



CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008

(Expressed in Canadian Dollars, unless otherwise stated)
(unaudited)

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

ANOORAQ RESOURCES CORPORATION

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

	September 30 2008	December 31 2007
	(unaudited)	
Assets		
Current assets		
Cash and equivalents	\$ 1,220,566	\$ 7,131,821
Amounts receivable	194,104	167,779
Prepaid expenses	29,769	101,409
	1,444,439	7,401,009
Deferred acquisition costs	1,522,607	368,146
Equipment (note 4)	508,222	105,494
Mineral property interests (note 5)	9,053,431	9,078,714
	\$ 12,528,699	\$ 16,953,363
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 910,866	\$ 475,102
Due to related parties (note 8)	99,072	45,609
Current portion of term loan (note 6)	1,181,499	1,892,197
	2,191,437	2,412,908
Term loan (note 6)	8,722,464	9,806,636
	10,913,901	12,219,544
Shareholders' equity		
Share capital	54,948,340	51,855,350
Contributed surplus	17,510,577	13,254,905
Deficit	(70,844,119)	(60,376,436)
	1,614,798	4,733,819
Nature of operations (note 1)		
Commitments (note 7(c))		
Subsequent events (note 6)		
Proposed transaction (note 10)		
	\$ 12,528,699	\$ 16,953,363

See accompanying notes to consolidated financial statements

Approved by the Board of Directors

/s/ Philip Kotze

Philip Kotze
Director

/s/ Iemrahn Hassen

Iemrahn Hassen
Director

ANOORAQ RESOURCES CORPORATION**Consolidated Statements of Operations and Comprehensive Loss**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Expenses				
Accounting, audit and legal	\$ 367,015	\$ 47,276	\$ 481,561	\$ 187,518
Accretion on term loan	22,945	25,448	67,330	76,161
Conference and travel	129,246	29,004	370,384	151,280
Consulting	62,490	30,196	191,380	115,630
Exploration (schedule)	29,490	21,620	157,958	103,508
Foreign exchange gain	(278,927)	(192,162)	(891,742)	(519,508)
Gain on disposal of fixed assets	(158)	–	(5,894)	–
Interest expense	495,104	470,628	1,401,597	1,431,166
Interest income	(12,002)	(134,151)	(147,461)	(566,190)
Office and administration	204,459	77,521	668,812	279,958
Salaries and benefits	795,709	487,756	2,500,796	1,450,976
Stock-based compensation - office and administration	78,411	–	5,311,104	1,044
Stock-based compensation - exploration	–	–	–	401
Shareholders communications	62,709	60,299	161,160	192,280
Trust and filing	13,519	31,489	202,698	230,490
Loss before the following	1,970,010	954,924	10,469,683	3,134,714
Future income tax recovery	(1,000)	–	(2,000)	(2,000)
Loss for the period	1,969,010	954,924	10,467,683	3,132,714
Other comprehensive loss	–	–	–	–
Total Comprehensive Loss	\$ 1,969,010	\$ 954,924	\$ 10,467,683	\$ 3,132,714
Basic and diluted loss per share	\$ 0.01	\$ 0.01	\$ 0.06	\$ 0.02
Weighted average number of common shares outstanding	185,978,050	184,770,793	185,485,041	162,740,579

See accompanying notes to consolidated financial statements

ANOORAQ RESOURCES CORPORATION

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

	Nine months ended September 30, 2008		Year ended December 31, 2007	
	<i>(unaudited)</i>			
	<u>Number of shares</u>		<u>Number of shares</u>	
Share capital				
Balance at beginning of the period	185,208,607	\$ 51,855,350	148,220,407	\$ 50,207,363
Share purchase options exercised at \$1.40 per share	1,410,000	1,974,000	883,200	1,236,480
Share purchase options exercised at \$0.95 per share	–	–	100,000	95,000
Share purchase options exercised at \$2.97 per share	21,400	63,558	5,000	14,850
Fair value of stock options allocated to shares issued on exercise	–	1,055,432	–	301,657
Common shares issued	–	–	36,000,000	–
Balance at end of the period	186,640,007	\$ 54,948,340	185,208,607	\$ 51,855,350
Contributed surplus				
Balance at beginning of the period		\$ 13,254,905		\$ 4,849,043
Stock-based compensation		5,311,104		8,707,519
Fair value of stock options allocated to shares issued on exercise		(1,055,432)		(301,657)
Balance at end of the period		\$ 17,510,577		\$ 13,254,905
Deficit				
Balance at beginning of the period		\$ (60,376,436)		\$ (46,080,305)
Loss for the period		(10,467,683)		(14,296,131)
Balance at end of the period		\$ (70,844,119)		\$ (60,376,436)
TOTAL SHAREHOLDERS' EQUITY		\$ 1,614,798		\$ 4,733,819

See accompanying notes to consolidated financial statements

ANOORAQ RESOURCES CORPORATION

Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Operating activities				
Loss for the period	\$ (1,969,010)	\$ (954,924)	\$ (10,467,683)	\$ (3,132,714)
Items not involving cash				
Amortization included in exploration expenses	14,020	6,044	32,138	15,312
Accretion on term loan	22,945	25,448	67,330	76,161
Future income tax recovery	(1,000)	–	(2,000)	(2,000)
Accrued interest on term loan (note 6)	434,123	439,847	1,233,553	1,292,853
Stock-based compensation	78,411	–	5,311,104	1,445
Gain on disposal of equipment	(158)	–	(5,894)	–
Unrealized foreign exchange gain	(276,131)	(277,299)	(839,381)	(379,299)
Equity loss from interest in Ga-Phasha project (note 5)	35,165	24,664	46,983	61,134
Changes in non-cash operating working capital				
Amounts receivable	143,526	(565)	(26,325)	2,383
Amounts due to and from related parties	(2,222)	(9,737)	53,463	(17,679)
Prepaid expenses	10,667	(180,801)	71,640	(115,732)
Accounts payable and accrued liabilities	361,458	(4,021)	435,764	(834,692)
Cash and equivalents used by operating activities	(1,148,206)	(931,344)	(4,089,308)	(3,032,828)
Investing activities				
Purchase of equipment	(114,131)	(38,231)	(452,804)	(45,651)
Proceeds received on disposal of equipment	108	–	23,832	–
Deferred acquisition costs	(191,658)	–	(1,154,461)	–
Equity investment	53,300	(726,698)	53,300	(751,605)
Cash and equivalents used by investing activities	(252,381)	(764,929)	(1,530,133)	(797,256)
Financing activities				
Issuance of common shares	1,470,000	587,300	2,037,558	1,122,600
Payment of term loan interest	–	–	(1,777,979)	–
Cash and equivalents provided by (used by) financing activities	1,470,000	587,300	259,579	1,122,600
Effect of exchange rate changes on cash and equivalents	10,795	(248,229)	(551,393)	(1,304,598)
Decrease in cash and equivalents	80,207	(1,357,202)	(5,911,255)	(4,012,082)
Cash and equivalents, beginning of period	1,140,359	10,120,266	7,131,821	12,775,146
Cash and equivalents, end of period	\$ 1,220,566	\$ 8,763,064	\$ 1,220,566	\$ 8,763,064

Supplementary information

Interest paid	\$ –	\$ 30,781	\$ 1,777,979	\$ 138,313
Interest received	\$ (12,002)	\$ (134,151)	\$ (147,461)	\$ (566,190)
Taxes paid	\$ –	\$ –	\$ –	\$ –

Non-cash operating, financing and investing activities

Fair value of options allocated to shares issued on exercise	\$ 756,000	\$ 123,670	\$ 1,055,432	\$ 245,805
--	------------	------------	--------------	------------

See accompanying notes to consolidated financial statements

ANOORAQ RESOURCES CORPORATION**Consolidated Schedules of Exploration Expenses**

(Unaudited - Expressed in Canadian Dollars)

Republic of South Africa	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Northern Limb of the Bushveld Complex				
Amortization	\$ 14,020	\$ 6,044	\$ 32,138	\$ 15,312
Assays and analysis	–	–	–	200
Engineering	51	–	11,405	19,784
Geological and consulting	248	4,552	56,909	31,113
Graphics	2	50	3,288	2,134
Property fees and assessments (recovery)	(42)	5,351	(10,706)	15,300
Property option payments	47	–	10,453	–
Site activities	7,618	3,679	32,910	9,108
Transportation	5,186	(494)	14,544	2,864
	27,130	19,182	150,941	95,815
Eastern Limb of the Bushveld Complex				
Geological and consulting	2,360	2,438	7,017	7,693
	2,360	2,438	7,017	7,693
Exploration expenses before the following	29,490	21,620	157,958	103,508
Stock-based compensation	–	–	–	401
Exploration expenses	29,490	21,620	157,958	103,909
Cumulative expenditures, beginning of period	26,110,531	23,695,603	25,982,063	23,613,314
Cumulative expenditures, end of period	\$ 26,140,021	\$ 23,717,223	\$ 26,140,021	\$ 23,717,223

See accompanying notes to consolidated financial statements