Atlatsa
RESOURCES CORPORATION

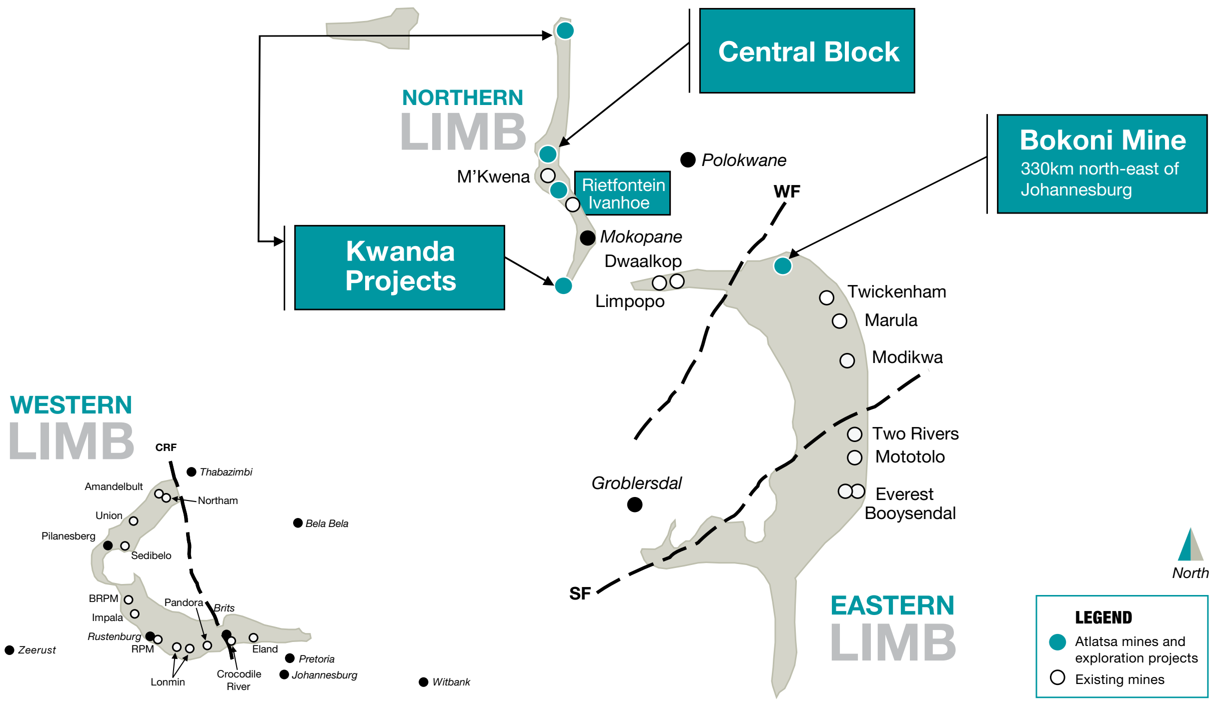
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the three months ended March 31 2016, and 2015

(Unaudited)

EMPOWERED TO PRODUCE

WHERE WE ARE:
OUR ASSETS



Disclaimer

Certain statements in this Report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws, including without limitation, statements relating to potential acquisitions and/or disposals, future production, reserve potential, exploration drilling, exploitation activities and events or developments that Atlatsa expects such statements appear in a number of different places in this Report and can be identified by words such as "anticipate", "estimate", "project", "expect", "intend", "believe", "plan", "forecasts", "predicts", "schedule", "forecast", "predict", "will", "could", "may", or their negatives or other comparable words. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Atlatsa's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Atlatsa believes that such forward-looking statements are based on material factors and reasonable assumptions, including the following assumptions: open cast mining and accelerated development of underground shaft systems at Bokoni Mine will have anticipated positive impacts on operations and production; Bokoni Mine will maintain production levels in accordance with mine operating plan; the Restructure Plan will continue to be implemented as planned, and is anticipated to be fully completed by Quarter 2 of 2016 and on the expected timeframes and will achieve improvements in production and operational efficiencies as anticipated; the Company's ability to meet the conditions of utilisation of the Term Loan Facility; the Platreef Projects will continue to be positive; contracted parties provide goods and/or services on the agreed timeframes; equipment necessary for construction and development is available as scheduled and does not incur unforeseen breakdowns; no material labour slowdowns, strikes or community unrest are incurred; plant and equipment functions as specified; geological or financial parameters do not necessitate future mine plan changes; and no geological or technical problems occur. Forward-looking statements, however, are not guarantees of future performance and actual results or developments may differ materially from those projected in forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include: uncertainties related to the timing, implementation and financial and operational outcomes expected as a result of the Restructure Plan at Bokoni Mine; uncertainties related to the continued implementation of the Bokoni Mine operating plan and opencast mining operations; uncertainties related to the timing of the implementation of the Bokoni Mine deferred expansion plans; fluctuations in market prices, levels of exploitation and exploration successes; changes in and the effect of government policies with respect to mining and natural resource exploration and exploitation; continued availability of capital and financing; general economic, market or business conditions; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, industrial unrest and strikes; political instability; suspension of operations and damage to mining property as a result of community unrest and safety incidents; insurrection or war; the effect of HIV/AIDS on labour force availability and turnover; delays in obtaining government approvals; and the Company's ability to satisfy the terms and conditions of the Term Loan Facility, as described in Section 1.11 Liquidity and to 1.3 Bokoni Restructure Plan , and under "Going Concern" in note 2 of the audited Consolidated Financial Statements for fiscal year ended December 31, 2015. These factors and other risk factors that could cause actual results to differ materially from those in forward-looking statements are described in further detail under Item 3D "Risk Factors" in Atlatsa's Annual Report on Form 20 F for Fiscal 2015, which is publicly available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Atlatsa advises investors that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to Atlatsa or persons acting on its behalf. Atlatsa assumes no obligation to update its forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such statements, except as required by law. Investors should carefully review the cautionary notes and risk factors contained in this and other documents that Atlatsa files from time to time with, or furnishes to, Canadian securities regulators or the SEC and which are publicly available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

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 reported in Canadian dollars ($), 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, 2016 and 2015.

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

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

	Note	March 31 2016	(Audited) December 31 2015
ASSETS			
Non-current assets			
Property, plant and equipment	7	**291,306,398**	294,924,626
Capital work-in-progress	8	**6,623,637**	9,197,977
Other intangible assets		**216,131**	226,995
Mineral property interests	9	**6,916,982**	6,958,857
Platinum Producers' Environmental Trust		**3,729,220**	3,685,645
Total non-current assets		**308,792,368**	314,994,100
Current assets			
Inventories	15	**1,680,533**	1,553,872
Trade and other receivables	16	**5,524,672**	6,298,336
Cash and cash equivalents	17	**13,576,913**	3,495,531
Restricted cash	18	**45,628**	45,683
Total current assets		**20,827,746**	11,393,422
Total assets		**329,620,114**	326,387,522
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**309,691,439**	309,691,439
Treasury shares	10	**(4,991,726)**	(4,991,726)
Foreign currency translation reserve		**(14,333,591)**	(13,587,314)
Share-based payment reserve		**28,479,611**	28,058,038
Accumulated loss		**(254,371,052)**	(256,352,015)
Total equity attributable to equity holders of the Company		**64,474,681**	62,818,422
Non-controlling interests		**(11,569,048)**	(10,267,725)
Total equity		**52,905,633**	52,550,697
Non-current liabilities			
Long-term portion of loans and borrowings	11	**187,110,660**	136,837,718
Deferred tax liability		**41,652,654**	40,811,920
Provisions		**13,894,772**	13,769,756
Total non-current liabilities		**242,685,086**	191,419,394
Current liabilities			
Trade and other payables		**30,988,381**	36,558,488
Restructuring provision	13	**532,493**	9,506,434
Short-term portion of loans and borrowings	11	**2,369,227**	36,048,074
Short-term portion of finance lease liability	12	**166,294**	304,435
Total current liabilities		**34,056,395**	82,417,431
Total liabilities		**276,714,481**	273,836,825
Total equity and liabilities		**329,620,114**	326,387,522

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

Approved by the Board of Directors on May 16, 2016

Harold Motaung
Director

Fikile De Buck
Director

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

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

	Notes	Three months ended March 31 2016	Three months ended March 31 2015
Revenue		35,588,673	52,310,635
Cost of sales		(43,244,264)	(63,368,239)
Gross loss		(7,655,591)	(11,057,604)
General and administrative expenses		(1,967,839)	(2,633,219)
Other income		18,299,761	303,675
Operating profit/(loss)		8,676,331	(13,387,148)
Finance income		57,892	96,346
Finance costs		(6,766,251)	(4,958,071)
Net finance costs		(6,708,359)	(4,861,725)
Profit/(loss) before income tax		1,967,972	(18,248,873)
Income tax		(1,403,115)	1,459,258
Profit/(loss) for the period		564,857	(16,789,615)
Other comprehensive income			
Foreign currency translation differences for foreign operations		(660,470)	16,401,950
Other comprehensive income for the period, net of income tax		(660,470)	16,401,950
Total comprehensive income for the period		(95,613)	(387,665)
Profit/(loss) attributable to:			
Owners of the parent		1,980,963	(8,868,589)
Non-controlling interests		(1,416,106)	(7,921,026)
Profit/(loss) for the period		564,857	(16,789,615)
Total comprehensive income attributable to:			
Owners of the parent		1,205,710	114,722
Non-controlling interests		(1,301,323)	(502,387)
Total comprehensive income for the period		(95,613)	(387,665)
Basic loss per share	13	0 cent	(2 cents)
Diluted loss per share	13	0 cent	(2 cents)

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

CONDENSED CONSOLIDATED
INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED MARCH 31, 2016

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

		Share capital		Treasury shares								
	Note	Number of shares	Amount	Number of shares	Amount	Convertible preference shares	Foreign currency translation reserve	Share-based payment reserve	Accumulated loss	Total shareholders' equity	Non-controlling interests	Total equity
Balance at January 1, 2015		**554,288,473**	309,659,583	**4,497,062**	(4,991,726)	–	(10,558,030)	26,245,459	(89,283,115)	231,072,171	184,133,904	**415,206,075**
Total comprehensive income for the period												
Loss for the period		–	–	–	–	–	–	–	(8,868,589)	(8,868,589)	(7,921,026)	**(16,789,615)**
Other comprehensive income for the period, net of tax		–	–	–	–	–	8,887,554	95,757	–	8,983,311	7,418,639	**16,401,950**
Total comprehensive income for the period		–	–	–	–	–	8,887,554	95,757	(8,868,589)	114,722	(502,387)	**(387,665)**
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Share-based payments expense		–	–	–	–	–	–	156,693	–	156,693	–	**156,693**
Total contributions by and distributions to owners		–	–	–	–	–	–	156,693	–	156,693	–	**156,693**
Balance at March 31, 2015		**554,288,473**	309,659,583	**4,497,062**	(4,991,726)	–	(1,670,476)	26,497,909	(98,151,704)	231,343,586	183,631,517	**414,975,103**
For the period ended March 31, 2016												
Balance at January 1, 2016		**554,421,806**	309,691,439	**4,497,062**	(4,991,726)	–	(13,587,314)	28,058,038	(256,352,015)	62,818,422	(10,267,725)	**52,550,697**
Total comprehensive income for the period												
Profit/(loss) for the period		–	–	–	–	–	–	–	1,980,963	1,980,963	(1,416,106)	**564,857**
Other comprehensive income for the period, net of tax		–	–	–	–	–	(746,277)	(28,976)	–	(775,253)	114,783	**(660,470)**
Total comprehensive income for the period		–	–	–	–	–	(746,277)	(28,976)	1,908,963	1,205,710	(1,301,323)	**(95,613)**
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Share-based payments expense		–	–	–	–	–	–	450,549	–	450,549	–	**450,549**
Total contributions by and distributions to owners		–	–	–	–	–	–	450,549	–	450,549	–	**450,549**
Balance at March 31, 2016		**554,421,806**	309,691,439	**4,497,062**	(4,991,726)	–	(14,333,591)	28,479,611	(254,371,052)	64,474,681	(11,569,048)	**52,905,633**

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

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED MARCH 31, 2015

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

	Note	Three months ended March 31 2016	Three months ended March 31 2015
Cash flows from operating activities			
Cash (utilised by)/generated from operations	15	(9,150,371)	887,469
Interest paid		25,218	67,093
Income tax paid		(1,338,989)	(759,983)
Net cash flows (used in)/from operating activities		(10,464,142)	194,579
Cash flows from investing activities			
Increase in investments held by Platinum Producers' Environmental Trust		(64,453)	(79,227)
Acquisition of property, plant and equipment	7	–	(1,989)
Expenditures on capital work-in-progress	8	(3,546,615)	(3,812,284)
Net cash flows used in investing activities		(3,611,068)	(3,893,500)
Cash flows from financing activities			
Proceeds from loans and borrowings		56,276,430	422,800
Repayment of loans and borrowings		(32,314,433)	–
Finance lease liability repayments		(138,515)	(437,356)
Common shares issued		–	–
Other loans repaid		(25,261)	(156,824)
Net cash flows (used in)/from financing activities		23,798,211	(171,380)
Effect of foreign currency translation		(70,205)	336,208
Net decrease in cash and cash equivalents		9,652,807	(3,534,093)
Cash and cash equivalents at beginning of period		3,924,106	8,148,558
Cash and cash equivalents at end of period		13,576,913	4,614,465

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

NOTES
TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIODS ENDED MARCH 31, 2016 AND 2015

(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 JSE Limited ("JSE"). On July 10, 2015, the Company announced its intention to file a Form 25 (Notification of Removal from Listing and/or Registration under Section 12(b) of the Securities Exchange Act of 1934) with the U.S. Securities and Exchange Commission (the "SEC") to voluntarily withdraw its common shares from listing on the NYSE MKT. The Company filed the Form 25 on July 20, 2015 and the delisting was effective 10 days following the filing of the Form 25. The Company remains an SEC registrant and will review this position prior to the first anniversary of the delisting off the NYSE MKT. The Company's common shares continue to be listed on the TSX and the JSE.

The condensed consolidated financial statements comprise of the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities"). The Groups' 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 net profit for the quarter of $0.6 million compared to a 2015 first quarter loss of $16.8 million. The profit for the quarter is primarily as a result of the fair value of the Term loan facility (discussed below) set off by the softening in the platinum price and a decrease in production volumes and the impact this had on the profitability of the Group's subsidiary, Bokoni Platinum Mines Proprietary Limited ("Bokoni" or "Bokoni Mine").

The Group's current liabilities exceeded its current assets by $13.2 million. This deficit arises mainly as a result of the following:

- The $12.3 million (ZAR140 million) backlog of trade and other payables owed to Rustenburg Platinum Mines Limited ("RPM") (RPM is a related party to the Group) by Bokoni. By initial agreement with RPM, the backlog of the trade and other payables was deferred and Bokoni was expected to start repaying $1.4 million (ZAR15.6 million) a month from April 2015 to December 2015. On December 9, 2015, the Senior Facilities Agreement was increased by $6.3 million (ZAR71.4 million) to make available funds to Plateau to repay its 51% pro rata share ($6.3 million (ZAR71.4 million)) of the backlog, subject to conditions precedent being met. Refer to Amended and Restated Senior Facilities Agreement below.
- RPM advanced additional funds (not supported by physical metal deliveries) on the purchase of concentrate agreement of $2.3 million (ZAR26.1 million) to secure short term funding. This advance was repaid from short-term cash flows during April 2016.

Bokoni Mine operations and restructure plan

The main constraint at Bokoni Mine is the current inability to produce sufficient volumes of high grade underground ore to fill the mill capacity. Even in the event of producing 160 kilo tonnes per month (ktpm) of higher grade ore from underground, Bokoni will remain marginal at these volumes.

Reviews of the operations indicated that the optimum level of production required to ensure that the Bokoni Mine is profitable and sustainable is around 240 ktpm. This review process culminated in the design and development of the current mine plan, which targets a significant increase in mining and concentrating capacity from 160 ktpm to 240 ktpm. In order for Bokoni to achieve the mining and concentrating scale of 240 ktpm targeted in the aforementioned mine plan, Bokoni would require a significant capital investment.

On September 16, 2015, the Company advised, together with Anglo American Platinum Limited ("Anglo Platinum"), that to ensure the future optimisation of Bokoni Mine, the Company has had to implement an operational and financial restructure plan at Bokoni Mine ("the Restructure Plan"). The primary objective of the Restructure Plan is to enable Bokoni Mine to endure a prolonged period of depressed PGM commodity prices, by reducing its existing cost structure and increasing production volumes of higher grade ore from underground operations.

The Restructure Plan was based on the following assumptions for fiscal 2016:

- Platinum price per ounce over life of mine: US$1,392
- 4E average basket price per ounce: R13,545
- ZAR/US$ exchange rate: 11.92

Implementation of the Restructure Plan at Bokoni Mine is anticipated to result in:

- the older, high cost UM2 and Vertical Merensky shaft operations being placed on care and maintenance in August and December 2015 respectively, the relevant assets have also been impaired;
- continued ramp up of the Middelpunt Hill UG2 and Brakfontein Merensky development shafts to steady state production of 60,000 tonnes per month (tpm) by the first quarter of 2016 and 100,000 tpm by 2019, respectively;
- continued mining at the Klipfontein Merensky open-cast operation as a mill gap filler during ramp up of the underground operations;
- significant reduction in labour overheads; and
- reduction in Bokoni Mine's unit cost of production.

Bokoni Mine issued a Section 189 (3) notice to relevant parties pursuant to Section 189A of the South African Labour Relations Act, 66 of 1995 (LRA) on September 15, 2015, for the commencement of a consultation process on the contemplated retrenchments of a significant number of its employees based on operational requirements.

The anticipated costs of implementing the Restructure Plan will be financed from short-term cash flows and from the Term Loan Facility provided by RPM as discussed below.

As at March 31, 2016 the restructure plan was well advanced and is anticipated to be fully completed by Quarter 2 of 2016. To date, on base cost calculated from August 2015, operational costs have reduced by 15% on average per month, which was achieved by a substantial reduction in Bokoni's labour force.

Term Loan Facility Agreement

On December 9, 2015, a Term Loan Facility Agreement ("the Facility"), was entered into with RPM providing a $29.4 million (ZAR334.0 million) facility to enable Plateau to advance its share of the shareholder loans to Bokoni Holdco for the sole purpose of enabling Bokoni Mine to fund operating expenses, working capital expenditure and capital expenditure costs in the event that these costs cannot be funded from Bokoni Mine cash flows. RPM will fund its 49% share of cash calls made by Bokoni Mine in accordance with the joint venture shareholders' agreement between the parties. The Facility bears no interest and replaces the letter of support of November 10, 2014 received from RPM. If however, any amount which is due and payable in accordance with the facility is unpaid, the unpaid amount shall accrue interest at the prime rate plus 2%. The Facility is repayable at the earlier of an event of default and December 31, 2018. There will be a mandatory repayment upon the occurrence of a change of control or a sale of all or substantially all the assets of Bokoni whether in a single transaction or a series of related transactions.

In agreeing to the terms and conditions of the Facility, Atlatsa has agreed to co-operate with Anglo Platinum in relation to RPM's acquisition of: (i) the prospecting rights held by Kwanda Platinum Mines Proprietary Limited; (ii) the mining rights in respect of Central Block mineral properties held by Plateau; and (iii) the disposal of all or any part of the Holdco Shareholding (collectively, the "Proposed Transaction").

On March 8, 2016 the conditions precedent to utilisation of the Facility were met, allowing for draw-downs to finance operational cash short falls and the repayment of funds advanced by RPM (not supported by physical metal deliveries) on the purchase of concentrate agreement to secure short term funding until the conditions precedent had been met.

A full draw-down of $29.4 million (ZAR334.0 million) was made on March 22, 2016, to enable Plateau to fund its 51% pro-rata share towards the repayment of advances by RPM (not supported by physical metal deliveries) of $47.8 million (ZAR541.7 million) to Bokoni outstanding at March 31, 2016. The balance, $10.0 million (ZAR113.2 million), was utilised to repay the Advance. RPM was obliged to meet its 49% share of the cash call ($28.3 million (ZAR320.9 million)) in accordance with the joint venture shareholders' agreement between the parties.

Amended and Restated Senior Facilities Agreement

The Senior Facilities Agreement was amended and restated to increase the availability under the facility by $6.3 million (ZAR71.4 million) on December 9, 2015 to enable the backlog of the trade and other payables relating to RPM of approximately $12.3 million (ZAR140.0 million) (discussed above) to be repaid in order to manage the Group's liquidity. As at the date of the issue of these condensed consolidated interim financial statements a condition precedent remains outstanding and it is anticipated will be met by second quarter of 2016. On mutual agreement with RPM the repayment would take place once the condition precedent has been met.

2. GOING CONCERN continued

Going concern conclusion

The going concern note to the annual financial statements for the year ended 31 December 2015 ("FY15 Going Concern Note") provides detailed information regarding the status of Atlatsa's financial position and Atlatsa's co-operation with Anglo Platinum.

Atlatsa has fully drawn down on all existing facilities provided by Anglo Platinum, including the Term Loan Facility Agreement referred to in the FY15 Going Concern Note. The cash balance as at March 31, 2016 was $13.6 million. The Company remains in discussions with Anglo Platinum regarding the continued optimisation of Bokoni Mine and additional funding at the discretion of Anglo Platinum going forward. In addition, management is continuously investigating alternative funding avenues with third parties and opportunities to preserve cash in the short term.

The condensed consolidated interim financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Restructure Plan will be successfully implemented, including the production profile as per the Restructure Plan being met, and consensus PGM metal price forecasts strengthening to the projected forecasts for 2016, on the basis that additional funding at the discretion of Anglo Platinum is provided, in order to have sufficient cash resources available to settle the Group's liabilities in the ordinary course of business. This basis is further predicated upon Atlatsa's success in securing funding from third parties to ensure the long term sustainability of Bokoni Mine.

These assumptions 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 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, 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated financial statements at and for the year ended December 31, 2015. The consolidated financial statements of the Group as at and for the year ended December 31, 2015 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 ("$"), 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, 2015.

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, 2015.

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

Effective January 1, 2017:

- Disclosure initiative (Amendments to IAS 7)
- Recognition of Deferred tax assets for unrealised losses (Amendments to IAS 12)

Effective January 1, 2018:

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial instruments

Effective January 1, 2019:

- IFRS 16 Leases

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, 2016	Loans and receivables	Financial liabilities at amortised cost
Platinum Producers' Environmental Trust**	3,729,220	–
Trade and other receivables*	5,087,587	–
Cash and cash equivalents**	13,576,913	–
Restricted cash*	45,628	–
Loans and borrowings	–	189,479,887
Finance lease liability	–	166,294
Trade and other payables*	–	24,383,174
At December 31, 2015		
Platinum Producers' Environmental Trust**	3,685,645	–
Trade and other receivables*	4,926,455	–
Cash and cash equivalents**	3,495,531	–
Restricted cash*	45,683	–
Loans and borrowings	–	172,885,792
Finance lease liability	–	304,435
Trade and other payables*	–	28,268,321

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.*

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

6. FINANCIAL RISK MANAGEMENT continued

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, 2016		Three months ended December 31, 2015	
	Carrying value	Fair value (level 2)	Carrying value	Fair value (level 2)
Loans and borrowings	189,479,887	189,479,887	172,885,792	172,885,792

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, 2016 was $178,140,234 (ZAR2,020,876,168) (December 31, 2015 $157,445,158 (ZAR1,759,950,347)).

(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 2016	Year ended December 31 2015
Cost		
Balance at beginning of period	758,464,327	808,038,782
Additions	1,890	6,005
Transferred from capital work-in-progress	5,924,800	45,392,534
Disposals	–	(14,510)
Increase in rehabilitation assets	–	(1,387,613)
Effect of translation	(10,957,635)	(93,596,702)
Closing balance	753,433,382	758,438,496
Accumulated depreciation and impairment losses		
Balance at beginning of year	463,539,696	161,793,446
Depreciation for the year	5,243,381	37,867,916
Impairment loss	–	328,096,271
Disposals	–	(14,510)
Effect of translation	(6,656,093)	(64,229,253)
Balance at end of year	462,126,984	463,513,870
Carrying value	291,306,398	294,924,626

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 2016	Year ended December 31 2015
Balance at beginning of year	9,197,977	29,272,118
Additions	3,544,725	25,684,322
Transfer to property, plant and equipment	(5,924,800)	(45,392,534)
Capitalisation of borrowing costs	–	766,579
Effect of translation	(194,265)	(1,132,508)
Balance at end of the period	6,623,637	9,197,977

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 2016	Year ended December 31 2015
Balance at beginning of year	6,958,857	7,339,706
Amortisation	(26,191)	(117,527)
Effect of translation	(15,684)	(263,322)
Balance at end of the period	6,916,982	6,958,857

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

	Number of shares	
Authorised and issued	Three months ended March 31 2016	Year ended December 31 2015
Common shares with no par value	554,421,806	554,421,806

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

10. SHARE CAPITAL continued

The Company's authorised share capital consists of an unlimited number of common shares without par value.

	Three months ended March 31 2016	Year ended December 31 2015
Share capital		
Share capital	311,874,472	311,874,472
Share issue costs	(2,183,033)	(2,183,033)
	309,691,439	309,691,439
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 2016	Year ended December 31 2015
RPM – Working Capital Facility (related party)	9,330,974	9,092,256
RPM – New Senior Debt Facility (related party)	130,134,600	127,745,462
RPM – Term loan facility (related party)	19,357,578	–
RPM – Shareholder loan (related party)	28,287,508	–
RPM – POC Advance (related party)	2,300,027	35,952,642
Other	69,200	95,432
Total loans and borrowings	189,479,886	172,885,792
Short-term portion of loans and borrowings		
RPM – POC Advance	(2,300,026)	(35,952,642)
Other	(69,200)	(95,432)
Long-term portion of loans and borrowings	187,110,660	136,837,718
The carrying value of the Group's loans and borrowings changed during the year as follows:		
Balance at beginning of the period	172,885,792	130,927,146
Loans repaid – Other	(25,215)	(498,229)
Loan from RPM – Working Capital Facility	131,685	3,477,500
Loan from RPM – Shareholder loan	27,510,925	2,825,282
Loan from RPM – Term loan facility	28,633,820	–
Loan from RPM (repaid)/advanced – POC Advance	(32,314,433)	40,389,454
Shareholder loan capitalised	–	(2,833,641)
Finance expenses accrued	5,100,459	19,646,355
AG8 adjustment on New Senior Debt Facility	(10,548,723)	314,840
Effect of translation	(1,894,424)	(21,362,915)
Balance at end of the period	189,479,886	172,885,792

Term Loan Facility Agreement

On December 9, 2015, a Term Loan Facility Agreement ("the Facility"), was entered into with RPM providing a $29.9 million (ZAR334.0 million) facility to enable Plateau to advance its share of the shareholder loans to Bokoni Holdco for the sole purpose of enabling Bokoni Mine to fund operating expenses, working capital expenditure and capital expenditure costs in the event that these costs cannot be funded from Bokoni Mine cash flows. RPM will fund its 49% share of cash calls made by Bokoni Mine in accordance with the joint venture shareholders' agreement between the parties. The Facility bears no interest and replaces the letter of support of November 10, 2014 received from RPM. If however, any amount which is due and payable in accordance with the Facility is unpaid, the unpaid amount shall accrue interest at the prime rate plus 2%. The Facility is repayable at the earlier of an event of default and December 31, 2018. There will be a mandatory repayment upon the occurrence of a change of control or a sale of all or substantially all the assets of Bokoni whether in a single transaction or a series of related transactions.

12. FINANCE LEASE LIABILITY

	Three months ended March 31 2016	Year ended December 31 2015
Finance lease – Fermel	166,294	304,435
Total finance lease liability	166,294	304,435
Short-term portion of finance lease liability		
Finance lease – Fermel	(166,294)	(304,435)
	(166,294)	(304,435)
Long-term portion of finance lease liability	–	–
The carrying value of the Group's finance lease liability changed during the year as follows:		
Balance at beginning of the period	304,435	2,918,431
Lease repayment	(138,515)	(2,922,491)
Finance expenses accrued	8,107	346,064
Effect of translation	(7,733)	(37,569)
Balance at end of the year	166,294	304,435
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	243,576	955,685

Bokoni entered into instalment sale agreements with Fermel Proprietary Limited ("Fermel") and Atlas Copco South Africa Proprietary Limited ("Atlas Copco") in the previous financial periods 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 (which was settled during fiscal 2015) provided for an option to purchase the equipment at the end of the lease term and management elected to exercise that option.

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

12. FINANCE LEASE LIABILITY continued

The finance lease liabilities are payable as follows:

	Less than one year	Between two and five years
Future minimum lease payments	171,974	–
Interest	5,680	–
Present value of minimum lease payments	166,294	–

13. RESTRUCTURING PROVISION

	Less than one year	Between two and five years
Restructuring provision	532,493	9,506,434

On the September 16, 2015 the Group announced the implementation of a Restructure Plan at Bokoni Mine as discussed in note 2.

The Restructuring provision includes costs associated with a significant labour restructuring, legal, human resources and security related charges associated directly with the restructuring.

14. EARNINGS PER SHARE

The basic and diluted profit per share for the three months ended March 31, 2016 was 0 cent (2015: (2 cent))

The calculation of basic profit per share for the three months ended March 31, 2016 of 0 cent (2015: (2 cent)) is based on the profit attributable to owners of the Company of $1,980,963 (2014: ($8,868,589)) and a weighted average number of shares of 554,421,806 (2014: 552,600,535).

The calculation of diluted profit per share for the three months ended March 31, 2016 of 0 cent (2015: (2 cent)) is based on the profit attributable to owners of the Company of $1,980,963 (2014: $8,868,589) and a weighted average number of shares of 554,421,806 (2014: 552,600,535).

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.

15. CASH GENERATED FROM/(UTILISED BY) OPERATIONS

	Three months ended March 31 2016	Three months ended March 31 2015
Profit/(loss) before income tax	1,967,972	(18,248,873)
Adjusted for:		
Finance costs	6,766,251	4,958,071
Finance income	(57,891)	(96,346)
Non-cash items:		
Depreciation and amortisation	5,276,927	9,061,501
Share-based compensation	450,549	187,894
Fair value on drawdowns and AG8 Adjustments	(10,548,723)	(302,106)
Restructure costs	(8,618,251)	–
Cash utilised by operations before ESOP transactions	(4,763,167)	(4,439,859)
ESOP cash transactions (restricted cash)	15,301	17,414
Cash utilised by operations before working capital changes	(4,747,866)	(4,422,445)
Working capital changes		
Decrease/(increase) in trade and other receivables	656,467	4,185,730
(Decrease)/increase in trade and other payables	(4,913,217)	1,258,169
Increase in inventories	(145,754)	(133,985)
Cash generated (utilised by)/generated from operations	(9,150,371)	887,469

16. 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 PGMs
- Projects – Mining exploration in Kwanda

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.

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

16. SEGMENT INFORMATION continued

	Three months ended March 31 2016			Three months ended March 31 2015			
	Bokoni Mine	Projects	Total	Bokoni Mine	Projects	Total	Note
EBITDA	4,017,278	–	4,017,278	(3,418,570)	–	(3,418,570)	(i)
Total Assets	325,023,500	3,533	325,027,033	750,474,710	–	750,474,710	(ii)

	Three months ended March 31 2016	Three months ended March 31 2015
(i) EBITDA		
EBITDA for reportable segments	4,017,278	(3,418,570)
Net finance expense	(1,610,635)	(890,195)
Depreciation and amortisation	(4,394,963)	(9,944,533)
Corporate and consolidation adjustments	(5,881,123)	(3,995,575)
Consolidated loss before income tax	(7,869,443)	(18,248,873)
(ii) Total assets		
Assets for reportable segments	325,027,033	750,474,710
Corporate and consolidation adjustments	4,593,081	(13,431,403)
Consolidated total assets	329,620,114	737,043,307

17. 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 2016	Year ended December 31 2015
RPM	Loans and borrowings (refer note 11)	**(141,765,611)**	(172,790,360)
	Trade and other payables	**(16,042,613)**	(14,536,337)
	Trade and other receivables	**2,556,537**	2,594,530

Related party transactions

		Three months ended March 31 2016	Year ended December 31 2015
RPM	Revenue	**35,588,673**	52,310,635
	Finance expense (before interest capitalised)	**6,360,788**	4,579,024
	Administration expenses	**1,587,771**	2,386,620
	Cost of sales	**8,188,408**	9,857,403
	Costs capitalised to capital work-in-progress	**–**	857,984

18. 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.

South African head office
4th Floor,
82 Grayston Drive,
Sandton, Johannesburg,
South Africa, 2146
Tel: +27 (0)11 779 6800
Fax: +27 (0)11 883 0863

Canadian head office
Suite 1700, Park Place,
666 Burrard Street,
Vancouver
Canada BC V6C 2X8
Tel: +1 (604) 631 1300/1306
Fax: +1 (604) 681 1825

www.atlatsaresources.co.za