



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED 31 MARCH 2011

(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 2011

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

		<u>Audited</u>	
	<u>Note</u>	<u>31 March 2011</u>	<u>31 December 2010</u>
Assets			
Non-current assets			
Property, plant and equipment	4	928,881,772	984,906,533
Capital work-in-progress	5	15,799,588	10,311,973
Intangible assets	6	2,844,078	3,280,056
Mineral property interests		13,319,560	13,716,383
Goodwill		12,539,753	13,185,952
Platinum producers' environmental trust		2,741,796	2,862,075
Other non-current assets		343,535	348,076
Total non-current assets		976,470,082	1,028,611,048
Current assets			
Inventories		1,091,824	-
Trade and other receivables		22,187,527	36,190,110
Current tax receivable		155,244	163,244
Cash and cash equivalents		22,791,239	25,764,590
Restricted cash		1,308,623	1,377,263
Total current assets		47,534,457	63,495,207
Total assets		1,024,004,539	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		(9,131,706)	(5,197,843)
Hedging reserve		(2,296,909)	(4,124,155)
Share-based payment reserve		22,397,391	22,032,571
Accumulated loss		(180,137,265)	(163,519,502)
Total equity attributable to equity holders of the Group		60,716,868	78,961,933
Non-controlling interest		25,223,042	42,404,014
Total equity		85,939,910	121,365,947
Liabilities			
Non-current liabilities			
Loans and borrowings	7	709,686,588	622,534,699
Deferred taxation		190,697,392	208,805,557
Provisions		7,946,656	8,184,494
Derivative liability		3,077,556	4,969,563
Total non-current liabilities		911,408,192	844,494,313
Current liabilities			
Trade and other payables		25,731,943	31,844,332
Short-term portion of loans and borrowings		924,494	94,401,663
Total current liabilities		26,656,437	126,245,995
Total liabilities		938,064,629	970,740,308
Total equity and liabilities		1,024,004,539	1,092,106,255

Approved by the Board of Directors on 13 May 2011

/s/ Harold Motaung

Harold Motaung (Director)

/s/ Fikile De Buck

Fikile De Buck (Director)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Comprehensive Loss

For the period ended 31 March 2011

(Unaudited - Expressed in Canadian Dollars)

	<u>Note</u>	<u>Three months ended 31 March</u>	
		2011	2010
Revenue		30,698,228	32,206,103
Cost of sales		(46,235,753)	(35,632,148)
Gross loss		(15,537,525)	(3,426,045)
Administrative expenses		(3,745,838)	(2,671,638)
Other income		50,291	85,423
Operating loss		(19,233,072)	(6,012,260)
Finance income		194,168	299,937
Finance expense		(20,109,020)	(10,260,006)
Net finance expense		(19,914,852)	(9,960,069)
Loss before income tax		(39,147,924)	(15,972,329)
Income tax		7,721,752	2,781,305
Loss for the period		(31,426,172)	(13,191,024)
Other comprehensive income/(loss)			
Foreign currency translation differences for foreign operations		(6,072,627)	(4,643,329)
Effective portion of changes in fair value of cash flow hedges		1,593,447	(1,491,526)
Other comprehensive income/(loss) for the period, net of income tax		(4,479,180)	(6,134,855)
Total comprehensive (loss) for the period		(35,905,352)	(19,325,879)
Loss attributable to:			
Owners of the Company		(16,617,763)	(6,997,907)
Non-controlling interest		(14,808,409)	(6,193,117)
Loss for the period		(31,426,172)	(13,191,024)
Total comprehensive loss attributable to:			
Owners of the Company		(18,724,380)	(11,223,842)
Non-controlling interest		(17,180,972)	(8,102,037)
Total comprehensive loss for the period		(35,905,352)	(19,325,879)
Earnings per share			
Basic and diluted loss per share		(0.04)	(0.02)

ANOORAQ RESOURCES CORPORATION

Condensed Consolidated Interim Statement of Changes in Equity

For the period ended 31 March 2011

(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 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
For the period ended 31 March 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	-	-	-	-	-	-	(16,617,763)	(16,617,763)	(14,808,409)	(31,426,172)
Other comprehensive income/(loss)										
Foreign currency translation differences	-	-	-	(3,933,863)	-	233,799	-	(3,700,064)	(2,372,563)	(6,072,627)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,593,447	-	1,593,447	-	1,593,447
Total other comprehensive income/(loss)	-	-	-	(3,933,863)	-	1,827,246	-	(2,106,617)	(2,372,563)	(4,479,180)
Total comprehensive income/(loss) for the period	-	-	-	(3,933,863)	-	1,827,246	(16,617,763)	(18,724,380)	(17,180,972)	(35,905,352)
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	-	-	-	-	416,315	-	-	416,315	-	416,315
Total contributions by and distributions to owners	114,495	-	-	-	364,820	-	-	479,315	-	479,315
Balance at 31 March 2011	71,967,083	(4,991,726)	162,910,000	(9,131,706)	22,397,391	(2,296,909)	(180,137,265)	60,716,868	25,223,042	85,939,910

ANOORAQ RESOURCES CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
For the period ended 31 March 2011
(Unaudited - Expressed in Canadian Dollars)

	<u>Note</u>	<u>Three months ended 31 March</u>	
		<u>2011</u>	<u>2010</u>
Cash flows from operating activities			
Cash utilised by operations	8	(1,793,405)	(3,512,684)
Interest received		144,881	260,250
Interest paid		(525,310)	(12,858)
Taxation paid		-	(299,394)
Cash utilised by operating activities		(2,173,834)	(3,564,686)
Cash flows from investing activities			
Additions to property, plant and equipment		(1,240,460)	-
Additions to capital work-in-progress		(6,534,092)	(4,234,881)
Cash utilised from investing activities		(7,774,552)	(4,234,881)
Cash flows from financing activities			
Borrowings raised - OCSF		8,259,203	5,504,485
Common shares issued		63,000	25,800
Cash generated from financing activities		8,322,203	5,530,285
Effect of foreign currency translation		(1,347,168)	(645,748)
Net decrease in cash and cash equivalents		(2,973,351)	(2,915,030)
Cash and cash equivalents, beginning of period		25,764,590	30,947,511
Cash and cash equivalents, end of period		22,791,239	28,032,481

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 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 months ended 31 March 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.

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 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.

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 2010, except for the following standards and interpretations adopted in the current financial year:

- IAS 24 (revised), *Related Party Disclosures*
- IFRIC 19, *Extinguishing Financial liabilities with Equity instruments*
- Amendments to IFRS 2, *Share-based payments: vesting conditions and cancellations*
- Amendments to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
- 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.

Standards and interpretations issued but not yet effective and applicable to the Group:

- IFRS 9, *Financial Instruments*

4. PROPERTY, PLANT AND EQUIPMENT

	<u>Three months ended 31 March</u>	<u>Year ended 31 December</u>
	<u>2011</u>	<u>2010</u>
Summary		
Cost		
Balance at beginning of period	1,032,647,854	707,131,018
Additions	1,240,460	494,095
Transferred from capital work-in-progress	1,085,240	260,839,548
Disposals	-	(544,766)
Adjustment to rehabilitation assets	-	144,952
Effect of translation	(50,560,332)	64,583,007
Balance at end of period	<u>984,413,222</u>	<u>1,032,647,854</u>
Accumulated depreciation		
Balance beginning of period	47,741,321	13,737,282
Depreciation for the period	9,932,254	31,397,522
Disposals	-	(499,587)
Effect of translation	(2,142,125)	3,106,104
Balance at end of period	<u>55,531,450</u>	<u>47,741,321</u>
Carrying value	<u>928,881,772</u>	<u>984,906,533</u>

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 2011

(Unaudited - Expressed in Canadian Dollars)

5. 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.

	<u>Three months ended 31 March</u>	<u>Year ended 31 December</u>
	<u>2011</u>	<u>2010</u>
Balance at beginning of period	10,311,973	235,838,915
Additions	6,534,092	28,193,472
Transfer to property, plant and equipment	(1,085,240)	(260,839,548)
Capitalisation of borrowing costs	427,263	8,271,379
Impairment	-	(345,123)
Effect of translation	(388,500)	(807,122)
Balance at end of period	<u>15,799,588</u>	<u>10,311,973</u>

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

6. INTANGIBLE ASSETS**Cost**

Balance at beginning of period	3,473,000	-
Additions	-	3,328,100
Effect of translation	(170,200)	144,900
Balance at end of period	<u>3,302,800</u>	<u>3,473,000</u>

Accumulated amortisation and impairment losses

Balance beginning of period	192,944	-
Amortisation for the period	269,867	180,039
Effect of translation	(4,089)	12,905
Balance at end of period	<u>458,722</u>	<u>192,944</u>
Carrying value	<u>2,844,078</u>	<u>3,280,056</u>

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 2011

(Unaudited - Expressed in Canadian Dollars)

7. LOANS AND BORROWINGS

	<u>31 March 2011</u>	<u>31 December 2010</u>
Senior Term Loan Facility	91,916,854	93,412,907
Capitalised transaction costs	(4,024,976)	(4,251,970)
Redeemable "A" preference shares (related party)	407,529,820	418,050,018
Rustenburg Platinum Mines – Funding loans (related party)	87,940,570	89,370,192
Rustenburg Platinum Mines – OCSF (related party)	118,566,234	111,208,925
Rustenburg Platinum Mines – Interest free loan (related party)	4,151,626	4,365,567
Rustenburg Platinum Mines – commitment fees (related party)	1,198,303	1,122,854
Other	3,332,651	3,657,869
	<u>710,611,082</u>	<u>716,936,362</u>
<i>Short-term portion</i>		
Senior Term Loan Facility	-	(93,412,907)
Other	(924,494)	(988,756)
	<u>(924,494)</u>	<u>(94,401,663)</u>
<i>Non-current liabilities</i>		
	<u>709,686,588</u>	<u>622,534,699</u>

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

	<u>Three months ended</u> <u>31 March</u> <u>2011</u>	<u>Year ended 31</u> <u>December</u> <u>2010</u>
Balance at beginning of the year	716,936,362	555,509,417
Rustenburg Platinum Mine – OCSF	8,259,203	39,043,300
Rustenburg Platinum Mine – Interest free loan	-	599,442
Loans repaid	(246,930)	(590,537)
Commitment fee capitalised	(127,941)	(640,086)
Finance expenses accrued	20,222,894	74,436,897
Amortisation of loan costs	18,256	631,929
Commitment fee liability	127,941	640,086
Interest rate swap adjustment	(10,622)	(354,093)
Other	-	3,328,100
Effect of translation	(34,568,081)	44,331,907
Balance at end of the period	<u>710,611,082</u>	<u>716,936,362</u>
<i>Short-term portion</i>		
Senior Term Loan Facility	-	(93,412,907)
Other	(924,494)	(988,756)
	<u>(924,494)</u>	<u>(94,401,663)</u>
<i>Non-current portion</i>		
	<u>709,686,588</u>	<u>622,534,699</u>

Due to the waiver of the covenants on the Senior Term Loan Facility as at 31 December 2010, there is no breach applicable to the loan at 31 March 2011 and as a result, the loan is classified as non-current. Refer note 10 for details regarding the refinancing of the Group's loans and borrowings subsequent to 31 March 2011.

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 2011

(Unaudited - Expressed in Canadian Dollars)

	<u>Three months ended 31 March</u>	
	<u>2011</u>	<u>2010</u>
8. CASH USED BY OPERATIONS		
Loss before income tax	(39,147,924)	(15,972,329)
Adjustments for:		
Finance expense	20,109,020	10,260,006
Finance income	(194,168)	(299,937)
Items not involving cash:		
Depreciation and amortization	10,202,121	6,057,518
Equity settled share-based compensation	416,315	510,140
Derivative gain	(33,498)	(99,581)
Cash utilised before working capital changes	(8,648,134)	455,817
Working capital changes		
Decrease in trade and other receivables	12,015,638	1,057,186
Decrease in trade and other payables	(4,090,374)	(3,946,500)
Increase in inventories	(1,070,535)	(1,079,187)
Cash utilised by operations	(1,793,405)	(3,512,684)

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.

	<u>31 March 2011</u>			<u>31 March 2010</u>			Note
	Bokoni Mine	Projects	Total	Bokoni Mine	Projects	Total	
EBITDA	(7,897,416)	(284,576)	(8,181,992)	813,331	(19,135)	794,196	(i)
Total Assets	1,028,799,838	11,016,290	1,039,816,128	994,113,957	11,664,703	1,005,778,660	(ii)
(i) EBITDA							
EBITDA for reportable segments			(8,181,992)			794,196	
Net finance expense			(19,914,852)			(9,960,069)	
Depreciation and amortisation			(10,202,121)			(6,057,518)	
Corporate and consolidation adjustments			(848,959)			(748,938)	
Consolidated loss before income tax			<u>(39,147,924)</u>			<u>(15,972,329)</u>	
(ii) Total assets							
Assets for reportable segments			1,039,816,128			1,005,778,660	
Corporate and consolidation adjustments			(15,811,587)			(10,205,730)	
Consolidated assets			<u>1,024,004,541</u>			<u>995,572,930</u>	

ANOORAQ RESOURCES CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 March 2011

(Unaudited - Expressed in Canadian Dollars)

10. SUBSEQUENT EVENTS

Senior Term Loan Facility

Subsequent to 31 March 2011, the Senior Term Loan Facility lenders (Standard Chartered Bank and FirstRand Bank acting through its division, Rand Merchant Bank ("RMB")), have agreed with Plateau Resources (Proprietary) Limited and Anglo Platinum Limited ("Anglo"), for Anglo's subsidiary, Rustenburg Platinum Mines Limited ("RPM") to acquire the outstanding amounts from the Senior lenders in full on 28 April 2011, as Anglo has indicated that it will be willing to provide funding on more flexible terms and conditions and with more acceptable pricing going forward. The outstanding amount acquired by RPM is \$96.1 million (ZAR 669 million) including the interest rate swap of \$3.7 million (ZAR 25.7 million).