
Equity			
Share capital		229,694,788	229,631,388
Foreign currency translation reserve		(11,925,477)	(9,390,899)
Hedging reserve		(2,652,675)	(731,293)
Share-based payment reserve		20,696,823	19,770,786
Accumulated loss		(129,621,636)	(111,798,092)
Total equity attributable to equity holders of the Group		106,191,823	127,481,890
Non-controlling interest		64,925,780	82,025,730
Total equity		171,117,603	209,507,620
Liabilities			
Non-current liabilities			
Loans and borrowings	7	596,659,999	555,509,417
Deferred taxation		203,053,464	213,484,109
Provisions		7,011,396	7,021,038
Derivative liability		3,420,150	1,590,945
Total non-current liabilities		810,145,009	777,605,509
Current liabilities			
Trade and other payables		24,253,882	26,948,647
Current tax payable		-	153,229
Total current liabilities		24,253,882	27,101,876
Total liabilities		834,398,891	804,707,385
Total equity and liabilities		1,005,516,494	1,014,215,005

Approved by the Board of Directors on 5 August 2010

/s/ Philip Kotze

Philip Kotze (Director)

/s/ Fikile De Buck

Fikile De Buck (Director)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Comprehensive Loss

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>Note</u>	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
		2010	2009 <i>Restated</i> (Note 4)	2010	2009 <i>Restated</i> (Note 4)
Revenue		38,354,910	–	70,561,013	–
Cost of sales		(40,919,441)	–	(76,551,589)	–
Gross loss		(2,564,531)	–	(5,990,576)	–
Administrative expenses		(3,273,206)	(4,563,995)	(5,944,844)	(5,985,331)
Other operating expenses		(336,306)	–	(336,306)	–
Transaction costs		(51,030)	(5,551,586)	(51,030)	(7,222,137)
Other income		(2,806)	12,037	82,617	26,307
Operating loss		(6,227,879)	(10,103,544)	(12,240,139)	(13,181,161)
Finance income		283,078	18,317	583,015	68,594
Finance expense		(17,336,496)	(590,446)	(27,596,502)	(1,191,312)
Net finance expense		(17,053,418)	(572,129)	(27,013,487)	(1,122,718)
Share of loss of equity accounted investees (net of income tax)		–	(106,064)	–	(212,423)
Loss before income tax		(23,281,297)	(10,781,737)	(39,253,626)	(14,516,302)
Income tax		3,357,844	–	6,139,149	–
Loss for the period		(19,923,453)	(10,781,737)	(33,114,477)	(14,516,302)
Other comprehensive income/(loss)					
Foreign currency translation differences for foreign operations		314,175	(2,150,388)	(4,329,154)	(2,307,933)
Effective portion of changes in fair value of cash flow hedges		(444,297)	–	(1,935,823)	–
Other comprehensive loss for the period, net of income tax		(130,122)	(2,150,388)	(6,264,977)	(2,307,933)
Total comprehensive loss for the period		(20,053,575)	(12,932,125)	(39,379,454)	(16,824,235)
Loss attributable to:					
Owners of the Company		(10,825,637)	(10,781,737)	(17,823,544)	(14,516,302)
Non-controlling interest		(9,097,816)	–	(15,290,933)	–
Loss for the period		(19,923,453)	(10,781,737)	(33,114,477)	(14,516,302)
Total comprehensive loss attributable to:					
Owners of the Company		(11,055,662)	(12,932,125)	(22,279,504)	(14,824,235)
Non-controlling interest		(8,997,913)	–	(17,099,950)	–
Total comprehensive loss for the period		(20,053,575)	(12,932,125)	(39,379,454)	(14,824,235)
Earnings per share					
Basic and diluted loss per share		(0.03)	(0.06)	(0.04)	(0.08)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statement of Changes in Equity

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

	Attributable to equity holders of the Company									
	Share Capital	Treasury Shares	Convertible preference shares	Foreign currency translation	Share-based payment reserve	Hedging reserve	Accumulated loss	Total	Non-controlling interest	Total
For the period ended 30 June 2009 (Restated)										
Balance at 1 January 2009	54,948,340	-	-	129,684	17,584,974	-	(76,266,461)	(3,603,463)	-	(3,603,463)
Total comprehensive income/(loss) for the period										
Loss for the period	-	-	-	-	-	-	(14,516,302)	(14,516,302)	-	(14,516,302)
Other comprehensive income/(loss)										
Foreign currency translation differences	-	-	-	(2,307,933)	-	-	-	(2,307,933)	-	(2,307,933)
Total other comprehensive loss	-	-	-	(2,307,933)	-	-	-	(2,307,933)	-	(2,307,933)
Total comprehensive loss for the period	-	-	-	(2,307,933)	-	-	(14,516,302)	(16,824,235)	-	(16,824,235)
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share-based payment transactions	-	-	-	-	1,875,536	-	-	1,875,536	-	1,875,536
Share issue	895,657	-	-	-	-	-	-	895,657	-	895,657
Total contributions by and distributions to owners	895,657	-	-	-	1,875,536	-	-	2,771,193	-	2,771,193
Balance at 30 June 2009	55,843,997	-	-	(2,178,249)	19,460,510	-	(90,782,763)	(17,656,505)	-	(17,656,505)
For the period ended 30 June 2010										
Balance at 1 January 2010	71,713,114	(4,991,726)	162,910,000	(9,390,899)	19,770,786	(731,293)	(111,798,092)	127,481,890	82,025,730	209,507,620
Total comprehensive income/(loss) for the period										
Loss for the period	-	-	-	-	-	-	(17,823,544)	(17,823,544)	(15,290,933)	(33,114,477)
Other comprehensive income/(loss)										
Foreign currency translation differences	-	-	-	(2,534,578)	-	14,441	-	(2,520,137)	(1,809,017)	(4,329,154)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(1,935,823)	-	(1,935,823)	-	(1,935,823)
Total other comprehensive loss	-	-	-	(2,534,578)	-	(1,921,382)	-	(4,455,960)	(1,809,017)	(6,264,977)
Total comprehensive loss for the period	-	-	-	(2,534,578)	-	(1,921,382)	(17,823,544)	(22,279,504)	(17,099,950)	(39,379,454)
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share-based payment transactions	-	-	-	-	926,037	-	-	926,037	-	926,037
Share issue	63,400	-	-	-	-	-	-	63,400	-	63,400
Total contributions by and distributions to owners	63,400	-	-	-	926,037	-	-	989,437	-	989,437
Balance at 30 June 2010	71,776,514	(4,991,726)	162,910,000	(11,925,477)	20,696,823	(2,652,675)	(129,621,636)	106,191,823	64,925,780	171,117,603

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Cash Flows

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>Note</u>	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
			<i>Restated</i>		<i>Restated</i>
			(Note 4)		(Note 4)
Cash flows from operating activities					
Cash (utilised by)/generated from operations	8	(2,080,046)	4,519,121	(5,592,729)	2,669,364
Interest received		255,232	18,317	515,482	68,594
Interest paid		-	-	(12,754)	-
Taxation paid		-	-	(299,394)	-
Cash (utilised by)/generated from operating activities		(1,824,814)	4,537,438	(5,389,395)	2,737,958
Cash flows from investing activities					
Additions to property, plant and equipment		(6,611,036)	(89)	(10,845,917)	(1,829)
Proceeds on disposal of property, plant and equipment		47,002	-	47,002	-
Deferred acquisition costs		-	(6,242,179)	-	(6,190,742)
Investment in environmental trusts		(668)	-	(668)	-
Cash utilised by investing activities		(6,564,702)	(6,242,268)	(10,799,583)	(6,192,571)
Cash flows from financing activities					
Long term borrowings raised – OCSF		10,906,147	-	16,410,632	-
Common shares issued		-	-	25,800	-
Cash generated from financing activities		10,906,147	-	16,436,432	-
Effect of foreign currency translation		143,380	110,066	(502,473)	55,540
Net increase/(decrease) in cash and cash equivalents		2,660,011	(1,594,764)	(255,019)	(3,399,073)
Cash and cash equivalents, beginning of period		28,032,481	2,046,365	30,947,511	3,850,674
Cash and cash equivalents, end of period		30,692,492	451,601	30,692,492	451,601

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

1. REPORTING ENTITY

Anooraq Resources Corporation (the "Company" or "Anooraq") is incorporated in the Province of British Columbia, Canada. The condensed consolidated interim financial statements of the Company as at and for the three and six months ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and jointly controlled entities. The consolidated financial statements of the Group as at and for the year ended 31 December 2009 are available upon request from the Company's registered office at 82 Grayston Drive, Sandton, South Africa or at www.sedar.com.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009, except for the following standards and interpretations adopted in the current financial interim period:

- Amendments to IAS 39, *Eligible hedged items*
- Amendments to IFRS 2, *Share-based payments: vesting conditions and cancellations*
- IFRIC 17, *Distribution of Non-cash assets to owners*
- Various improvements to IFRS 2010

There was no significant impact on these condensed consolidated interim financial statements as a result of adopting these standards and interpretations.

4. RESTATEMENT OF 30 JUNE 2009 RESULTS

The Group early adopted IFRS 3, *Business Combinations (2008)*, for all business combinations occurring in the financial year commencing 1 January 2009. As a result of the change in accounting policy, transaction costs relating to the six months ended 30 June 2009, amounting to \$7,222,137 (for the three months ended 30 June 2009, amounting to \$5,551,586), previously capitalised were expensed. The restated loss for the six months ended 30 June 2009 is \$14.5 million compared to \$7.3 million as previously reported (for the three months ended 30 June 2009, the restated loss is \$10.8 million compared to the \$5.2 million as previously reported).

The restated cash generated from operations and utilised by investing activities for the six months ended 30 June 2009 are \$2,737,958 and \$6,192,571 respectively, compared to \$8,372,136 and \$11,826,749 respectively, as previously reported (for the three months ended 30 June 2009, the restated cash generated from operations and utilised by investing activities are \$4,537,438 and \$6,242,268 compared to \$10,089,024 and \$11,793,854 as previously reported).

The basic and diluted loss per share were also restated for the six months ended 30 June 2009 to \$0.08 per share from \$0.05 which was previously reported (for the three months ended 30 June 2009 the basic and diluted loss per share were restated to \$0.06 from \$0.04 which was previously reported).

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>Six months ended 30 June</u>	<u>Year ended 31 December</u>
	<u>2010</u>	<u>2009</u>
5. PROPERTY, PLANT AND EQUIPMENT		
Summary		
Cost		
Balance at beginning of period	707,131,018	540,482
Arising from business combinations	-	725,226,891
Additions	1,961,027	31,478
Transferred from capital work-in-progress	235,173,963	9,382,489
Disposals	(132,355)	(49,072)
Adjustment to rehabilitation assets	-	2,691,883
Effect of translation	(11,028,612)	(30,693,133)
Balance at end of period	<u>933,105,041</u>	<u>707,131,018</u>
Accumulated depreciation		
Balance beginning of period	13,737,282	70,847
Charge for the period	12,192,443	13,557,111
Disposals	(90,430)	-
Effect of translation	(121,551)	109,324
Balance at end of period	<u>25,717,744</u>	<u>13,737,282</u>
Carrying value	<u>907,387,297</u>	<u>693,393,736</u>

6. CAPITAL WORK-IN-PROGRESS

Capital work-in-progress consists of mine development and infrastructure costs relating to the Bokoni mine and will be transferred to property, plant and equipment when the relevant projects are commissioned.

Balance at beginning of period	235,838,915	-
Arising from business combination	-	216,194,965
Additions	8,884,890	24,418,832
Transfer to property, plant and equipment	(235,173,963)	(9,382,489)
Capitalisation of borrowing costs	7,136,183	13,580,559
Impairment	(336,306)	-
Effect of translation	(7,374,543)	(8,972,952)
Balance at end of period	<u>8,975,176</u>	<u>235,838,915</u>

Capital work-in-progress is funded through cash generated from operations and available loan facilities.

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>Six months</u> <u>ended 30 June</u> <u>2010</u>	<u>Year ended 31</u> <u>December</u> <u>2009</u>
7. LOANS AND BORROWINGS		
<i>Non-current liabilities</i>		
Senior Term Loan Facility	75,868,751	71,506,306
Redeemable "A" preference shares (related party)	365,103,222	352,664,289
Rustenburg Platinum Mines – Funding loans (related party)	76,692,978	72,778,897
Rustenburg Platinum Mines – OCSF (related party)	73,675,445	54,050,064
Rustenburg Platinum Mines – Interest free loan (related party)	4,581,261	4,099,586
Rustenburg Platinum Mines – commitment fees (related party)	738,342	410,275
	596,659,999	555,509,417

The carrying value of the Group's loans and borrowings changed during the period as follows:

Balance at beginning of the period	555,509,417	14,703,416
Senior Term Loan Facility	-	74,050,000
Rustenburg Platinum Mine – Operating Cash flow Shortfall Facility ("OCSF")	16,410,632	51,330,745
Arising from business combination	-	493,666,666
Rustenburg Platinum Mine – Interest free loan	599,442	4,267,913
Repaid as part of acquisition	-	(251,770,000)
Redeemable "A" preference shares	-	177,720,000
Redemption of "A" preference shares	-	(1,066,320)
Loans repaid	-	(18,049,078)
Loan costs capitalised	-	(4,857,128)
Commitment fee capitalised	(332,073)	(407,076)
Finance expenses accrued	34,485,597	33,028,228
Amortisation of loan costs	297,618	449,149
Commitment fee liability	332,073	407,076
Interest rate swap adjustment	(267,273)	-
Effect of translation	(10,375,434)	(17,964,174)
Balance at end of period	596,659,999	555,509,417

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	<u>2010</u>	<u>2009</u> <i>Restated</i>	<u>2010</u>	<u>2009</u> <i>Restated</i>
8. CASH (UTILISED BY)/GENERATED FROM OPERATIONS				
Loss before income tax	(23,281,297)	(10,781,737)	(39,253,626)	(14,516,302)
Adjustments for:				
Finance expense	17,336,496	590,446	27,596,502	1,191,312
Finance income	(283,078)	(18,317)	(583,015)	(68,594)
Non-cash items:				
Depreciation	6,134,925	31,350	12,192,443	59,722
Equity settled share-based compensation	453,497	1,824,077	963,637	1,875,536
Loss from equity accounted investees	-	106,064	-	212,423
Acquisition costs previously capitalized	-	-	-	1,587,959
Impairment of assets	336,306	-	336,306	-
Profit on disposal of property, plant and equipment	(5,077)	-	(5,077)	-
Common shares issued as compensation	-	895,657	-	895,657
Other	(50,959)	20,681	(150,540)	13,665
Cash utilised before working capital changes	640,813	(7,331,779)	1,096,630	(8,748,622)
Working capital changes				
Increase in trade and other receivables	(5,173,384)	(118,389)	(4,116,199)	(86,851)
Increase /(Decrease) in trade and other payables	714,277	11,969,289	(3,232,222)	11,504,837
Increase in inventories	1,738,248	-	659,062	-
Cash (utilised by)/generated from operations	(2,080,046)	4,519,121	(5,592,729)	2,669,364

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

9. SEGMENT INFORMATION

The Group has two reportable segments as described below. These segments are managed separately based on the nature of operations. For each of the segments, the Group's CEO (the Group's chief operating decision maker) reviews internal management reports monthly. The following summary describes the operations in each of the Group's reportable segments:

- Bokoni Mine - Mining of PGM's.
- Projects - Mining exploration in Boikgantsho, Kwanda, and Ga-Phasha exploration projects.

The majority of operations and functions are performed in South Africa. An insignificant portion of administrative functions are performed in the Company's country of domicile.

During the period, the CEO considered earnings before net finance expense, income tax, depreciation and amortisation ("EBITDA") to be a more appropriate measure of each segment's performance as compared to "Loss before income tax". Accordingly, the EBITDA for each segment has been included. All external revenue is generated by the Bokoni Mine segment.

Six months ended 30 June

	<u>2010</u>			<u>2009</u>			Note
	Bokoni Mine	Projects	Total	Bokoni Mine	Projects	Total	
EBITDA	1,978,836	(20,891)	1,957,945	-	(240,965)	(240,965)	(i)
Total Assets	1,004,266,950	11,708,140	1,015,975,090	-	6,439,932	6,439,932	(ii)

Three months ended 30 June

	<u>2010</u>			<u>2009</u>			Note
	Bokoni Mine	Projects	Total	Bokoni Mine	Projects	Total	
EBITDA	1,165,505	(1,756)	1,163,749	-	(134,606)	(134,606)	(i)

(i) EBITDA – six months ended

EBITDA for reportable segments	1,957,945	(240,965)
Net finance expense	(27,013,487)	(1,122,718)
Depreciation	(12,192,443)	(59,722)
Corporate and consolidation adjustments	(2,005,641)	(13,092,897)
Consolidated loss before income tax	(39,253,626)	(14,516,302)

EBITDA - three months ended

EBITDA for reportable segments	1,163,749	(134,606)
Net finance expense	(17,053,418)	(572,129)
Depreciation	(6,134,925)	(31,350)
Corporate and consolidation adjustments	(1,256,703)	(10,043,652)
Consolidated loss before income tax	(23,281,297)	(10,781,737)

(ii) Total assets

Assets for reportable segments	1,015,975,090	6,439,932
Corporate and consolidation adjustments	(10,458,596)	7,412,490
Consolidated total assets	1,005,516,494	13,852,422

10. RELATED PARTIES

At 31 December 2009, Hunter Dickinson Services Inc. ("HDSI") was a related party as it was a private company owned equally by several public companies, one of which was the Company. During the period Hunter Dickinson Inc (a corporation incorporated under the laws of British Columbia) negotiated the repurchase of all the outstanding shares of HDSI from other HDSI shareholders, including Anooraq Resources Corporation. The purchase price was \$1. As at 30 June 2010, HDSI is not considered a related party.

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2010

(Unaudited - Expressed in Canadian Dollars)

11. SUBSEQUENT EVENTS

There have been no events that have occurred after the reporting date that would have a material impact on the reported results.