



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2010

(Unaudited)

(Expressed in Canadian Dollars unless otherwise stated)

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

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Financial Position

As at 31 March 2010

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

		Audited	
	Note	31 March 2010	31 December 2009
Assets			
Non-current assets			
Property, plant and equipment	5	674,948,930	693,393,736
Capital work-in-progress	6	237,812,236	235,838,915
Mineral property interests		13,046,098	13,223,703
Goodwill		12,094,399	12,382,569
Platinum producers' environmental trust		2,557,818	2,578,131
Other non-current assets		712	729
Total non-current assets		940,460,193	957,417,783
Current assets			
Inventories		2,145,637	1,091,860
Trade and other receivables		23,674,692	23,466,503
Cash and cash equivalents		28,032,481	30,947,511
Restricted cash		1,259,927	1,291,348
Total current assets		55,112,737	56,797,222
Total assets		995,572,930	1,014,215,005
Equity and Liabilities			
Equity			
Share capital		229,694,788	229,631,388
Foreign currency translation reserve		(12,142,327)	(9,390,899)
Hedging reserve		(2,205,800)	(731,293)
Share-based payment reserve		20,243,326	19,770,786
Accumulated loss		(118,795,999)	(111,798,092)
Total equity attributable to equity holders of the Group		116,793,988	127,481,890
Non-controlling interest		73,923,693	82,025,730
Total equity		190,717,681	209,507,620
Liabilities			
Non-current liabilities			
Loans and borrowings	7	565,762,027	555,509,417
Deferred taxation		205,734,557	213,484,109
Provisions		6,934,668	7,021,038
Derivative liability		2,945,220	1,590,945
Total non-current liabilities		781,376,472	777,605,509
Current liabilities			
Trade and other payables		23,478,777	26,948,647
Current tax payable		-	153,229
Total current liabilities		23,478,777	27,101,876
Total liabilities		804,855,249	804,707,385
Total equity and liabilities		995,572,930	1,014,215,005

Approved by the Board of Directors on 11 May 2010

/s/ Philip Kotze

/s/ Fikile De Buck

Philip Kotze (Director)

Fikile De Buck (Director)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Comprehensive Loss

For the period ended 31 March 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>Note</u>	<u>Three months ended 31 March</u>	
		2010	2009 <i>Restated</i> (Note 4)
Revenue		32,206,103	–
Cost of sales		(35,632,148)	–
Gross loss		(3,426,045)	–
Depreciation		(31,671)	(28,372)
Administrative expenses		(2,639,967)	(1,392,964)
Transaction costs		–	(1,670,551)
Other income		85,423	14,270
Operating loss		(6,012,260)	(3,077,617)
Finance income		299,937	50,277
Finance expense		(10,260,006)	(600,866)
Net finance expense		(9,960,069)	(550,589)
Share of loss of equity accounted investees (net of income tax)		–	(106,359)
Loss before income tax		(15,972,329)	(3,734,565)
Income tax		2,781,305	–
Loss for the period		(13,191,024)	(3,734,565)
Other comprehensive income/(loss)			
Foreign currency translation differences for foreign operations		(4,643,329)	(157,545)
Effective portion of changes in fair value of cash flow hedges		(1,491,526)	–
Other comprehensive income/(loss) for the period, net of income tax		(6,134,855)	(157,545)
Total comprehensive (loss) for the period		(19,325,879)	(3,892,110)
Loss attributable to:			
Owners of the Company		(6,997,907)	(3,734,565)
Non-controlling interest		(6,193,117)	–
Loss for the period		(13,191,024)	(3,734,565)
Total comprehensive loss attributable to:			
Owners of the Company		(11,223,842)	(3,892,110)
Non-controlling interest		(8,102,037)	–
Total comprehensive loss for the period		(19,325,879)	(3,892,110)
Earnings per share			
Basic and diluted loss per share		(0.02)	(0.02)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statement of Changes in Equity

For the period ended 31 March 2010

(Unaudited - Expressed in Canadian Dollars)

	Attributable to equity holders of the Company									Total
	Share Capital	Treasury Shares	Convertible preference shares	Foreign currency translation	Share-based payment reserve	Hedging reserve	Accumulated loss	Total	Non-controlling interest	
For the period ended 31 March 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	-	-	-	-	-	-	(3,734,565)	(3,734,565)	-	(3,734,565)
Other comprehensive income/(loss)										
Foreign currency translation differences	-	-	-	(157,545)	-	-	-	(157,545)	-	(157,545)
Total other comprehensive income/(loss)	-	-	-	(157,545)	-	-	-	(157,545)	-	(157,545)
Total comprehensive income/(loss) for the period	-	-	-	(157,545)	-	-	(3,734,565)	(3,892,110)	-	(3,892,110)
Transactions with owners, recorded directly in equity										
Share-based payment transactions	-	-	-	-	51,459	-	-	51,459	-	51,459
Total contributions by and distributions to owners	-	-	-	-	51,459	-	-	51,459	-	51,459
Balance at 31 March 2009	54,948,340	-	-	(27,861)	17,636,433	-	(80,001,026)	(7,444,114)	-	(7,444,114)
For the period ended 31 March 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	-	-	-	-	-	-	(6,997,907)	(6,997,907)	(6,193,117)	(13,191,024)
Other comprehensive income/(loss)										
Foreign currency translation differences	-	-	-	(2,751,428)	-	17,019	-	(2,734,409)	(1,908,920)	(4,643,329)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(1,491,526)	-	(1,491,526)	-	(1,491,526)
Total other comprehensive income/(loss)	-	-	-	(2,751,428)	-	(1,474,507)	-	(4,225,935)	(1,908,920)	(6,134,855)
Total comprehensive income/(loss) for the period	-	-	-	(2,751,428)	-	(1,474,507)	(6,997,907)	(11,223,842)	(8,102,037)	(19,325,879)
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share-based payment transactions	63,400	-	-	-	472,540	-	-	535,940	-	535,940
Total contributions by and distributions to owners	63,400	-	-	-	472,540	-	-	535,940	-	535,940
Balance at 31 March 2010	71,776,514	(4,991,726)	162,910,000	(12,142,327)	20,243,326	(2,205,800)	(118,795,999)	116,793,988	73,923,693	190,717,681

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Cash Flows

For the period ended 31 March 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>Note</u>	<u>Three months ended 31 March</u>	
		2010	2009
			<i>Restated</i>
			(Note 4)
Cash flows from operating activities			
Cash utilised by operations	8	(3,512,684)	(1,748,043)
Interest received		260,250	-
Interest paid		(12,858)	-
Taxation paid		(299,394)	-
Cash utilised by operating activities		(3,564,686)	(1,748,043)
Cash flows from investing activities			
Additions to capital work-in-progress		(4,234,881)	(1,740)
Cash utilised from investing activities		(4,234,881)	(1,740)
Cash flows from financing activities			
Long term borrowings raised - OCSF		5,504,485	-
Common shares issued		25,800	-
Cash generated from financing activities		5,530,285	-
Effect of foreign currency translation		(645,748)	(54,526)
Net decrease in cash and cash equivalents		(2,915,030)	(1,804,309)
Cash and cash equivalents, beginning of period		30,947,511	3,850,674
Cash and cash equivalents, end of period		28,032,481	2,046,365

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 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 months ended 31 March 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 year:

- Amendments to IAS 39, *Eligible hedged items*
- Amendments to IFRS 1 and IAS 27, *Cost of an investment in a subsidiary, jointly controlled entity or associate*
- Amendments to IFRS 2, *Share-based payments: vesting conditions and cancellations*
- Amendments to IFRS 7, *Improving disclosures about financial instruments*
- IFRIC 17, *Distribution of Non-cash assets to owners*
- Various improvements to IFRS 2009

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

4. RESTATEMENT OF 31 MARCH 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, amounting to \$1,670,551, previously capitalised at the quarter ended 31 March 2009 were expensed. The restated loss for the quarter ended 31 March 2009 is \$3.7 million compared to \$2.1 million as previously reported. The restated cash utilised by operations and investing activities for the quarter ended 31 March 2009 are \$1,748,043 and \$1,740 respectively, compared to \$1,716,888 and \$32,895 respectively, as previously reported.

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>Three months</u> <u>ended 31</u> <u>March</u> <u>2010</u>	<u>Year ended 31</u> <u>December</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	-	31,478
Transferred from capital work-in-progress	3,749,383	9,382,489
Disposals	-	(49,072)
Adjustment to rehabilitation assets	-	2,691,883
Effect of translation	(16,456,368)	(30,693,133)
Balance at end of period	<u>694,424,033</u>	<u>707,131,018</u>
Accumulated depreciation		
Balance beginning of period	13,737,282	70,847
Charge for the period	6,057,518	13,557,111
Effect of translation	(319,697)	109,324
Balance at end of period	<u>19,475,103</u>	<u>13,737,282</u>
Carrying value	<u>674,948,930</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	4,234,881	24,418,832
Transfer to property, plant and equipment	(3,749,383)	(9,382,489)
Capitalisation of borrowing costs	6,976,318	13,580,559
Effect of translation	(5,488,495)	(8,972,952)
Balance at end of period	<u>237,812,236</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 31 March 2010

(Unaudited - Expressed in Canadian Dollars)

	<u>31 March</u> <u>2010</u>	<u>31 December</u> <u>2009</u>
7. LOANS AND BORROWINGS		
<i>Non-current liabilities</i>		
Senior Term Loan Facility	72,663,212	71,506,306
Redeemable "A" preference shares (related party)	354,070,050	352,664,289
Rustenburg Platinum Mines – Funding loans (related party)	74,015,376	72,778,897
Rustenburg Platinum Mines – OCSF (related party)	59,876,589	54,050,064
Rustenburg Platinum Mines – Interest free loan (related party)	4,564,764	4,099,586
Rustenburg Platinum Mines – commitment fees (related party)	572,036	410,275
	<u>565,762,027</u>	<u>555,509,417</u>

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

	Three months ended 31 March 2010	Year ended 31 December 2009
Balance at beginning of the period	555,509,417	14,703,416
Senior Term Loan Facility	-	74,050,000
Rustenburg Platinum Mine – OCSF	5,504,485	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	(171,309)	(407,076)
Finance expenses accrued	16,999,127	33,028,228
Amortisation of loan costs	147,959	449,149
Commitment fee liability	171,309	407,076
Effect of translation	(12,998,403)	(17,964,174)
Balance at end of period	<u>565,762,027</u>	<u>555,509,417</u>

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 2010

(Unaudited - Expressed in Canadian Dollars)

	Three months ended 31 March	
	<u>2010</u>	<u>2009</u> <i>Restated</i>
8. CASH USED BY OPERATIONS		
Loss before income tax	(15,972,329)	(3,734,565)
Adjustments for:		
Finance expense	10,260,006	600,866
Finance income	(299,937)	-
Items not involving cash:		
Depreciation	6,057,518	28,372
Equity settled share-based compensation	510,140	51,459
Loss from equity accounted investees	-	106,359
Derivative gain	(99,581)	-
Acquisition costs previously capitalized	-	1,587,959
Other	-	(7,016)
Cash utilised before working capital changes	455,817	(1,366,566)
Working capital changes		
Decrease in trade and other receivables	1,057,186	82,975
Decrease in trade and other payables	(3,946,500)	(293,265)
Increase in inventories	(1,079,187)	(171,187)
Cash utilised by operations	(3,512,684)	(1,748,043)

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 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.

	31 March 2010			31 March 2009			Note
	Bokoni Mine	Projects	Total	Bokoni Mine	Projects	Total	
EBITDA	813,331	(19,135)	794,196	-	(106,359)	(106,359)	(i)
Total Assets	994,113,957	11,664,703	1,005,778,660	-	6,674,083	6,674,083	(ii)
(i) EBITDA							
EBITDA for reportable segments			794,196			(106,359)	
Net finance expense			(9,960,069)			-	
Depreciation			(6,057,518)			-	
Corporate and consolidation adjustments			(748,938)			(3,628,206)	
Consolidated loss before income tax			(15,972,329)			(3,734,565)	
(ii) Total assets							
Assets for reportable segments			1,005,778,660			6,674,083	
Corporate and consolidation adjustments			(10,205,730)			4,348,498	
Consolidated assets			995,572,930			11,022,581	

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 2010

(Unaudited - Expressed in Canadian Dollars)

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 31 March 2010, HDSI is not considered a related party.