



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED 30 JUNE 2011

(Unaudited)

(Expressed in Canadian Dollars unless otherwise stated)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Financial Position

As at 30 June 2011

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

| | | <u>Audited</u> | |
|---|-------------|----------------------|-------------------------|
| | <u>Note</u> | <u>30 June 2011</u> | <u>31 December 2010</u> |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 922,113,320 | 984,906,533 |
| Capital work-in-progress | 6 | 13,209,653 | 10,311,973 |
| Intangible assets | 7 | 2,744,463 | 3,280,056 |
| Mineral property interests | | 13,271,299 | 13,716,383 |
| Goodwill | | 12,461,161 | 13,185,952 |
| Platinum producers' environmental trust (restricted cash) | | 3,047,831 | 2,862,075 |
| Other non-current assets | | 364,896 | 348,076 |
| Total non-current assets | | 967,212,623 | 1,028,611,048 |
| Current assets | | | |
| Inventories | | 318,457 | - |
| Trade and other receivables | | 28,530,133 | 36,190,110 |
| Current tax receivable | | 154,271 | 163,244 |
| Cash and cash equivalents | | 19,240,026 | 25,764,590 |
| Restricted cash | | 1,329,607 | 1,377,263 |
| Total current assets | | 49,572,494 | 63,495,207 |
| Total assets | | 1,016,785,117 | 1,092,106,255 |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital | | 71,967,083 | 71,852,588 |
| Treasury shares | | (4,991,726) | (4,991,726) |
| Convertible preference shares | | 162,910,000 | 162,910,000 |
| Foreign currency translation reserve | | (9,582,534) | (5,197,843) |
| Hedging reserve | | - | (4,124,155) |
| Share-based payment reserve | | 22,907,685 | 22,032,571 |
| Accumulated loss | | (207,446,417) | (163,519,502) |
| Total equity attributable to equity holders of the Group | | 35,764,091 | 78,961,933 |
| Non-controlling interest | | 8,023,868 | 42,404,014 |
| Total equity | | 43,787,959 | 121,365,947 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Loans and borrowings | 8 | 756,021,476 | 622,534,699 |
| Deferred taxation | | 180,191,355 | 208,805,557 |
| Provisions | | 8,059,085 | 8,184,494 |
| Derivative liability | | - | 4,969,563 |
| Total non-current liabilities | | 944,271,916 | 844,494,313 |
| Current liabilities | | | |
| Trade and other payables | | 27,806,542 | 31,844,332 |
| Short-term portion of loans and borrowings | | 918,700 | 94,401,663 |
| Total current liabilities | | 28,725,242 | 126,245,995 |
| Total liabilities | | 972,997,158 | 970,740,308 |
| Total equity and liabilities | | 1,016,785,117 | 1,092,106,255 |

Approved by the Board of Directors on 15 August 2011

/s/ Harold Motaung

Harold Motaung (Director)

/s/ Wayne Kirk

Wayne Kirk (Director)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Comprehensive Loss

For the periods ended 30 June 2011

(Unaudited - Expressed in Canadian Dollars)

| | <u>Note</u> | <u>Three months ended 30 June</u> | | <u>Six months ended 30 June</u> | |
|---|-------------|-----------------------------------|--------------|---------------------------------|--------------|
| | | 2011 | 2010 | 2011 | 2010 |
| Revenue | | 35,916,397 | 38,354,910 | 66,614,625 | 70,561,013 |
| Cost of sales | | (56,204,989) | (40,919,441) | (102,440,742) | (76,551,589) |
| Gross loss | | (20,288,592) | (2,564,531) | (35,826,117) | (5,990,576) |
| Administrative expenses | 10 | (10,139,254) | (3,609,512) | (13,885,092) | (6,281,150) |
| Transaction costs | | - | (51,030) | - | (51,030) |
| Other income | | 3,947 | (2,806) | 54,238 | 82,617 |
| Operating loss | | (30,423,899) | (6,227,879) | (49,656,971) | (12,240,139) |
| Finance income | | 233,652 | 283,078 | 427,820 | 583,015 |
| Finance expense | | (23,395,734) | (17,336,496) | (43,504,754) | (27,596,502) |
| Net finance expense | | (23,162,082) | (17,053,418) | (43,076,934) | (27,013,487) |
| Loss before income tax | | (53,585,981) | (23,281,297) | (92,733,905) | (39,253,626) |
| Income tax | | 9,282,960 | 3,357,844 | 17,004,712 | 6,139,149 |
| Loss for the period | | (44,303,021) | (19,923,453) | (75,729,193) | (33,114,477) |
| Other comprehensive income/(loss) | | | | | |
| Foreign currency translation differences for foreign operations | | (889,932) | 314,175 | (6,962,559) | (4,329,154) |
| Effective portion of changes in fair value of cash flow hedges | | 9,054 | (444,297) | 1,602,501 | (1,935,823) |
| Reclassification to profit or loss on settlement of cash flow hedge | | 2,521,654 | - | 2,521,654 | - |
| Other comprehensive loss for the period, net of income tax | | 1,640,776 | (130,122) | (2,838,404) | (6,264,977) |
| Total comprehensive loss for the period | | (42,662,245) | (20,053,575) | (78,567,597) | (39,379,454) |
| Loss attributable to: | | | | | |
| Owners of the Company | | (27,309,152) | (10,825,637) | (43,926,915) | (17,823,544) |
| Non-controlling interest | | (16,993,869) | (9,097,816) | (31,802,278) | (15,290,933) |
| Loss for the period | | (44,303,021) | (19,923,453) | (75,729,193) | (33,114,477) |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the Company | | (25,463,071) | (11,055,662) | (44,187,451) | (22,279,504) |
| Non-controlling interest | | (17,199,174) | (8,997,913) | (34,380,146) | (17,099,950) |
| Total comprehensive loss for the period | | (42,662,245) | (20,053,575) | (78,567,597) | (39,379,454) |

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity

For the period ended 30 June 2011

(Unaudited - Expressed in Canadian Dollars)

| | Attributable to equity holders of the Company | | | | | | | Total | Non-controlling interest | Total |
|--|---|-----------------|-------------------------------|--------------------------------------|-----------------------------|-----------------|------------------|--------------|--------------------------|--------------|
| | Share Capital | Treasury Shares | Convertible preference shares | Foreign currency translation reserve | Share-based payment reserve | Hedging reserve | Accumulated loss | | | |
| 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 |
| For the period ended 30 June 2011 | | | | | | | | | | |
| Balance at 1 January 2011 | 71,852,588 | (4,991,726) | 162,910,000 | (5,197,843) | 22,032,571 | (4,124,155) | (163,519,502) | 78,961,933 | 42,404,014 | 121,365,947 |
| Total comprehensive income/(loss) for the period | | | | | | | | | | |
| Loss for the period | - | - | - | - | - | - | (43,926,915) | (43,926,915) | (31,802,278) | (75,729,193) |
| Other comprehensive income/(loss) | | | | | | | | | | |
| Foreign currency translation differences | - | - | - | (4,384,691) | - | - | - | (4,384,691) | (2,577,868) | (6,962,559) |
| Effective portion of changes in fair value of cash flow hedges, net of tax | - | - | - | - | - | 1,602,501 | - | 1,602,501 | - | 1,602,501 |
| Reclassification to profit or loss on settlement of cash flow hedge | - | - | - | - | - | 2,521,654 | - | 2,521,654 | - | 2,521,654 |
| Total other comprehensive loss | - | - | - | (4,384,691) | - | 4,124,155 | - | (260,536) | (2,577,868) | (2,838,404) |
| Total comprehensive loss for the period | - | - | - | (4,384,691) | - | 4,124,155 | (43,926,915) | (44,187,451) | (34,380,146) | (78,567,597) |
| Transactions with owners, recorded directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | |
| Common shares issued | 114,495 | - | - | - | (51,495) | - | - | 63,000 | - | 63,000 |
| Share-based payment transactions | - | - | - | - | 926,609 | - | - | 926,609 | - | 926,609 |
| Total contributions by and distributions to owners | 114,495 | - | - | - | 875,114 | - | - | 989,609 | - | 989,609 |
| Balance at 30 June 2011 | 71,967,083 | (4,991,726) | 162,910,000 | (9,582,534) | 22,907,685 | - | (207,446,417) | 35,764,091 | 8,023,868 | 43,787,959 |

ANOORAQ RESOURCES CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
For the periods ended 30 June 2011
(Unaudited - Expressed in Canadian Dollars)

| | <u>Note</u> | <u>Three months ended 30 June</u> | | <u>Six months ended 30 June</u> | |
|--|-------------|-----------------------------------|--------------------|---------------------------------|---------------------|
| | | 2011 | 2010 | 2011 | 2010 |
| Cash flows from operating activities | | | | | |
| Cash utilised by operations | 9 | (19,797,449) | (2,080,046) | (21,590,854) | (5,592,729) |
| Interest received | | 186,561 | 255,232 | 331,442 | 515,482 |
| Interest paid | | (3,030) | - | (528,340) | (12,754) |
| Taxation paid | | - | - | - | (299,394) |
| Cash utilised by operating activities | | (19,613,918) | (1,824,814) | (21,787,752) | (5,389,395) |
| Cash flows from investing activities | | | | | |
| Acquisition of property, plant and equipment | | - | (1,961,027) | - | (1,961,027) |
| Acquisition of capital-work-in-progress | 6 | (6,714,422) | (4,650,009) | (14,488,974) | (8,884,890) |
| Acquisition of intangible assets | 7 | (244,595) | - | (244,595) | - |
| Proceeds on disposal of property, plant and equipment | | - | 47,002 | - | 47,002 |
| Investment in environmental trusts | | (300,028) | (668) | (300,028) | (668) |
| Cash utilised by investing activities | | (7,259,045) | (6,564,702) | (15,033,597) | (10,799,583) |
| Cash flows from financing activities | | | | | |
| Settlement of interest rate swap | 8 | (3,691,604) | - | (3,691,604) | - |
| Funding loan raised – RPM | 8 | 3,691,604 | - | 3,691,604 | - |
| Long term borrowings raised – OCSF | | 23,722,587 | 10,906,147 | 31,981,790 | 16,410,632 |
| Repayment of other loans | | (492,311) | - | (492,311) | - |
| Common shares issued | | - | - | 63,000 | 25,800 |
| Cash generated from financing activities | | 23,230,276 | 10,906,147 | 31,552,479 | 16,436,432 |
| Effect of foreign currency translation | | 91,474 | 143,380 | (1,255,694) | (502,473) |
| Net (decrease)/ increase in cash and cash equivalents | | (3,551,213) | 2,660,011 | (6,524,564) | (255,019) |
| Cash and cash equivalents, beginning of period | | 22,791,239 | 28,032,481 | 25,764,590 | 30,947,511 |
| Cash and cash equivalents, end of period | | 19,240,026 | 30,692,492 | 19,240,026 | 30,692,492 |

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended 30 June 2011

(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 2011 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. Its principal business activity is the mining and exploration of Platinum Group Metals ("PGM") through its mineral property interests. The Company focuses on mineral property interests located in the Republic of South Africa in the Bushveld Complex. Anooraq operates in South Africa through its wholly-owned subsidiary Plateau Resources (Proprietary) Limited ("Plateau") which historically owned the Group's various mineral property interests and conducted the Group's business in South Africa.

2. GOING CONCERN

The condensed consolidated financial statements are prepared on the basis that the Group will continue as a going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of operations as they become due.

As a result of the acquisition of the operating mine in 2009, the Group secured various funding arrangements including securing a long-term credit facility, the Operating Cash Flow Shortfall Facility ("OCSF"), with Rustenburg Platinum Mines Limited ("RPM") for an amount of \$209.8 million (ZAR 1,470 million). The facility is used to fund operating cash and capital requirements for an initial period of three years. As at 30 June 2011, the Group utilised \$123.8 million (ZAR 867.8 million), excluding interest, thereof to fund operating requirements from 1 July 2009 as the mining operations are not currently generating sufficient cash flows to fund operations and operational projects. The Group has no obligation to repay significant interest and capital on its outstanding loans and borrowings during 2011 and 2012.

As a result of securing the financial resources and long-term funding, management expects that cash flows from the mining operations and the OCSF will be sufficient to meet immediate ongoing operating and capital cash requirements of the Group.

3. 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 2010. The consolidated financial statements of the Group as at and for the year ended 31 December 2010 are available upon request from the Company's registered office at 82 Grayston Drive, Sandton, South Africa or at www.sedar.com.

4. 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 2010, except for the following standards and interpretations, applicable to the Group, adopted in the current financial period:

- IAS 24 (revised), *Related Party Disclosures*
- 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.

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended 30 June 2011

(Unaudited - Expressed in Canadian Dollars)

| | <u>Six months ended 30 June</u> <u>2011</u> | <u>Year ended 31 December</u> <u>2010</u> |
|---|--|--|
| 5. PROPERTY, PLANT AND EQUIPMENT | | |
| Summary | | |
| Cost | | |
| Balance at beginning of period | 1,032,647,854 | 707,131,018 |
| Additions | - | 494,095 |
| Transferred from capital work-in-progress | 11,875,505 | 260,839,548 |
| Disposals | (86,111) | (544,766) |
| Adjustment to rehabilitation assets | - | 144,952 |
| Effect of translation | (56,669,851) | 64,583,007 |
| Balance at end of period | <u>987,767,397</u> | <u>1,032,647,854</u> |
| Accumulated depreciation and impairment losses | | |
| Balance beginning of period | 47,741,321 | 13,737,282 |
| Depreciation for the period | 20,446,821 | 31,397,522 |
| Disposals | (68,181) | (499,587) |
| Effect of translation | (2,465,884) | 3,106,104 |
| Balance at end of period | <u>65,654,077</u> | <u>47,741,321</u> |
| Carrying value | <u>922,113,320</u> | <u>984,906,533</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 | 10,311,973 | 235,838,915 |
| Additions | 14,488,974 | 28,193,472 |
| Transfer to property, plant and equipment | (11,875,505) | (260,839,548) |
| Capitalisation of borrowing costs | 824,322 | 8,271,379 |
| Impairment | - | (345,123) |
| Effect of translation | (540,111) | (807,122) |
| Balance at end of period | <u>13,209,653</u> | <u>10,311,973</u> |

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

7. INTANGIBLE ASSETS

| | | |
|---|------------------|------------------|
| Cost | | |
| Balance at beginning of period | 3,473,000 | - |
| Additions | 244,595 | 3,328,100 |
| Effect of translation | (189,000) | 144,900 |
| Balance at end of period | <u>3,528,595</u> | <u>3,473,000</u> |
| Accumulated amortisation and impairment losses | | |
| Balance beginning of period | 192,944 | - |
| Amortisation for the period | 597,154 | 180,039 |
| Effect of translation | (5,966) | 12,905 |
| Balance at end of period | <u>784,132</u> | <u>192,944</u> |
| Carrying value | <u>2,744,463</u> | <u>3,280,056</u> |

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended 30 June 2011

(Unaudited - Expressed in Canadian Dollars)

| | <u>Six months ended 30 June 2011</u> | <u>Year ended 31 December 2010</u> |
|--|--|--|
| 8. LOANS AND BORROWINGS | | |
| Senior Term Loan Facility | - | 93,412,907 |
| Capitalised transaction costs | - | (4,251,970) |
| Redeemable "A" preference shares (related party) | 414,990,269 | 418,050,018 |
| Rustenburg Platinum Mines – Funding loans (related party) | 186,570,439 | 89,370,192 |
| Rustenburg Platinum Mines – OCSF (related party) | 146,782,575 | 111,208,925 |
| Rustenburg Platinum Mines – Interest free loan (related party) | 4,125,567 | 4,365,567 |
| Rustenburg Platinum Mines – commitment fees (related party) | 1,308,815 | 1,122,854 |
| Other | 3,162,511 | 3,657,869 |
| | 756,940,176 | 716,936,362 |
| <i>Short-term portion</i> | | |
| Senior Term Loan Facility | - | (93,412,907) |
| Other | (918,700) | (988,756) |
| | (918,700) | (94,401,663) |
| | 756,021,476 | 622,534,699 |
| <i>Non-current liabilities</i> | | |

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

| | | |
|--|---------------------|--------------|
| Balance at beginning of the period | 716,936,362 | 555,509,417 |
| Rustenburg Platinum Mine – OCSF | 31,981,790 | 39,043,300 |
| Rustenburg Platinum Mine – Interest free loan | - | 599,442 |
| Loans repaid | - | (590,537) |
| Loans repaid – other | (492,311) | - |
| Commitment fee capitalised | (245,780) | (640,086) |
| Finance expenses accrued | 39,318,814 | 74,436,897 |
| Funding loan raised – Rustenburg Platinum Mine (related party) | 3,691,604 | - |
| Capitalisation transaction costs written-off | 3,968,918 | - |
| Amortisation of loan costs | 18,360 | 631,929 |
| Commitment fee liability | 245,780 | 640,086 |
| Interest rate swap adjustment | 355,852 | (354,093) |
| Other | - | 3,328,100 |
| Effect of translation | (38,839,213) | 44,331,907 |
| Balance at end of the period | 756,940,176 | 716,936,362 |
| <i>Short-term portion</i> | | |
| Senior Term Loan Facility | - | (93,412,907) |
| Other | (918,700) | (988,756) |
| | (918,700) | (94,401,663) |
| | 756,021,476 | 622,534,699 |
| <i>Non-current portion</i> | | |

Senior Term Loan Facility

On 28 April 2011, the Senior Term Loan Facility with Standard Chartered Bank ("SCB") and FirstRand Bank acting through its division, Rand Merchant Bank ("RMB") was ceded to Anglo Platinum Limited ("Anglo") through its subsidiary, Rustenburg Platinum Mines Limited ("RPM"). The outstanding interest rate swap was settled with funding obtained from RPM.

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended 30 June 2011

(Unaudited - Expressed in Canadian Dollars)

The debt ceded to RPM has similar terms as the Senior Term Loan Facility except for certain revisions. The revised terms of the loan is a reduction in the interest rate from a 3 month JIBAR plus applicable margin (4.5%) and mandatory cost (11.735% at 31 December 2010) to 3 month JIBAR plus 4% (9.575% at 30 June 2011). The total facility has been increased from \$107 million (ZAR 750 million) to \$132.7 million (ZAR 930 million). The commencement of re-payments has been deferred by one year from 31 January 2013 to 31 January 2014. RPM has also waived the loan covenants on the debt until 30 June 2012.

Transaction costs capitalised of \$4 million (ZAR 28 million) were written off to finance expense on the cession of the Senior Term Loan Facility.

| | <u>Three months ended 30 June</u> | | <u>Six months ended 30 June</u> | |
|--|-----------------------------------|--------------------|---------------------------------|--------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| 9. CASH (UTILISED BY)/GENERATED FROM OPERATIONS | | | | |
| Loss before income tax | (53,585,981) | (23,281,297) | (92,733,905) | (39,253,626) |
| Adjustments for: | | | | |
| Finance expense | 23,395,734 | 17,336,496 | 43,504,754 | 27,596,502 |
| Finance income | (233,652) | (283,078) | (427,820) | (583,015) |
| Non-cash items: | | | | |
| Depreciation and amortisation | 10,841,854 | 6,134,925 | 21,043,975 | 12,192,443 |
| Equity settled share-based compensation | 510,294 | 453,497 | 926,609 | 963,637 |
| Impairment of assets | - | 336,306 | - | 336,306 |
| Loss/(profit) on disposal of property, plant and equipment | 17,929 | (5,077) | 17,929 | (5,077) |
| Profit and loss impact of cash flow hedge | 2,673,963 | - | 2,640,465 | - |
| Other | - | (50,959) | - | (150,540) |
| Cash utilised before working capital changes | (16,379,859) | 640,813 | (25,027,993) | 1,096,630 |
| Working capital changes | | | | |
| (Increase)/decrease in trade and other receivables | (5,701,111) | (5,173,384) | 6,314,527 | (4,116,199) |
| Increase /(decrease) in trade and other payables | 1,528,988 | 714,277 | (2,561,386) | (3,232,222) |
| Decrease/(increase) in inventories | 754,533 | 1,738,248 | (316,002) | 659,062 |
| Cash (utilised by)/generated from operations | (19,797,449) | (2,080,046) | (21,590,854) | (5,592,729) |

10. ADMINISTRATION COSTS

Administration costs include the reclassification of the hedge reserve on settlement of the interest rate swap. The amount expensed was \$2.6 million (ZAR18.6 million).

11. 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.

The CEO considers earnings before net finance expense, income tax, depreciation and amortisation ("EBITDA") to be an appropriate measure of each segment's performance. Accordingly, the EBITDA for each segment is included in the segment information. All external revenue is generated by the Bokoni Mine segment.

| | <u>Six months ended 30 June</u> | | | | | | <u>Note</u> |
|--------------|-----------------------------------|-----------------|---------------|--------------------|-----------------|---------------|-------------|
| | <u>2011</u> | | | <u>2010</u> | | | |
| | <u>Bokoni Mine</u> | <u>Projects</u> | <u>Total</u> | <u>Bokoni Mine</u> | <u>Projects</u> | <u>Total</u> | |
| EBITDA | (21,718,585) | (546,032) | (22,264,617) | 1,978,836 | (20,891) | 1,957,945 | (i) |
| Total Assets | 1,023,655,871 | 11,002,363 | 1,034,658,234 | 1,004,266,950 | 11,708,140 | 1,015,975,090 | (ii) |
| | <u>Three months ended 30 June</u> | | | | | | <u>Note</u> |
| | <u>2011</u> | | | <u>2010</u> | | | |
| | <u>Bokoni Mine</u> | <u>Projects</u> | <u>Total</u> | <u>Bokoni Mine</u> | <u>Projects</u> | <u>Total</u> | |
| EBITDA | (13,821,169) | (261,456) | (14,082,625) | 1,165,505 | (1,756) | 1,163,749 | (i) |

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended 30 June 2011

(Unaudited - Expressed in Canadian Dollars)

| | <u>2011</u> | <u>2010</u> |
|---|----------------------|---------------------|
| (i) EBITDA – six months ended | | |
| EBITDA for reportable segments | (22,264,617) | 1,957,945 |
| Net finance expense | (43,076,934) | (27,013,487) |
| Depreciation and amortisation | (21,043,975) | (12,192,443) |
| Corporate and consolidation adjustments | (6,348,379) | (2,005,641) |
| Consolidated loss before income tax | (92,733,905) | (39,253,626) |
| EBITDA - three months ended | | |
| EBITDA for reportable segments | (14,082,625) | 1,163,749 |
| Net finance expense | (23,162,082) | (17,053,418) |
| Depreciation and amortisation | (10,841,854) | (6,134,925) |
| Corporate and consolidation adjustments | (5,499,420) | (1,256,703) |
| Consolidated loss before income tax | (53,585,981) | (23,281,297) |
| (ii) Total assets | | |
| Assets for reportable segments | 1,034,658,234 | 1,015,975,090 |
| Corporate and consolidation adjustments | (17,873,117) | (10,458,596) |
| Consolidated total assets | 1,016,785,117 | 1,005,516,494 |

12. SUBSEQUENT EVENTS

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

13. EARNINGS PER SHARE

The basic and diluted loss per share for the three and six months ended 30 June 2011 was 6 cents (2010: 3 cents) and 10 cents (2010: 4 cents) respectively.

The calculation of basic loss per share for the three months ended 30 June 2011 of 6 cents (2010: 3 cents) is based on the loss attributable to owners of the Company of \$27,309,152 (2010: \$10,825,637) and a weighted average number of shares of 424,745,795 (2010: 424,658,123).

The calculation of basic loss per share for the six months ended 30 June 2011 of 10 cents (2010: 4 cents) is based on the loss attributable to owners of the Company of \$43,926,915 (2010: \$17,823,544) and a weighted average number of shares of 424,745,795 (2010: 424,658,123).

Share options were excluded in determining diluted weighted average number of common shares as their effect would have been anti-dilutive.