Atlatsa
RESOURCES CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the three months ended March 31, 2015, and 2014

EMPOWERED TO PRODUCE

CONTENTS

REPORT PROFILE

Atlatsa Resources Corporation (Atlatsa) was incorporated on April 19, 1983 under the laws of the Province of British Columbia, Canada. All information contained in this report is unaudited and reported in Canadian dollars (CAD$), unless otherwise indicated. In this report, references to Atlatsa include the Company's subsidiaries. In addition to this report, extensive information on Atlatsa, including its regulatory filings, is available on the Company's website at www.atlatsaresources.co.za, www.sedar.com and www.sec.gov.

This report covers the financial performance for the three months ended March 31, 2015 and 2014.

CONDENSED CONSOLIDATED
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

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

	Note	March 31 2015	(Audited) December 31 2014
ASSETS			
Non-current assets			
Property, plant and equipment	7	**690,509,216**	646,245,336
Capital work-in-progress	8	**7,543,971**	29,272,118
Other intangible assets		**291,971**	289,390
Mineral property interests	9	**7,306,583**	7,339,706
Goodwill		**9,125,377**	8,776,080
Platinum Producers' Environmental Trust		**3,975,985**	3,721,035
Other non-current assets		**558**	517
Total non-current assets		**718,753,661**	695,644,182
Current assets			
Inventories		**887,716**	726,343
Trade and other receivables		**12,736,381**	16,256,784
Cash and cash equivalents		**4,614,465**	8,148,558
Restricted cash		**51,084**	48,744
Total current assets		**18,289,646**	25,180,429
Total assets		**737,043,307**	720,824,611
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**309,659,583**	309,659,583
Treasury shares	10	**(4,991,726)**	(4,991,726)
Foreign currency translation reserve		**(1,670,476)**	(10,558,030)
Share-based payment reserve		**26,497,909**	26,245,459
Accumulated loss		**(98,151,704)**	(89,283,115)
Total equity attributable to equity holders of the Company		**231,343,586**	231,072,171
Non-controlling interests		**183,631,517**	184,133,904
Total equity		**414,975,103**	415,206,075
Non-current liabilities			
Long-term portion of loans and borrowings	11	**140,436,913**	130,402,292
Long-term portion of finance lease liability	12	**197,140**	283,877
Deferred tax liability		**119,948,762**	116,744,891
Provisions		**14,111,250**	13,357,268
Total non-current liabilities		**274,694,065**	260,788,328
Current liabilities			
Trade and other payables		**44,581,136**	41,670,800
Short-term portion of loans and borrowings	11	**387,947**	524,854
Short-term portion of finance lease liability	12	**2,405,056**	2,634,554
Total current liabilities		**47,374,139**	44,830,208
Total liabilities		**322,068,204**	305,618,536
Total equity and liabilities		**737,043,307**	720,824,611

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors on May 15, 2015

Harold Motaung
Director

Fikile De Buck
Director

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

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

	Note	Three months ended March 31 2015	Three months ended March 31 2014
Revenue		52,310,635	53,830,939
Cost of sales		(63,368,239)	(60,966,185)
Gross loss		(11,057,604)	(7,135,246)
General and administrative expenses		(2,633,219)	(3,365,017)
Other income		303,675	399,336
Operating loss		(13,387,148)	(10,100,927)
Finance income		96,346	81,606
Finance costs		(4,958,071)	(3,981,152)
Net finance costs		(4,861,725)	(3,899,546)
Loss before income tax		(18,248,873)	(14,000,473)
Income tax		1,459,258	1,184,503
Loss for the period		(16,789,615)	(12,815,970)
Other comprehensive income			
Foreign currency translation differences for foreign operations		16,401,950	17,205,750
Other comprehensive income for the period, net of income tax		16,401,950	17,205,750
Total comprehensive income for the period		(387,665)	4,389,780
Loss attributable to:			
Owners of the parent		(8,868,589)	(4,876,655)
Non-controlling interests		(7,921,026)	(7,939,315)
Loss for the period		(16,789,615)	(12,815,970)
Total comprehensive income attributable to:			
Owners of the parent		114,722	5,354,485
Non-controlling interests		(502,387)	(964,705)
Total comprehensive income for the period		(387,665)	4,389,780
Basic earnings per share	13	(2 cents)	(1 cent)
Diluted earnings per share	13	(2 cents)	(1 cent)

The accompanying notes are an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

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

	Share capital		Treasury shares	
	Number of shares	Amount	Number of shares	Amount
For the period ended March 31, 2014				
Balance at January 1, 2014	201,888,473	71,967,083	4,497,062	(4,991,726)
Common shares issued	125,000,000	74,782,500	–	–
Acquisition of shares in Bokoni Platinum Holdings Proprietary Limited	–	–	–	–
Conversion of convertible preference shares	227,400,000	162,910,000	–	–
Total comprehensive income for the period				
Loss for the period	–	–	–	–
Other comprehensive income for the period, net of tax	–	–	–	–
Total comprehensive income for the period	–	–	–	
Balance at March 31, 2014	554,288,473	309,659,583	4,497,062	(4,991,726)
For the period ended March 31, 2015				
Balance at January 1, 2015	554,288,473	309,659,583	4,497,062	(4,991,726)
Total comprehensive income for the period				
Loss for the period	–	–	–	–
Other comprehensive income for the period, net of tax	–	–	–	–
Total comprehensive income for the period	–	–	–	–
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Share-based payments expense	–	–	–	–
Total contributions by and distributions to owners	–	–	–	–
Balance at March 31, 2015	554,288,473	**309,659,583**	4,497,062	**(4,991,726)**

Convertible preference shares	Foreign currency translation reserve	Share- based payment reserve	Accumulated loss	Total shareholders' equity	Non-controlling interests	Total equity
162,910,000	(10,119,860)	25,794,651	(64,673,717)	180,886,431	198,227,542	379,113,973
–	–	–	–	74,782,500	–	74,782,500
–	–	–	–	–	9,574,718	9,574,718
(162,910,000)	–	–	–	–	–	–
–	–	–	(4,876,652)	(4,876,652)	(7,939,315)	(12,815,967)
–	10,146,183	84,957	–	10,231,140	6,974,610	17,205,750
–	10,146,183	84,957	(4,876,552)	5,354,488	964,705	4,389,783
–	26,323	25,879,608	(69,550,369)	261,023,419	206,837,555	467,860,974
						199,179,381
–	(10,558,030)	26,245,459	(89,283,115)	231,072,171	184,133,904	415,206,075
–	–	–	(8,868,589)	(8,868,589)	(7,921,026)	(16,789,615)
–	8,887,554	95,757	–	8,983,311	7,418,639	16,401,950
–	8,887,554	95,757	(8,868,589)	114,722	(502,387)	(387,665)
–	–	156,693	–	156,693	–	156,693
–	–	156,693	–	156,693	–	156,693
–	**(1,670,476)**	**26,497,909**	**(98,151,704)**	**231,343,586**	**183,631,517**	414,975,103

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

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

	Note	Three months ended March 31 2015	Three months ended March 31 2014
Cash flows from operating activities			
Cash generated from/(utilised by) operations	14	887,469	(27,098,306)
Interest received		67,093	56,609
Interest paid		(759,983)	(342,431)
Income tax paid		–	(345,363)
Net cash flows from/(used in) operating activities		194,579	(27,729,491)
Cash flows from investing activities			
Increase in investments held by Platinum Producers' Environmental Trust		(79,227)	(89,464)
Acquisition of property, plant and equipment	7	(1,989)	(1,331)
Expenditures on capital work-in-progress	8	(3,812,284)	(11,213,132)
Proceeds on disposal of property, plant and equipment		–	4,064
Net cash flows used in investing activities		(3,893,500)	(11,299,863)
Cash flows from financing activities			
Proceeds from loans and borrowings		422,800	13,050,841
Repayment of loans and borrowings		–	(74,782,500)
Finance lease liability repayments		(437,356)	–
Common shares issued		–	74,782,500
Other loans repaid		(156,824)	(168,997)
Net cash flows (used in)/from financing activities		(171,380)	12,881,844
Effect of foreign currency translation		336,208	342,799
Net decrease in cash and cash equivalents		(3,534,093)	(25,804,711)
Cash and cash equivalents at beginning of period		8,148,558	40,920,396
Cash and cash equivalents at end of period		4,614,465	15,115,685

The accompanying notes are an integral part of these consolidated financial statements.

NOTES

TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

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

1. CORPORATE AND GROUP INFORMATION

Atlatsa Resources Corporation (the Company or Atlatsa) is incorporated in the Province of British Columbia, Canada. The Company has a primary listing on the Toronto Stock Exchange (TSX) and has a secondary listing on the New York Stock Exchange (NYSE MKT) and the JSE Limited (JSE). The condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "Group 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. Atlatsa operates in South Africa through its wholly-owned subsidiary Plateau Resources Proprietary Limited (Plateau) which owns the Group's various mineral property interests and conducts the Group's business in South Africa.

2. GOING CONCERN

The Group incurred a loss for the three months ended March 31, 2015 of CAD$16.8 million (compared to a 2014 fiscal year loss of CAD$49.5 million and a loss for the three months ended March 31, 2014 of CAD$12.8 million) and as of that date its total assets exceeded its total liabilities by CAD$415.0 million (compared to December 31, 2014 when its total assets exceeded total liabilities by CAD$415.2 million).

The current liabilities of the Group are CAD$47.4 million compared to the current assets (excluding restricted cash) of CAD$18.2 million. This arises as a result of the CAD$14.6 million (ZAR140 million) backlog of trade and other payables owed to Anglo American Platinum Limited (Anglo Platinum). By initial agreement with Anglo Platinum this amount was deferred and Bokoni Mine was expected to start repaying CAD$1.6 million (ZAR15.6 million) a month from April 2015 to December 2015. In terms of the letter of support received on November 10, 2014, this will now be paid as part of the New Senior Debt Facility (discussed below) or other appropriate facility with similar terms. The shortfall remaining will be financed by the Group's short-term cash flows. This will enable the Group to manage its liquidity position.

The Group completed a part of Phase two of its restructuring and recapitalising plan on December 13, 2013. The net result was the Group's debt was reduced by CAD$370.8 million (ZAR3,610.4 million) by December 31, 2013. The restructuring and recapitalising plan was finalised on January 31, 2014 resulting in the amount outstanding under the New Senior Debt Facility being reduced by a further CAD$76.0 million (ZAR750.0 million).The outstanding debt payable at March 31, 2015 is CAD$140.4 million (December 31, 2014: CAD$130.4 million). This facility was fully drawn by March 2014.

The New Senior Debt Facility is only repayable once the company generates sufficient free cash flow.

Further negotiations were entered into at March 31, 2014 with Rustenburg Platinum Mines Proprietary Limited (RPM) and the following were agreed to ensure the Group had sufficient cash resources:

- RPM will meet its 49% shareholder commitment to match any cash resources that Atlatsa contributes;
- the backlog of trade and other payables relating to Anglo Platinum of approximately CAD$14.2 million (ZAR140.0 million) will be deferred to be paid from April 2015 over 9 equal instalments;
- the available facility of the CAD$9.1 million (ZAR90.0 million) Working Capital Facility will be made available in the event Bokoni Platinum Mines Proprietary Limited ("Bokoni Mine" or "Bokoni") requires additional cash resources;
- RPM will consider the availability of the CAD$2.9 million (ZAR29.0 million) outstanding on the sale of the Boikgantsho Project that took place on December 13, 2013 which is currently payable by RPM to the Company on the date of execution of a notarial deed of extension of the RPM Mining Right to include the Boikgantsho Prospecting Rights; and
- Atlatsa executives will make available CAD$6.1 million (ZAR60.0 million), currently committed and held in escrow, as cash resources.

On November 10, 2014, a letter of support was received from Anglo Platinum to provide financial support up to a maximum of CAD$44.1 million (ZAR422.0 million) to March 31, 2016, in the event of unforeseen circumstances not within the Company's control that may result in Bokoni Mine not meeting its planned cash forecasts.

2. GOING CONCERN continued

This letter of support is subject to the following terms and conditions:

- Bokoni Mine continues to operate according to the current plan as agreed with RPM;
- Bokoni Mine assesses and implements any opportunities identified to optimise revenue and production and minimise costs and capital expenditure in order to minimise funding requirements;
- the backlog of the trade and other payables relating to Anglo Platinum of approximately CAD$14.6 million (ZAR140.0 million) to be repaid by increasing the facility available under the New Senior Debt Facility. This is to be completed within 3 months from November 10, 2014 and if it is not possible to implement this as part of the New Senior Debt Facility then another facility will be entered into under similar terms;
- Bokoni Mine to continue to pay any advances including the trade and other payables balances due to Anglo Platinum within 30 days from the end of the month in which such advance is made. If there are valid disputes, this is to be resolved within 60 days and if the amount is due to Anglo Platinum, the amount must be paid within 5 days thereafter;
- the amendments to the Working Capital Facility, to access the CAD$3.0 million (ZAR29.0 million) outstanding from RPM for the sale of Boikgantsho, are finalised and executed within 30 days from November 10, 2014;
- definitive agreements in respect of the purchase by RPM of at least a further 25% in the Kwanda North prospecting rights, held by Kwanda Platinum Mine Proprietary Limited (Kwanda), and at least 60% in the Central Block prospecting rights, held by Plateau, are executed within six months from November 10, 2014;
- the Atlatsa executives to subscribe for CAD$6.3 million (ZAR60.0 million) of equity in Atlatsa by March 31, 2015; and
- the financial support will be withdrawn if Anglo Platinum sells its shareholding in Bokoni Holdco.

In addition to the above, an alternative funding arrangement was entered into with RPM in November 2013, whereby an advance on the Purchase of Concentrate revenue (Advance) on the concentrate sales made to RPM by Bokoni Mine was provided. The Advance was originally available from November 1, 2013 until November 30, 2014. The agreement with RPM with respect to the Advance provides that RPM may advance funds to Bokoni up to an amount of the lower of 90% of an advance on revenue for the preceding two months and CAD$37.6 million (ZAR360.0 million), provided that the amount advanced shall not exceed the actual cash requirements for that month. This agreement was renegotiated in March 2014 to provide that RPM may advance funds to Bokoni up to an amount of the lower of 95% of an advance on revenue for the preceding two months and CAD$49.6 million (ZAR475.0 million), provided that the amount advanced shall not exceed the actual cash requirements, for that month, of Bokoni Mine and was extended to December 31, 2015.

The Working Capital Facility made available by RPM to Plateau is a maximum of CAD$3.1 million (ZAR30.0 million) per year during each of 2013, 2014 and 2015 for an aggregate facility of CAD$9.4 million (ZAR90.0 million), including capitalised interest to fund Atlatsa's corporate and administrative expenses through 2015. The facility available at March 31, 2015 was CAD$2.7 million (ZAR25.8 million) (December 31, 2014: CAD$3.0 million (ZAR30.0 million)). The Working Capital Facility is repayable in full by December 31, 2018.

Subsequently, the condition relating to the amendments to the Working Capital Facility was amended to finalization and execution within 90 days from November 10, 2014 and the subscription by Atlatsa executives of equity in Atlatsa by March 31, 2015 was amended to June 30, 2015. The working capital facility amendments have been finalised with only one condition precedent outstanding before funds can be drawn.

The condensed consolidated interim financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the conditions set out in the letter of support with Anglo Platinum, dated November 10, 2014, and deferred as described above, will be met. In the event the above terms are not met, these conditions give rise to a material uncertainty which may cast significant doubt on the ability of the Company and its subsidiaries to continue as going concerns and therefore may be unable to realise their assets and discharge their liabilities in the normal course of business.

3. BASIS OF ACCOUNTING

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 complete set of International Financial Reporting Standards annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2014. The consolidated financial statements of the Group as at and for the year ended December 31, 2014 are available upon request from the Company's registered office at 82 Grayston Drive, Sandton, South Africa or at www.sedar.com and www.sec.gov.

The condensed consolidated interim financial statements have been prepared on a historical cost basis. Certain items, including derivative financial instruments, are stated at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars (CAD$), and all values are rounded to the nearest dollar, except where otherwise stated.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2014.

5. 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 December 31, 2014.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below:

Effective January 1, 2016:

- IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28*
- IFRS 10, IFRS 12, and IAS 28 *Investment Entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28*
- IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11*
- IFRS 14 *Regulatory Deferral Accounts*
- IAS 1 *Disclosure Initiative – Amendments to IAS 1*
- IAS 16 and IAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortization – Amendments to IAS 16 and IAS 38*
- IAS 16 and IAS 41 *Agriculture – Bearer Plants – Amendments to IAS 16 and IAS 41*
- IAS 27 – *Equity Method in Separate Financial Statements – Amendments to IAS 27*
- Annual IFRS Improvements Process 2012 – 2014 Cycle – various standards

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

5. SIGNIFICANT ACCOUNTING POLICIES continued

Effective January 1, 2017:

- IFRS 15 *Revenue from Contracts with Customers*

Effective January 1, 2018:

- IFRS 9 *Financial Instruments*

All Standards and Interpretations will be adopted at their effective date, if applicable.

Management is currently in the process of assessing the impact of the above-mentioned changes, if any.

6. FINANCIAL RISK MANAGEMENT

Summary of the carrying value of the Group's financial instruments

At March 31, 2015	Loans and receivables	Financial liabilities at amortised cost
Platinum Producers' Environmental Trust**	3,975,985	–
Trade and other receivables*	12,736,381	–
Cash and cash equivalents**	4,614,465	–
Restricted cash*	51,084	–
Loans and borrowings	–	140,824,860
Finance lease liability	–	2,602,196
Trade and other payables*	–	37,701,944

At December 31, 2014	Loans and receivables	Financial liabilities at amortised cost
Platinum Producers' Environmental Trust**	3,721,035	–
Trade and other receivables*	14,329,673	–
Cash and cash equivalents**	8,148,558	–
Restricted cash*	48,744	–
Loans and borrowings	–	130,927,146
Finance lease liability	–	2,918,431
Trade and other payables*	–	31,725,265

* *Not measured at fair value and carrying amount is a reasonable approximation of the fair value due to the short-term to maturity.*

** *Not measured at fair value and the carrying amount is a reasonable approximation of fair value due to this being cash deposits.*

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value, if the carrying value is a reasonable approximation of the fair value.

	Three months ended March 31 2015		Year ended December 31 2014	
	Carrying value	Fair value (level 2)	Carrying value	Fair value (level 2)
Loans and borrowings	140,824,860	140,824,860	130,927,146	130,927,146
Finance lease liability	2,602,196	2,602,196	2,918,431	2,918,431

The carrying amount of loans and borrowings approximates fair value. The loans were recognised at fair value on initial recognition and subsequently adjusted for all changes in cash flows.

The contractual value of the loans and borrowings (financial liabilities at amortised cost) at March 31, 2015 was CAD$167,950,728 (ZAR1,607,183,995) (December 31, 2014 CAD$166,392,966 (ZAR1,655,651,405)).

(a) Valuation techniques and unobservable inputs:

The following table shows the valuation techniques used in measuring level 2 fair values:

Type	Valuation technique
Loans and borrowings	Discounted cash flows

(b) Key assumptions:

- JIBAR rates changing per quarter
- Cash flow assumption changes per quarter
- Drawdowns made in the quarter

7. PROPERTY, PLANT AND EQUIPMENT

Summary of property, plant and equipment	Three months ended March 31 2015	Year ended December 31 2014
Cost		
Balance at beginning of the period	808,038,782	780,046,204
Additions	1,989	2,177,645
Transferred from capital work-in-progress	27,774,621	33,853,496
Disposals	–	(2,378,349)
Increase in rehabilitation assets	–	975,833
Effect of translation	31,845,403	(6,636,047)
Closing balance	867,660,795	808,038,782
Accumulated depreciation and impairment losses		
Balance at beginning of the period	161,793,446	128,867,722
Depreciation for the period	9,021,007	36,456,360
Disposals	–	(2,040,078)
Effect of translation	6,337,126	(1,490,558)
Closing balance	177,151,579	161,793,446
Carrying value	690,509,216	646,245,336

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

8. 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.

	Three months ended March 31 2015	Year ended December 31 2014
Balance at beginning of the period	**29,272,118**	27,296,481
Additions	**3,812,284**	32,891,360
Transfer to property, plant and equipment	**(27,774,621)**	(33,853,496)
Capitalisation of borrowing costs	**806,242**	3,183,868
Effect of translation	**1,427,948**	(246,095)
Balance at end of the period	**7,543,971**	29,272,118

Capital work-in-progress is funded through cash generated from operations and available loan facilities (refer note 11).

9. MINERAL PROPERTY INTERESTS

	Three months ended March 31 2015	Year ended December 31 2014
Balance at beginning of the period	**7,339,706**	7,612,443
Amortisation	**(31,454)**	(251,394)
Write-off*	**–**	(709,665)
Effect of translation	**(1,669)**	688,322
Balance at end of the period	**7,306,583**	7,339,706

* *This relates to the write off of the cost of Paschaskraal and De Kamp remaining after the sale of the two farms in previous financial years.*

The Group's mineral property interest consists of various early stage exploration projects.

Mineral property interests are carried at cost less amortisation and impairment losses. Gains and losses on disposal of mineral property interests are determined by comparing the proceeds from disposal with the cost less amortisation and impairment losses of the asset and are recognised net within profit or loss.

Mineral property interests transferred between segments (subsidiaries) are recognised at the nominal amount paid. The resulting profit or loss caused by the transfer of mineral property interests is recognised in profit or loss of the segment (subsidiary).

10. SHARE CAPITAL

Authorised and issued	Number of shares Three months ended March 31 2015	Year ended December 31 2014
Common shares with no par value	554,288,473	554,288,473

The Company's authorised share capital consists of an unlimited number of common shares without par value. During 2009 cumulative convertible "B" preference shares were issued to facilitate the acquisition of the 51% shareholding in Bokoni Holdco. In January 2014, the Convertible Preference shares were converted into common shares. A further 125,000,000 shares were issued as part of the restructuring transaction.

Share capital	Three months ended March 31 2015	Year ended December 31 2014
Share capital	311,842,616	311,842,616
Share issue costs	(2,183,033)	(2,183,033)
	309,659,583	309,659,583
Treasury shares	4,991,726	4,991,726

Treasury shares relate to shares held by the ESOP Trust in Atlatsa, which is consolidated by the Group.

11. LOANS AND BORROWINGS

	Three months ended March 31 2015	Year ended December 31 2014
RPM – Working Capital Facility (related party)	6,765,287	5,948,787
RPM – New Senior Debt Facility (related party)	133,671,626	124,453,505
Other	387,947	524,854
Total loans and borrowings	140,824,860	130,927,146
Short-term portion of loans and borrowings		
Other	(387,947)	(524,854)
	(387,947)	(524,854)
Long-term portion of loans and borrowings	140,436,913	130,402,292

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

11. LOANS AND BORROWINGS continued

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

	Three months ended March 31 2015	Year ended December 31 2014
Balance at beginning of the period	130,927,146	187,016,588
Loans repaid – Other	(168,192)	(652,039)
Loan from RPM – New Senior Debt Facility	–	6,250,317
Loan repaid – New Senior Debt Facility	–	(74,782,500)
Loan from RPM – Working Capital Facility	422,800	2,526,305
Loan from RPM – Shareholder loan	–	6,005,206
Shareholder loan capitalised	–	(12,480,278)
Finance expenses accrued	4,792,730	17,039,491
Fair value gain on additional draw down of New Senior Debt Facility	–	(1,109,648)
AG8 on New Senior Debt Facility	(302,106)	3,233,584
Effect of translation	5,152,482	(2,119,880)
Balance at end of the period	140,824,860	130,927,146

On May 5, 2014, Anglo Platinum's Board of Directors authorised an amount of CAD$16.7 million (ZAR160 million) of accrued and unpaid interest to accrue above the facility limit of CAD$162.0 million (ZAR1,550 million) up to December 31, 2015.

The New Senior Debt Facility is fully drawn.

On March 31, 2014, the Shareholder loan with RPM to the value of CAD$9.3 million (ZAR91.2 million) was capitalised. On June 30, 2014 an additional Shareholder loan with RPM to the value of CAD$3.2 million (ZAR28.9 million) was capitalised.

12. FINANCE LEASE LIABILITY

	Three months ended March 31 2015	Year ended December 31 2014
Finance lease – Fermel	801,445	931,429
Finance lease – Atlas Copco	1,800,751	1,987,002
Total finance lease liability	2,602,196	2,918,431
Short-term portion of finance lease liability		
Finance lease – Fermel	(604,304)	(647,552)
Finance lease – Atlas Copco	(1,800,752)	(1,987,002)
	(2,405,056)	(2,634,554)
Long-term portion of finance lease liability	197,140	283,877
The carrying value of the Group's finance lease liability changed during the period as follows:		
Balance at beginning of the period	2,918,431	–
Finance lease entered into – Fermel	–	1,150,869
Finance lease entered into – Atlas Copco	–	2,176,310
Lease repayment	(584,411)	(609,887)
Finance expenses accrued	147,055	241,794
Effect of translation	121,121	(40,655)
Balance at end of the period	2,602,196	2,918,431
The terms of the lease are as follows:		
Interest rate	2% – 22.1%	2% - 22.1%
Lease term	13 months – 2 years	13 months – 2 years
Carrying amount of leased assets included in property, plant and equipment	3,004,331	2,902,602

Bokoni entered into instalment sale agreements with Fermel Proprietary Limited (Fermel) and Atlas Copco South Africa Proprietary Limited (Atlas Copco) in the prior financial year for the lease of equipment.

Ownership of the equipment leased from Fermel will be transferred to Bokoni when all amounts due in terms of the agreements have been paid. The Atlas Copco agreement provides for an option to purchase the equipment at the end of the lease term. Management intends to exercise the option to purchase the machinery at the end of the lease term.

The finance lease liabilities are payable as follows:

	Less than one year	Between two and five years
Future minimum lease payments	2,629,366	203,873
Interest	224,310	6,733
Present value of minimum lease payments	2,405,056	197,140

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

13. EARNINGS PER SHARE

The basic and diluted loss per share for the three months ended March 31, 2015 was (2 cents) (2014: (1 cent)).

The calculation of basic loss per share for the three months ended March 31, 2015 of (2 cents) (2014: (1 cent)) is based on the loss attributable to owners of the Company of CAD$8,868,589 (2014: CAD$4,876,655) and a weighted average number of shares of 552,600,535 (2014: 508,234,876).

The calculation of diluted loss per share for the three months ended March 31, 2015 of (2 cents) (2014: (1 cent)) is based on the loss attributable to owners of the Company of CAD$8,868,589 (2014: CAD$4,916,655) and a weighted average number of shares of 552,600,534 (2014: 511,232,917).

The share options and unvested treasury shares were excluded in determining diluted weighted average number of common shares as their effect would have been anti-dilutive.

14. CASH GENERATED FROM/(UTILISED BY) OPERATIONS

	Three months ended March 31 2015	Three months ended March 31 2014
Loss before income tax	(18,248,873)	(14,000,473)
Adjusted for:		
Finance costs	4,958,071	3,981,152
Finance income	(96,346)	(81,606)
Non-cash items:		
Depreciation and amortisation	9,061,501	10,108,980
Share-based compensation	187,894	–
Profit on disposal of property, plant and equipment	–	(4,064)
Fair value on drawdowns and AG8 Adjustments	(302,106)	(391,858)
Rehabilitation adjustment	–	229,069
Cash utilised by operations before ESOP transactions	(4,439,859)	(158,800)
ESOP cash transactions (restricted cash)	17,414	18,470
Cash utilised by operations before working capital changes	(4,422,445)	(140,330)
Working capital changes		
Decrease/(increase) in trade and other receivables	4,185,730	(3,964,881)
Increase/(decrease) in trade and other payables	1,258,169	(22,404,181)
Increase in inventories	(133,985)	(588,914)
Cash generated from/(utilised by) operations	887,469	(27,098,306)

15. 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 Chief Executive Officer (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 costs, income tax expense, depreciation and amortization (EBITDA) to be an appropriate measure of each segment's performance. Accordingly, the EBITDA for each segment has been included. All external revenue is generated by the Bokoni Mine segment.

	Three months ended March 31, 2015			Three months ended March 31, 2014			
	Bokoni Mine	Projects	Total	Bokoni Mine	Projects	Total	Note
EBITDA	(3,418,570)	–	(3,418,570)	485,886	(4,592)	481,294	(i)
Total assets	750,474,710	–	750,474,710	799,113,604	3,234	799,116,838	(ii)

	Three months ended March 31 2015	Three months ended March 31 2014
(i) EBITDA		
EBITDA for reportable segments	(3,418,570)	481,294
Net finance expense	(890,195)	(4,560,212)
Depreciation and amortisation	(9,944,533)	(8,526,321)
Corporate and consolidation adjustments	(3,995,575)	(2,046,129)
Consolidated loss before income tax	(18,248,873)	(14,651,368)
(ii) Total assets		
Assets for reportable segments	750,474,710	799,116,838
Corporate and consolidation adjustments	(13,431,403)	(18,489,444)
Consolidated total assets	737,043,307	780,627,394

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

16. RELATED PARTIES

Relationships

Related party	Nature of relationship
RPM	The Group concluded a number of shared services agreements between Bokoni and RPM, a wholly owned subsidiary of Anglo Platinum and a 49% shareholder in Bokoni Holdco. Pursuant to the terms of various shared services agreements, the Anglo Platinum group of companies will continue to provide certain services to Bokoni at a cost that is no greater than the costs charged to any other Anglo Platinum group company for the same or similar services. It is anticipated that, as Atlatsa builds its internal capacity, and makes the transformation to a fully operational PGM producer, these services will be phased out and replaced either with internal services or third party services. RPM also provides debt funding to the Group and purchases all of the Group's PGM concentrate.
Atlatsa Holdings	Atlatsa Holdings is the Company's controlling shareholder.
Key management	All directors directly involved in the Atlatsa Group and certain members of top management at Bokoni and Plateau.

Related party balances

		Three months ended March 31 2015	Year ended December 31 2014
RPM	Loans and Borrowings (refer to note 11)	(135,006,725)	(130,402,292)
	Trade and other payables	(20,328,251)	(16,493,972)
	Trade and other receivables	9,797,340	12,636,881

Related party transactions

		Three months ended March 31 2015	Three months ended March 31 2014
RPM	Revenue	(52,310,635)	(53,830,939)
	Finance expense (before interest capitalised)	5,379,024	4,641,818
	Administration expenses	2,386,620	963,634
	Cost of sales	9,857,403	14,468,858
	Costs capitalised to capital work-in-progress	857,984	660,666

17. EVENTS AFTER THE REPORTING DATE

There were no events of a material nature that have occurred between the reporting date and the date of this report.

Atlatsa
RESOURCES CORPORATION

Corporate information and administration

For further information or particular queries, please contact Prudence Lebina at the Atlatsa South African head office.

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