



## Results for the three months ended 31 March 2011

13 May 2011



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# Cautionary risk factors and forward-looking statement information

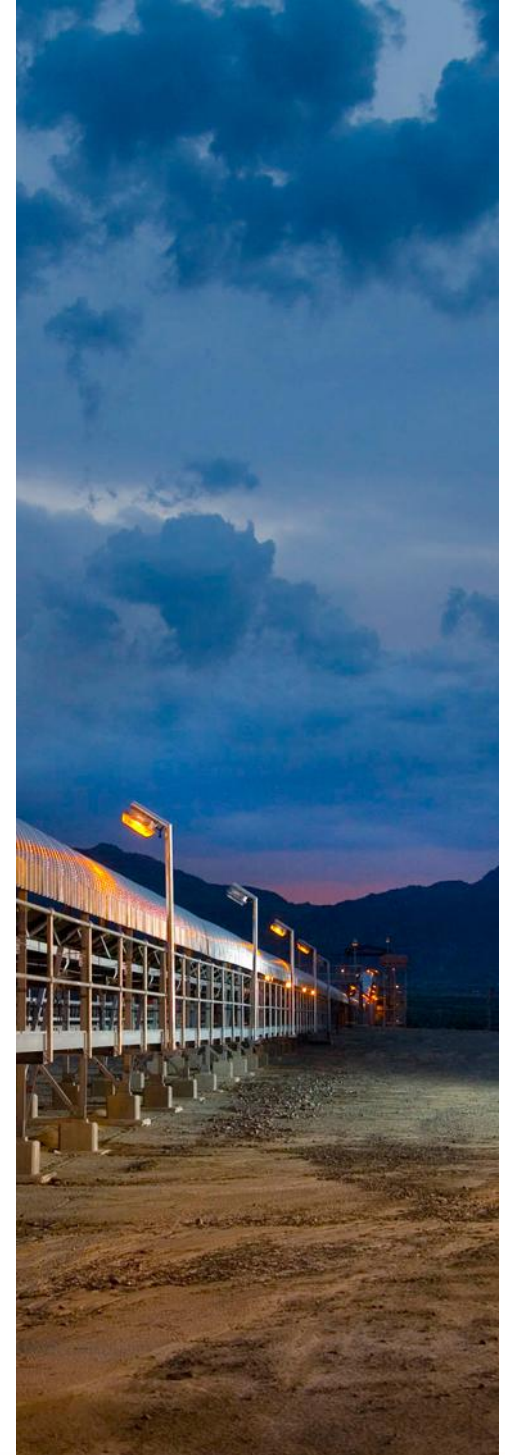
This presentation includes certain statements that may be deemed "forward-looking statements" within the definition of the United States Private Securities Litigation Reform Act of 1995. All statements in this presentation, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that Anooraq expects are forward looking statements. Anooraq believes that such forward looking statements are based on reasonable assumptions, including the assumptions that: Bokoni will continue to have production levels similar to previous years; the planned Bokoni expansions will be completed and successful. Forward-looking statements, however, are not guarantees of future performance and actual results or developments may differ materially from those in forward looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, changes in and the effect of government policies with respect to mining and natural resource exploration and exploitation and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward looking statements. Investors should review the Company's annual Form on 20-F with the United States Securities and Exchange Commission and its home jurisdiction filings that are available at [www.sedar.com](http://www.sedar.com).

This presentation uses the terms "measured resources", "indicated resources" and "inferred resources". Anooraq advises investors that although these terms are recognized and required by Canadian regulations (under National Instrument 43-101 Standards of Disclosure for Mineral Projects), the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for a Preliminary Assessment as defined under National Instrument 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, changes in and the effect of government policies with respect to mining and natural resource exploration and exploitation, and general economic, market or business conditions. In addition, actual results may be affected by the following specific risk factors. Costs, including design, procurement, construction and on-going operating costs and metal recoveries could be materially different from those discussed herein. There can be no assurance that mining can be conducted at the rates and grades assumed herein. There can be no assurance that infrastructure facilities can be developed on a timely and cost-effective basis. Energy risks include the potential for significant increases in the cost of fuel and electricity, and fluctuation in the availability of electricity. Projected metal prices have been used herein. The prices of these metals are historically volatile, and Anooraq has no control of or influence on the prices, which are determined in international markets. There can be no assurance that the prices of platinum, palladium, rhodium, gold, copper and nickel will continue at current levels or that they will not decline below the prices assumed herein. A significant increase in costs of capital could materially adversely affect the value and feasibility of constructing the expansions at Bokoni. Other general risks include those ordinary to large construction projects, including the general uncertainties inherent in engineering and construction cost, the need to comply with generally increasing environmental obligations, and accommodation of local and community concerns. The economics are sensitive to the currency exchange rates, which have been subject to large fluctuations in the last several years. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward looking statements.

# Q1 2011 features

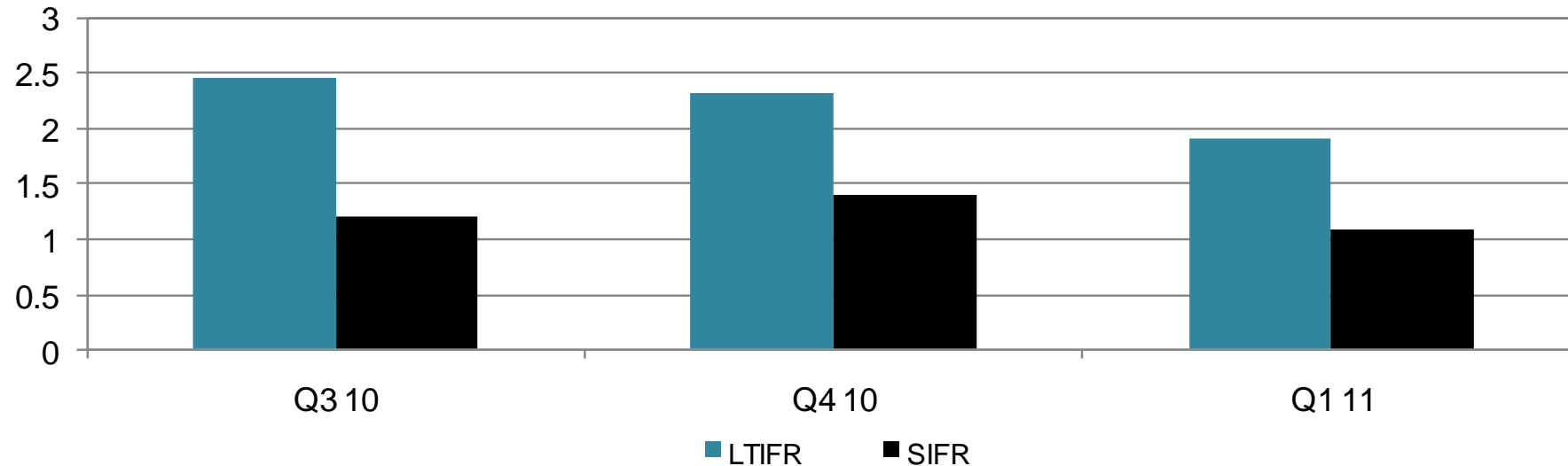
- Group restructuring and refinancing initiatives under way
- Strategic partnership with Anglo Platinum reinforced
- Management changes:
  - Harold Motaung appointed CEO
  - new senior and technical appointments at Bokoni operations in process
- Safety a critical issue
  - no fatal accidents; LTIFR and SIFR improve
  - safety-related stoppages significantly affect production
- Production decreased to 22,173 4E oz
- Continued focus on re- and sub-development to improve mining flexibility
- US\$ PGM basket prices increased by 14%
- Unit cash costs rise to US\$1,672/4E oz as a result of lower volumes
- Grade challenges from increased re- and sub-development, late commissioning on UG2 crusher



# Safety

- No fatal accidents
- LTIFR improved by 17% q-o-q to 1.91 per 200,000 hours worked
- SIFR improved by 22% q-o-q to 1.08 per 200,000 hours worked
- Intensive DMR audits in January 2011 across the industry
- Seven shifts lost as a result of safety-related stoppages (10% of production shifts)
- Non-compliance issues being addressed:
  - internal safety audit and supervisory training programme continued
  - active engagement with DMR

LTIFR and SIFR (per 200,000 hours worked)



# Production statistics: Q1 2011

|                               |                 | Q4 2010 | Q1 2011        | Variance Q-O-Q | Q1 2010 | Variance Q1 11 vs Q1 10 |
|-------------------------------|-----------------|---------|----------------|----------------|---------|-------------------------|
| Tonnes delivered              | Tonnes          | 258,033 | <b>201,851</b> | (22%)          | 232,323 | (13%)                   |
| Total primary development     | Metres          | 2,308   | <b>2,302</b>   | –              | 3,140   | (27%)                   |
| Total re- and sub-development | Metres          | 1,486   | <b>1,846</b>   | 24%            | 820     | 225%                    |
| Head grade (delivered)        | g/t, 4E*        | 4.41    | <b>4.25</b>    | (4%)           | 4.16    | 2%                      |
| Tonnes milled                 | Tonnes          | 278,242 | <b>219,991</b> | (21%)          | 229,344 | (4%)                    |
| Recovered grade               | g/t milled, 4E* | 4.17    | <b>3.84</b>    | (8%)           | 4.30    | (11%)                   |
| 4E oz produced*               | Ounces          | 30,776  | <b>22,173</b>  | (28%)          | 26,594  | (17%)                   |

Significant increase in re- and sub-development to create mining flexibility

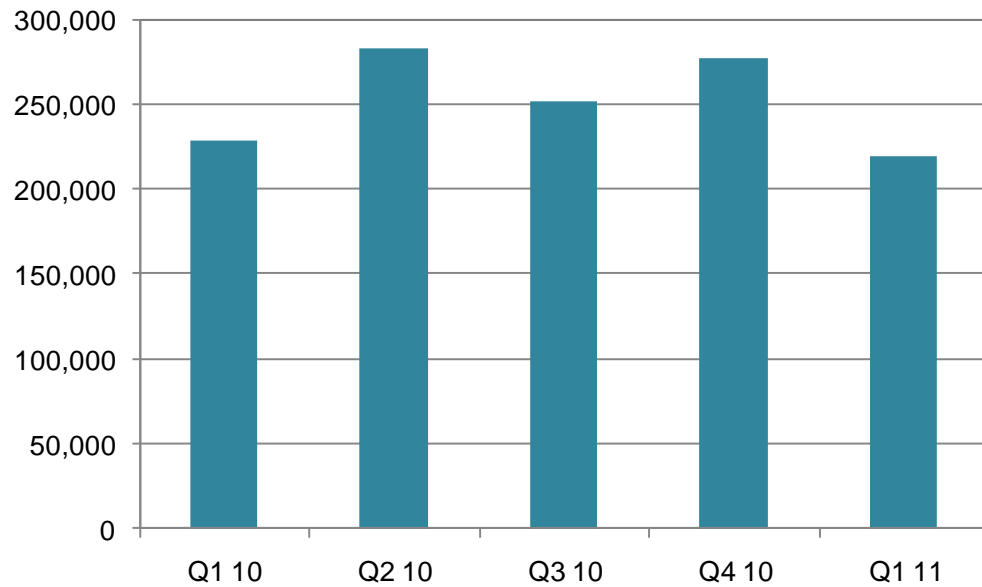
Lower grade UG2 throughput and UG2 primary crusher only commissioned on 20 March 2011

Increased re- and sub-development

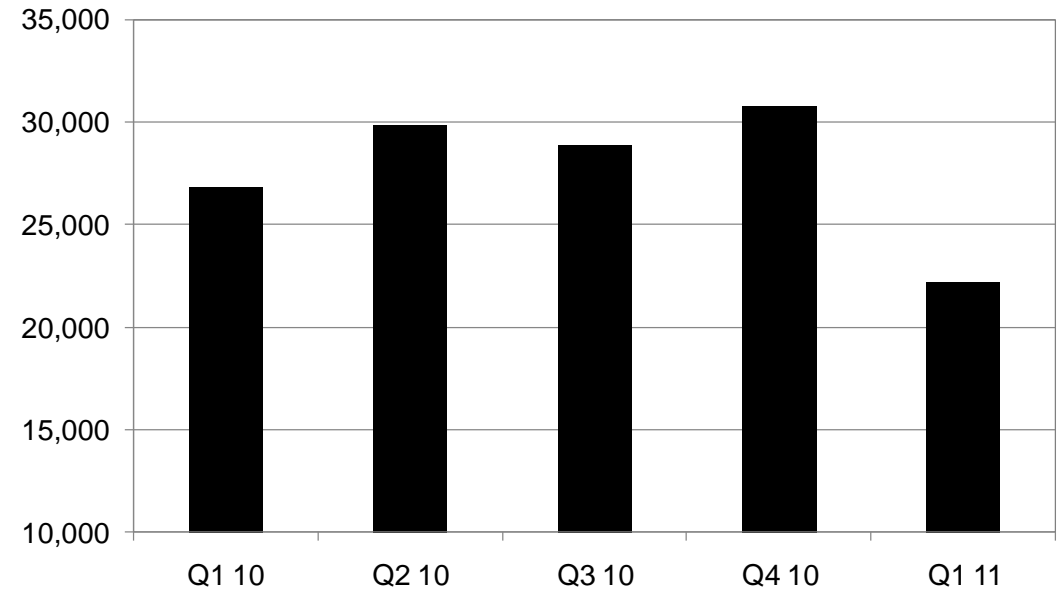
\*4E consists of platinum, palladium, rhodium and gold

# Production performance

Tonnes milled

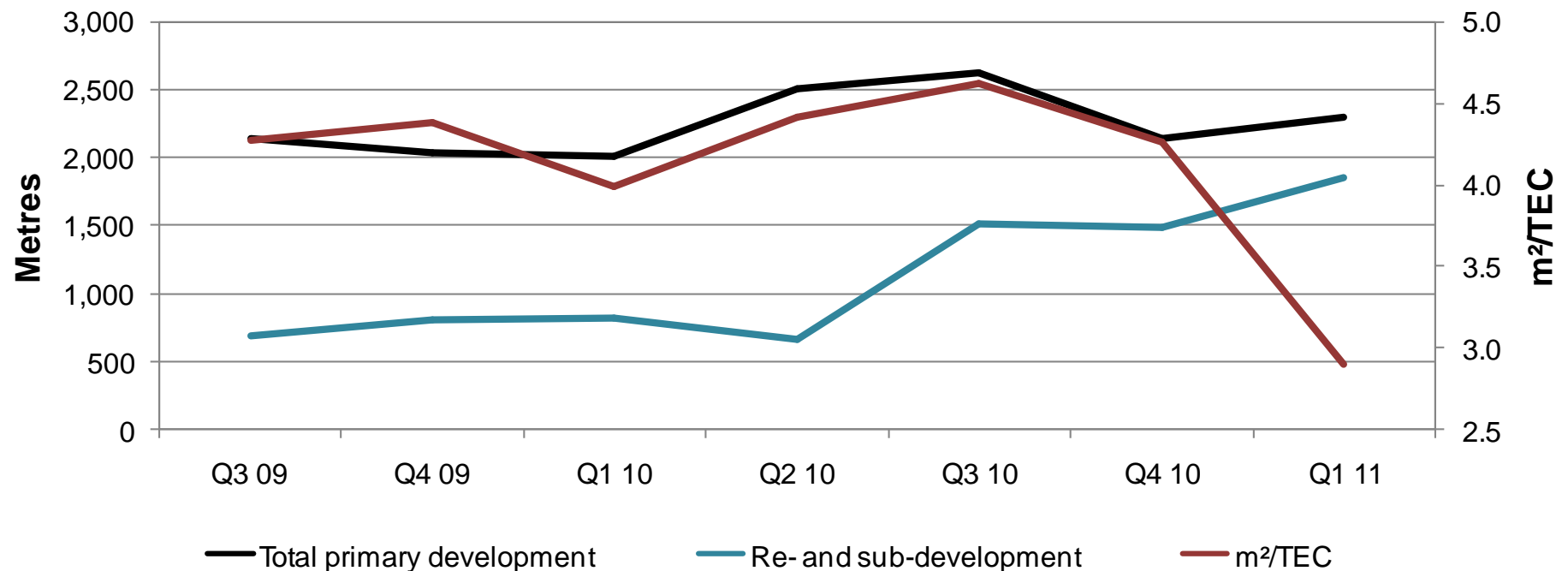


4E (PGE) ounces produced



# Focus on improving operating efficiencies

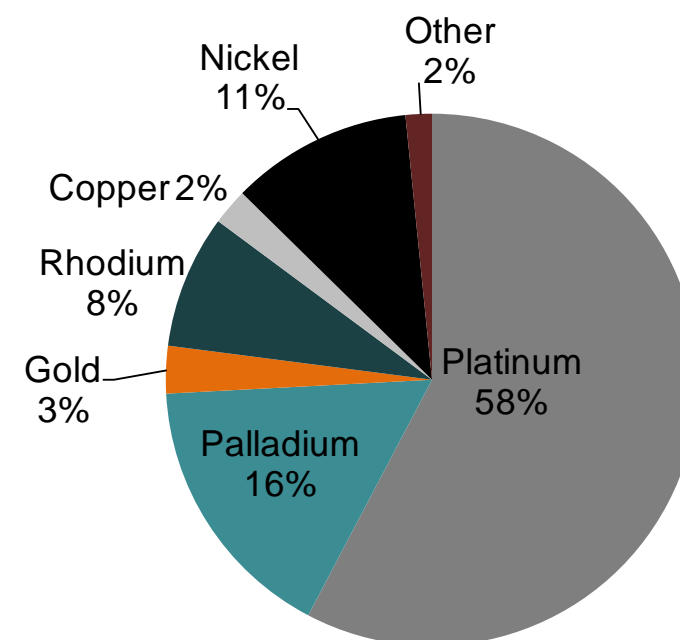
- Operating efficiencies remain below industry average
- Production constrained by lack of mining flexibility
- Focus continues on re- and sub-development to generate IMS (equipped spare panels)
- Dedicated equipping crews introduced
- Goal to achieve 1:1 in active/spare panel ratio through IMS generation



# Quarterly production: metal and revenue split

| Metal   | Q4 2010 | Q1 2011       | Variance<br>Q – O – Q | Q1 2010 | Variance<br>Q1 11<br>vs<br>Q1 10 |
|---------|---------|---------------|-----------------------|---------|----------------------------------|
| Pt (oz) | 17,050  | <b>12,136</b> | (29%)                 | 14,258  | (15%)                            |
| Pd (oz) | 10,905  | <b>7,987</b>  | (27%)                 | 9,820   | (19%)                            |
| Rh (oz) | 1,679   | <b>1,295</b>  | (23%)                 | 1,618   | (20%)                            |
| Au (oz) | 1,142   | <b>755</b>    | (34%)                 | 898     | (16%)                            |
| Ni (t)  | 264     | <b>94</b>     | (64%)                 | 182     | (48%)                            |
| Cu (t)  | 164     | <b>153</b>    | (7%)                  | 112     | 37%                              |

Revenue contribution %



# Revenue: Q1 2011

- Revenue down
  - 4E PGE oz decreased
  - ZAR/US\$ exchange rate weakened
  - US\$ PGM basket increased

|  | Q4 2010         | Q1 2011                | Variance<br>Q-O-Q | Q1 2010         | Variance<br>Q1 11 vs<br>Q1 10 |
|--|-----------------|------------------------|-------------------|-----------------|-------------------------------|
| Revenue (CAN\$'000s)   | \$43,244        | <b>\$30,698</b>        | (29%)             | \$32,206        | (5%)                          |
| Revenue (ZAR'000s)   | R296,177        | <b>R218,035</b>        | (26%)             | R232,535        | 6%                            |
| Gross average R/PGM (4E) oz  | R9,623          | <b>R10,210</b>         | 6%                | R9,019          | 13%                           |
| Gross average US\$/PGM (4E) oz                                       | US\$1,395       | <b>US\$1,457</b>       | 4%                | US\$1,200       | 21%                           |
| Average exchange rate  | R6.90: US\$1.00 | <b>R7.01: US\$1.00</b> | 2%                | R7.52: US\$1.00 | 7%                            |
| R/t operating cost/tonne milled<br>(incl. treatment charges) (ZAR/t) | 1,058           | <b>1,199</b>           | (13%)             | 987             | (21%)                         |
| R/4E operating cost (ZAR/4E*oz)                                      | 9,420           | <b>11,722</b>          | (24%)             | 8,516           | (38%)                         |
| US\$/4E operating cost (US\$/4E*oz)                                  | 1,365           | <b>1,672</b>           | (23%)             | 1,132           | (48%)                         |
| Capital expenditure (ZAR million)                                    | 74.5            | <b>55.7</b>            | (25%)             | 43.2            | 29%                           |

# Consolidated income statement summary (CAN\$)

## Q1 2011

| Expressed in Canadian dollars<br>(CAN\$000's) | Three months ended<br>31 March 2011 | Three months ended<br>31 March 2010 | Variance |
|---|-------------------------------------|-------------------------------------|----------|
| Revenue                                       | <b>30,698</b>                       | 32,206                              | (5%)     |
| Operating costs                               | <b>36,333</b>                       | 29,606                              | (23%)    |
| Cash operating (loss)/profit*                 | <b>(5,635)</b>                      | 2,600                               | (317%)   |
| Operating margin                              | <b>(18%)</b>                        | 8%                                  | (325%)   |
| EBITDA  | <b>(9,031)</b>                      | 46                                  | (1,973%) |
| Loss after tax                                | <b>(31,426)</b>                     | (13,191)                            | (238%)   |
| Outside shareholders interest                 | <b>(17,181)</b>                     | (6,193)                             | (277%)   |
| Basic and diluted loss per share – cents      | <b>(0.04)</b>                       | (0.02)                              | (200%)   |

\*Cash profit before depreciation and amortisation

# Consolidated income statement summary (ZAR)

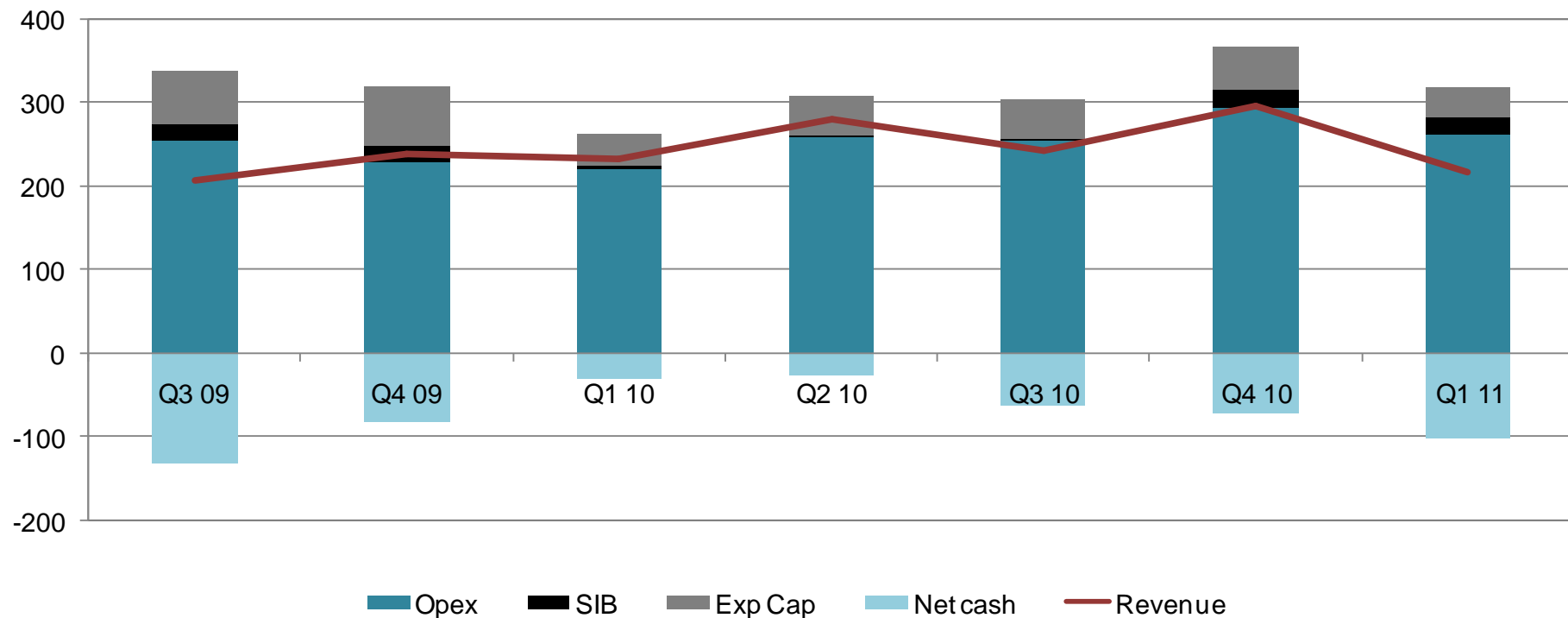
## Q1 2011

| Expressed in South African rands<br>(ZAR000's) | Three months ended<br>31 March 2011 | Three months ended<br>31 December 2010 | Variance |
|--|-------------------------------------|--|----------|
| Revenue  | <b>218,026</b>                      | 232,535                                | (6%)     |
| Operating costs                                | <b>258,050</b>                      | 213,762                                | (21%)    |
| Cash operating (loss)/profit*                  | <b>(40,025)</b>                     | 18,773                                 | (313%)   |
| Operating margin                               | <b>(18.4%)</b>                      | 8%                                     | (330%)   |
| EBITDA   | <b>(64,144)</b>                     | 332                                    | (1,942%) |
| Loss after tax                                 | <b>(223,200)</b>                    | (95,242)                               | (234%)   |
| Outside shareholders interest                  | <b>(122,024)</b>                    | (44,715)                               | (273%)   |
| Basic and diluted loss per share – cents       | <b>(0.28)</b>                       | (0.12)                                 | (233%)   |

\*Cash profit before depreciation and amortisation

# Bokoni: net free cash flows

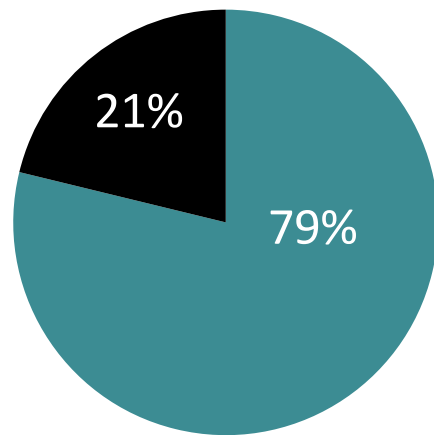
- Bokoni continues to incur negative net free cash flows during intensive capital growth phase
- Key target is to achieve a net free cash flow positive position, including expansion capital
- Breakeven at >100,000tpm\* (see next slide)



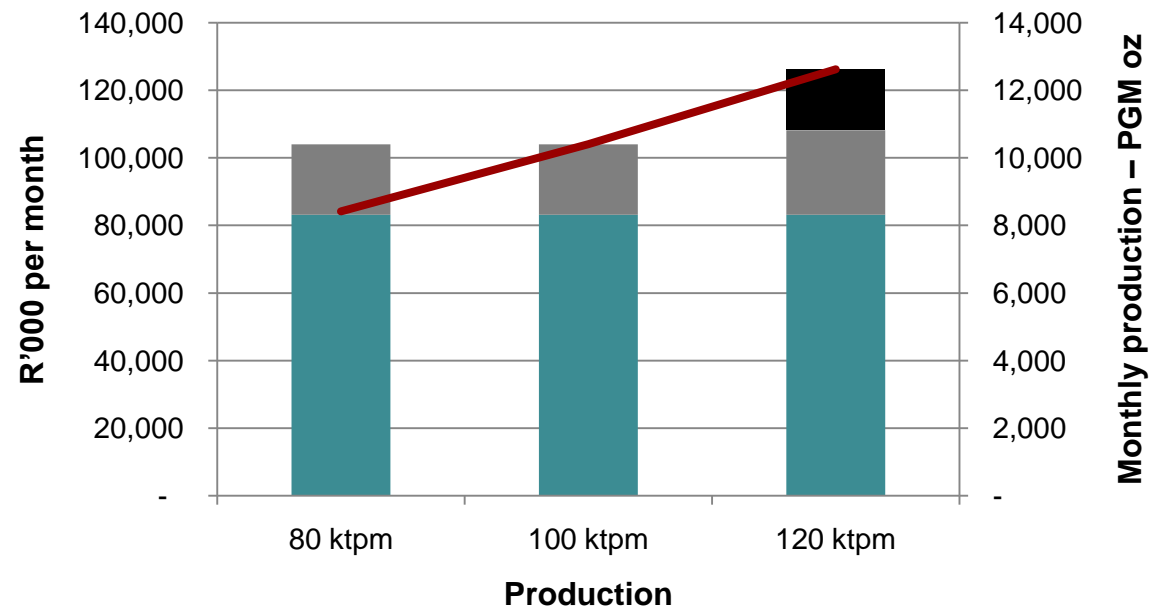
\*At current Bokoni spot basket prices of R9,700/4E oz

# Net cash flow breakeven analysis

- Bokoni is staffed and structured to be a 120,000tpm producer
- Current production is at 80,000tpm as a result of current operational challenges
- Bokoni fixed to variable cost ratio: 79%: 21%
- Net cash flow breakeven at 100,000tpm (11,000 PGM oz)\* \*\*



■ Fixed cost ■ Variable cost



■ Net cash flow after capex ■ Variable costs ■ Fixed costs ■ Revenue

\*At current Bokoni spot basket prices of R9,700/4E oz

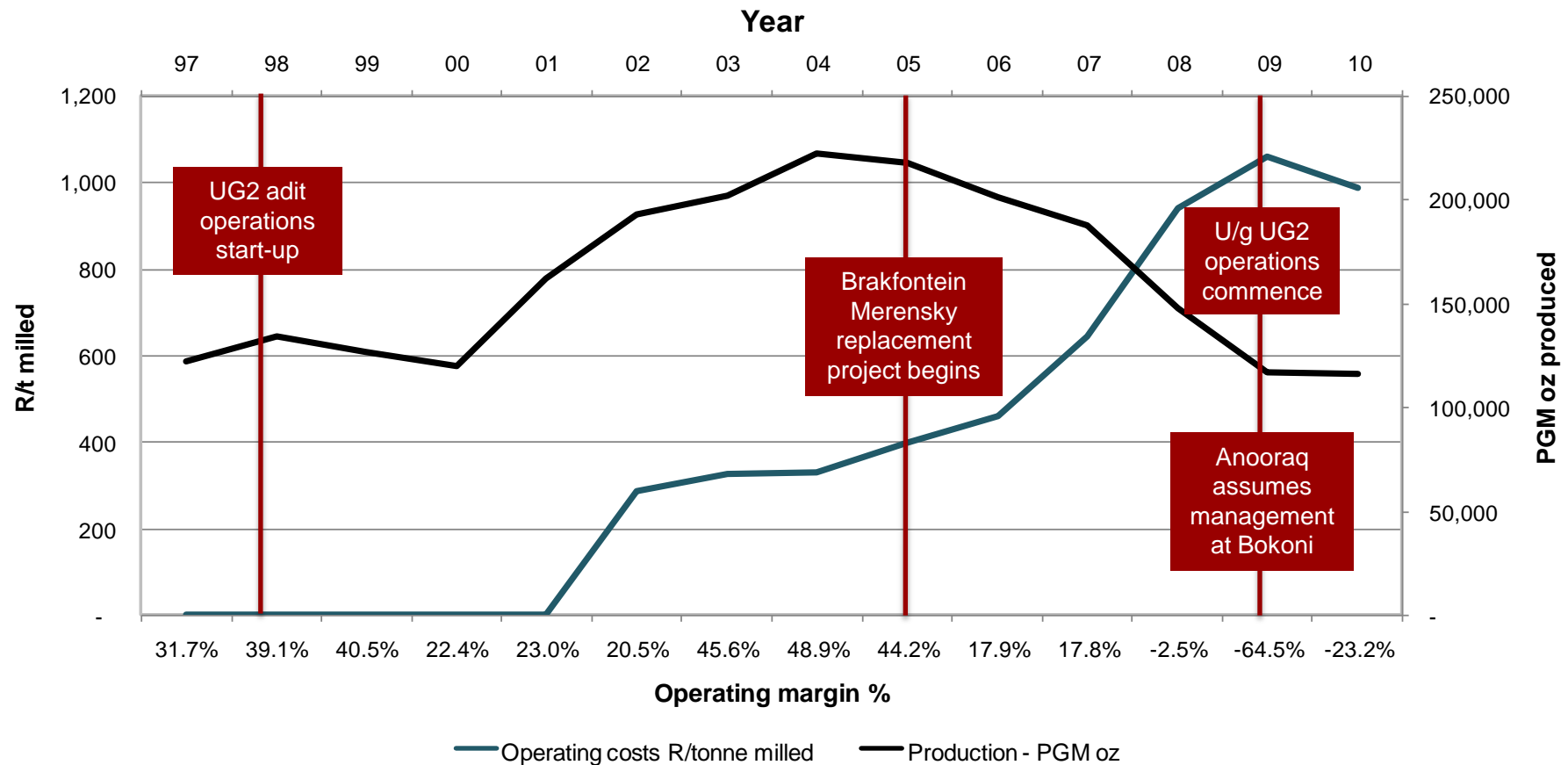
\*\*Based on average FY10 cash expenditure

# ARQ capital structure and attributable net debt (at 31 March 2011)

| EQUITY<br>Shareholder                 | No. of shares (m)                     | % shareholding<br>(fully diluted) | Cumulative total<br>shares (m)<br>(fully diluted) |
|---------------------------------------|---------------------------------------|-----------------------------------|---|
| Pelawan (BEE)                         | 227 (incl. "B" preference shares)     | 51                                | 227   |
| APL                                   | 115,8 ("B" preference shares)         | 26                                | 342,8   |
| Free float (public) and stock options | 102                                   | 23                                | 445   |
| <b>Total</b>                          |                                       |                                   | <b>445</b>  |
| DEBT<br>Debt instrument               | Principal<br>(incl. interest YTD) ZAR | Interest<br>YTD ZAR               | Current coupon                                    |
| A prefs                               | 1,442,797,808                         | 249,997,808                       | 12% pref div                                      |
| OCSF                                  | 424,209,261                           | 66,912,156                        | 15,84%  |
| Senior loan                           | 640,089,511                           | 140,089,511                       | 14,7%   |
| <b>Total</b>                          | <b>2,507,096,580</b>                  | <b>456,999,475</b>                |   |
| Cash and facilities                   |                                       |                                   | ZAR   |
| Cash balance – 31 March 2011          |                                       |                                   | 60,646,790  |
| Undrawn facilities                    |                                       |                                   | 325,790,739                                       |
| <b>Total net debt</b>                 |                                       |                                   | <b>2,446,449,790</b>                              |

# Bokoni operations: history

- Production profile stabilised 09/10
- New growth phase under way
- Ramp-up phase to 211,000oz pa by 2014 continues



# Potential corporate action

- Discussions surround the completion of a strategic review by Anooraq and Anglo Platinum of Bokoni's Group assets, capital and financing structures with a view to effecting a group refinancing and restructure transaction between them
- Pursuant to the implementation of the group restructure, Anooraq has unwound its interest rate hedge transaction with Standard Chartered Bank, and Anglo Platinum has acquired Anooraq's senior loan obligations of US\$96.4 million (ZAR671 million) with SCB and Rand Merchant Bank
- Ultimate treatment and/or terms associated with this debt are currently under review between the parties within the context of the broader refinancing initiative between them



# Looking forward

- **Operational:**
  - production target remains 160,000tpm (17,600oz/month) by 2014
  - shallow orebody capable of sustaining operations in excess of 50 years
- **Market:**
  - positive outlook for PGM demand, with automotive sector continuing to show signs of recovery
  - potential constraints on supply to place pressure on market balance
- **Corporate:**
  - strategic review and optimisation of asset base under way
  - market guidance to be given post completion of strategic review





## Results for the three months ended 31 March 2011

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