Atlatsa

RESOURCES CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

for the three months ended
March 31, 2018

EMPOWERED TO PRODUCE

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the unaudited consolidated interim financial statements for the three months ended March 31, 2018 and 2017 ("**Q1 2018**") and related notes thereto, and (ii) the audited Consolidated Financial Statements for the years ended December 31, 2017 and 2016 and related notes thereto, prepared in accordance with International Financial Reporting Standards ("**IFRS**"), which have been filed on SEDAR at www.sedar.com. This MD&A is prepared as of May 15, 2018.

Atlatsa Resources Corporation ("**Atlatsa**" or the "**Company**") is incorporated under the laws of the province of British Columbia and its common shares are listed and posted for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "ATL" and the JSE Limited ("**JSE**") under the symbol "ATL."

All dollar figures stated herein are references to Canadian dollars ("**$**"), unless otherwise specified. The closing South African Rand ("**ZAR**") to $ exchange rate as at March 31, 2018 was ZAR9.19=$1 compared to ZAR10.08=$1 at March 31, 2017 ("**Q1 2017**") and to ZAR9.85=$1 at December 31, 2017. Unless otherwise specified, all ZAR figures have been converted at either the closing or average exchange rate (depending on the item) as at March 31, 2018. Additional information about Atlatsa, including its Annual Information Form for the year ended December 31, 2017, is publicly available on System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

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GLOSSARY

In addition to terms defined in the text of this MD&A, certain terms used herein are defined as follows:

"**2017 Restructure Plan**" means the announcement made on July 21, 2017 to place the Bokoni Mine on care and maintenance, amongst other things, as further outlined in Section 2 - *SIGNIFICANT EVENTS - 2017 Restructure Plan*;

"**4E**" means a mixture of platinum group metals, comprising platinum, palladium and rhodium as well as gold;

"**Anglo Platinum**" means Anglo American Platinum Limited, a subsidiary of Anglo American plc;

"**Atlatsa Group**" means Atlatsa and its subsidiaries;

"**Atlatsa Holdings**" means Atlatsa Holdings Proprietary Limited (formerly named Pelawan Investments Proprietary Limited), a private company incorporated under the laws of South Africa;

"**BPM**" means Bokoni Platinum Mines Proprietary Limited (formerly named Richtrau No. 177 Proprietary Limited), a private company incorporated under the laws of South Africa. BPM is the legal entity which operates the Bokoni Mine;

"**Bokoni Group**" means Bokoni Holdco and all of its subsidiaries;

"**Bokoni Holdco**" means Bokoni Platinum Holdings Proprietary Limited (formerly named Richtrau No. 179 Proprietary Limited), a private company incorporated under the laws of South Africa, and is the holding company of BPM, Kwanda, Boikgantsho Platinum Mine Proprietary Limited (a dormant company) and Ga-Phasha Platinum Mine Proprietary Limited (a dormant company);

"**Bokoni Holdco Shareholders Agreement**" means the Shareholders Agreement entered into among Plateau, RPM and Bokoni Holdco, dated March 28, 2008, as amended on May 6, 2009, and further amended on March 27, 2013; to govern the relationship between Plateau and RPM, as shareholders of Bokoni Holdco;

"**Bokoni Mine**" or "**Bokoni**" is an operating mine located on the north-eastern limb of the Bushveld Complex, situated in the Sekhukhune-land District of the Limpopo Province, South Africa. Bokoni Mine also includes the Avoca and Klipfontein mineral properties (previously part of Ga-Phasha), which were consolidated with the Bokoni Mine's activities on December 13, 2013;

"**Care and Maintenance Term Loan Facility**" means the Care and Maintenance Term Loan Facility entered into on October 12, 2017 between Plateau (as borrower) and RPM (as lender) for $56.7 million (ZAR521 million), to allow the Atlatsa Group to fund its share of all costs associated with the care and maintenance process refer to Section 2 - *SIGNIFICANT EVENTS - 2017 Restructure Plan*;

"**Central Block**" consists of five farms or portions thereof, acquired by Atlatsa, through Plateau (as defined below), prior to its joint ventures with Anglo Platinum;

"**Concentrate Agreement**" means the Purchase of Concentrate Agreement between RPM (as defined below) and BPM dated August 28, 2013 (first addendum to the agreement) whereby Bokoni sells the concentrate produced at the Bokoni Mine to RPM at agreed market related prices (actual market prices adjusted for agreed discounts, grade and chrome content penalties);

"**DMR**" means The Government of South Africa acting through the Minister of Mineral Resources and the Department of Mineral Resources and their respective successors and delegates;

"**Fair value**" of an asset or a liability is measured using the assumptions used by market participants when pricing such asset or liability, assuming that such market participants act in their economic best interest;

"**Fiscal**" means the financial year end of the Company ended December 31, of the calendar year in consideration;

"**FVLCOD**" mean fair value less cost of disposal in regard to assets to be impaired;

"**Ga-Phasha**" means Ga-Phasha Platinum Mine Proprietary Limited, a private company incorporated under the laws of South Africa which, as of July 1, 2009, is a wholly owned subsidiary of Bokoni Holdco. RPM and Ga-Phasha entered into a Sale of a Portion of a Mining Right Agreement dated March 27, 2013 pursuant to which RPM purchased and Ga-Phasha sold the Eastern section of the Ga-Phasha Project, comprising the Paschaskraal and De Kamp farms, on December 13, 2013 (date that all conditions precedent were met);

"**Kwanda**" means Kwanda Platinum Mine Proprietary Limited, a wholly owned subsidiary of Bokoni Holdco, which owns the Kwanda Project. As at March 31, 2018, Atlatsa is in ongoing discussions with Anglo Platinum relating to the proposed acquisition of the Central Block and Kwanda North prospecting rights for a cash purchase consideration of $32.6 million (ZAR300 million) as referred to under Section 2 - *SIGNIFICANT EVENTS - 2017 Restructure Plan*;

"**Kwanda Project**" means mining exploration on the Kwanda property on the northern limb of the Bushveld Complex, South Africa;

"**Letter Agreement**" has the meaning provided in Section 2 - *SIGNIFICANT EVENTS - 2017 Restructure Plan*;

"**LTIFR**" means Lost Time Injury Frequency Rate (including serious injuries);

"Mototolo Ore Sale Agreement" means an agreement by a toller (Bokoni Mine) with an owner of raw materials (RPM) to process a certain amount of raw material for a specified fee ("**toll**") into an end product with the raw material (i.e. refining the ore) and whereas such end product remains the property of the owner of the raw material (RPM);

"**PGM**" means platinum group metals, comprising platinum, palladium, rhodium, ruthenium, osmium and iridium mineral deposits;

"**Projects**" included, for Q1 2018 and Fiscal 2017, the mining exploration in Kwanda. Up until Fiscal 2013, Projects also included Boikgantsho and Ga-Phasha. Boikgantsho and two farms in Ga-Phasha (Paschaskraal and De Kamp) were sold to RPM and the remaining two farms in Ga-Phasha (Avoca and Klipfontein) were transferred to Bokoni Mine on December 13, 2013. See *Note 23* of the unaudited Consolidated Interim Financial Statements for Q1 2018, which have been filed on SEDAR at www.sedar.com for further details;

"**Plateau**" means Plateau Resources Proprietary Limited, a private company incorporated under the laws of South Africa;

"**POC Advance**" means the advances made by RPM to fund the Bokoni Mine, as an advance of revenue on the sales to be made to RPM under the Concentrate Agreement;

"**RPM**" means Rustenburg Platinum Mines Limited, a wholly owned subsidiary of Anglo Platinum;

"**SAMREC**" means the principles contained in the South African Code for Reporting of Mineral Resources and Mineral Reserves of 2016. The Company uses estimates and reports ore reserves and mineral resources in line with SAMREC;

"**Section 189A**" of the *Labour Relations Act* requires consultation where an employer contemplates retrenchment. A written notice must be issued, according to Section 189(3) of the *Labour Relations Act*, inviting the other party to consult. Section 189A applies to an employer with more than 50 employees who proposes to retrench more than the number of employees specified in the amendment to the *Labour Relations Act*. Section 189A envisages a 60-day period during which the facilitation can occur, and during which the employer cannot proceed with the retrenchment;

"**SFA**" means the senior term loan and revolving facility entered into on March 27, 2013, pursuant to which RPM made available to Plateau up to $250.3 million (ZAR2,300.0 million). On December 9, 2015, the SFA was amended and restated to increase the size of the facility by $7.8 million (ZAR71.4 million) and on September 13, 2016, the SFA was further amended and restated to suspend interest charges under the facility. The total contractual amount outstanding on this facility as of March 31, 2018 is $198.7 million (ZAR1,826.0 million);

"**Term Loan Facility**" means the term loan facility entered into on December 9, 2015, between Plateau (as borrower) and RPM (as lender) for $36.3 million (ZAR334.0 million) to enable Plateau to advance its portion 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 such costs cannot be funded from Bokoni Mine's cash flows. The facility was amended and restated on August 15, 2016, to increase the size of the facility by $21.0 million (ZAR193.0 million) and further amended on March 9, 2017, with an additional $23.3 million (ZAR214.2 million). A third amendment and restatement to this facility occurred on June 26, 2017 with a further increase of $27.2 million (ZAR250 million). Pursuant to the Letter Agreement (refer to Section 2 - *SIGNIFICANT EVENTS -2017 Restructure Plan),* the total size of this facility was reduced to $96.9 million (ZAR890 million) on July 21, 2017, and this is the contractual amount outstanding as at March 31, 2018;

"**Transaction Cost Facility**" means the transaction cost facility that was entered into on April 16, 2018 between Plateau (as borrower) and RPM (as lender) for $5.4 million (ZAR50.3 million).

"**Working Capital Facility**" means the working capital facility entered into on December 13, 2013, between Plateau (as borrower) and RPM (as lender) whereby RPM agreed to provide up to $3.2 million (ZAR30.0 million) to Plateau each year from 2013 to 2015, including capitalized interest, to fund Plateau's corporate and administrative expenses through to 2015. Pursuant to amendments made to the Working Capital Facility, all conditions precedent were met on May 21, 2015, and the size of the total facility increased to $13.3 million (ZAR122.0 million). As a result of cost saving initiatives at Plateau, the full drawdown of 2015 was not utilized, and RPM made the remainder of this facility available in 2016. A second amendment and restatement of the Working Capital Facility was entered into on March 31, 2017, to suspend interest charges with effect from September 1, 2016 onwards. The total contractual amount outstanding on this facility as at March 31, 2018 is $13.1 million (ZAR120.5 million).

1. OVERVIEW

Atlatsa is a Black Economic Empowerment ("**BEE**") platinum group metals company engaged in the mining, exploration and development of PGM deposits located in the Bushveld Igneous Complex, South Africa (the "**BIC**").

Atlatsa controls a significant estimated mineral resource base of approximately 55.5 million ounces in the measured category, 26.9 million ounces in the indicated category and 70.9 million ounces in the inferred category. Of this estimated mineral resource base, approximately 28.3 million ounces in the measured category, 13.7 million ounces in the indicated category and 36.2 million ounces in the inferred category are attributable to Atlatsa. Refer to page 13 of Atlatsa's technical report titled "The Mineral Resource Estimate for the Merensky and UG2 Reefs at the Bokoni Platinum Mine, Limpopo Province, Republic of South Africa" dated December 31, 2017 and filed on SEDAR at www.sedar.com.

Atlatsa, through its wholly owned South African subsidiary, Plateau, holds a 51% interest in Bokoni Holdco. Bokoni Holdco holds a 100% interest in several PGM projects, including the operating Bokoni Mine and the Kwanda Project. Atlatsa also holds a direct interest in the Central Block properties and an indirect interest in the Kwanda and Rietfontein properties. The Projects for Fiscal 2017 are described in detail under "*Description of Business – Projects*" in Atlatsa's Annual Information Form which is available on SEDAR at www.sedar.com.

2. SIGNIFICANT EVENTS

Management Cease Trade Order

On August 15, 2017, the British Columbia Securities Commission ("**BCSC**") issued a Management Cease Trade Order ("**MCTO**") against certain management of the Company, upon application by the Company, as it was unable to file its unaudited consolidated interim financial statements for the three and six months ended June 30, 2017, the related management's discussion and analysis, and the related CEO and CFO certificates by the filing deadline. On October 16, 2017, the unaudited consolidated interim financial statements for the three and six months ended June 30, 2017, the related management's discussion and analysis, and the related CEO and CFO certificates were filed. The BCSC removed the MCTO upon the filing the interim reports.

2017 Restructure Plan

On July 21, 2017, the Company announced that it had entered into a letter agreement ("**Letter Agreement**") with Anglo Platinum outlining key terms agreed in relation to a two-phased strategy for the Atlatsa Group, in terms of which Atlatsa will implement:

- a care and maintenance strategy for Bokoni Mine ("**Phase 1**"); and
- a financial restructure plan for Atlatsa Group conditional upon Anglo Platinum acquiring and including into its adjacent Mogalakwena mining rights the resources specified in the Central

Block and Kwanda North prospecting rights ("**Phase 2**"); (Phase 1 and Phase 2, collectively, the "**2017 Restructure Plan**").

Background and Rationale for the 2017 Restructure Plan

Notwithstanding various attempts since 2014 to restructure the Bokoni Mine through, *inter alia*, shaft closures and other measures in order to achieve profitability, Bokoni Mine's operations had remained cash negative. Prior to July 2017, Atlatsa and Anglo Platinum ("**Bokoni Shareholders**"), together with Bokoni Mine's management, continued to investigate a range of further mine re-configuration options. All of the options considered demonstrated significant cash outflows in the short to medium term with material execution risk. The immediate to medium term outlook for Bokoni Mine remained negative, given the weak PGM pricing environment which is expected to remain under pressure for the foreseeable future.

In addition to investigating the various mine re-configuration options, the Bokoni Shareholders have also actively investigated various potential funding and corporate ownership alternatives, including seeking to introduce new funding partners and/or a disposal of Bokoni Mine. However, given Bokoni Mine's operational challenges, continued operational losses and negative cash generation, the depressed PGM market environment, the negative medium term PGM pricing outlook and the Atlatsa Group's significant debt levels, attempts to implement such alternatives proved unsuccessful.

In the circumstances, it was determined that the Bokoni Shareholders were no longer able to continue funding losses at the Bokoni Mine with no reasonable short to medium term turnaround prospects. The Bokoni Shareholders therefore agreed to implement the 2017 Restructure Plan as the most appropriate strategy, having regard to preserving long term asset value and potential future sustainability of Bokoni Mine.

Details of the 2017 Restructure Plan

The salient terms of the Letter Agreement are as follows:

Phase 1:

- Atlatsa to place the Bokoni Mine on care and maintenance;
- Anglo Platinum to fund all costs associated with the care and maintenance process up until December 31, 2019; and
- Anglo Platinum to suspend servicing and repayment of all current and future debt owing by the Atlatsa Group until December 31, 2019 ("**Debt Standstill**").

Phase 2:

- Anglo Platinum acquiring and including into its adjacent Mogalakwena mining rights the resources specified in the Kwanda North and Central Block prospecting rights for a cash consideration of $32.6 million (ZAR300 million) ("**Asset Disposal**");
- Subject to the implementation of the Asset Disposal, Anglo Platinum to capitalize and/or write off all debt owing by the Atlatsa Group, directly or indirectly, to Anglo Platinum, including such further debt incurred during the care and maintenance period until December 31, 2019 ("**Debt Write Off**"); and
- Atlatsa and Anglo Platinum to retain their 51% and 49% respective shareholdings in the Bokoni Mine.

Details of Phase 1: Bokoni Mine care and maintenance and Debt Standstill

The Bokoni Mine was placed on care and maintenance on October 1, 2017. The process entailed the following:

- Ceasing all mining activities;
- Completion of a Section 189A retrenchment process at the Bokoni Mine; and
- Care and maintenance team established to execute the care and maintenance strategy at the Bokoni Mine until December 31, 2019.

Anglo Platinum has agreed to fund, directly or indirectly, via a loan account to Bokoni Mine, 51% of all one-off costs associated with placing the Bokoni Mine on care and maintenance, as well as ongoing care and maintenance costs, up until December 31, 2019. The remaining 49% of these one-off costs will be made available by Anglo Platinum in accordance with the Bokoni Holdco Shareholders Agreement.

Anglo Platinum has decided to suspend servicing and repayment of all current and future debt incurred by the Atlatsa Group and owing to Anglo Platinum and its related entities until December 31, 2019 ("**Debt Standstill Period**"). Upon implementation of Phase 2, all debt incurred during the Debt Standstill Period will also be capitalized and/or written off, in accordance with the Debt Write Off.

Atlatsa will also, as a consequence, restructure its corporate head office and associated overhead costs, in order to maintain a business which will hold a single asset on care and maintenance, including reviewing the sustainability of its listings on various stock exchanges. These costs ("**overhead costs**") will also be funded by Anglo Platinum as agreed in the Letter Agreement until December 31, 2019.

The care and maintenance, as well as the overhead cost budgets have been approved by Anglo Platinum and a Care and Maintenance Term Loan Facility was entered into on October 12, 2017, between the relevant parties, in order to fund these budgeted costs.

During the care and maintenance period, the Bokoni Shareholders will continue to review various alternatives in respect of the Bokoni Mine's future sustainability as well as revisit its care and maintenance status.

Details of Phase 2: Conditional sale of Kwanda North and Central Block prospecting rights and Debt Write Off

Atlatsa has accepted a conditional offer from Anglo Platinum to acquire the Central Block and Kwanda North prospecting rights for a cash purchase consideration of $32.6 million (ZAR300 million) subject to, *inter alia*, the following conditions precedent:

- conclusion of definitive transaction agreements; and
- relevant regulatory approvals for a transaction of this nature, including those required by the Mineral and Petroleum Resources Development Act, 28 of 2002 and registration by the Mineral and Petroleum Titles Registration Office to complete Anglo Platinum acquiring and including into its adjacent mining rights the resources specified in the Central Block and Kwanda North prospecting rights.

Should the Asset Disposal be implemented, Anglo Platinum has undertaken to, *inter alia*, implement the Debt Write Off which will reduce the Atlatsa Group's debt levels to zero.

Anglo Platinum and Atlatsa are currently in the process of implementing the various conditions precedent for implementation of Phase 2 of the 2017 Restructure Plan.

Also refer to refer to Section 6 –*LIQUIDITY AND GOING CONCERN* - for a discussion on the impact on the *2017 Restructure Plan* on the ability of Atlatsa to continue as a going concern.

Impairment of Assets at Bokoni Mine

During Q1 2017, Atlatsa communicated that its strategic plan was to focus on the development of the Bokoni Mine. The operation would have transitioned from a deemed "steady state" phase to a "ramp-up" phase. As a result, management of the Company embarked on a process to restructure the cost base and improve production efficiencies in order to break-even, at an all-in sustaining cost base, at a volume of 145 kilo tonnes per month ("**ktpm**"). As noted in "*2017 Restructure Plan*" above, this development plan has since been revised.

As presented in *Note 4 – CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS and Note 9 – PROPERTY, PLANT and EQUIPMENT* - of the audited consolidated financial statements for Fiscal 2017, which have been filed on SEDAR at www.sedar.com, the Company assesses each cash-generating unit ("**CGU**") annually or when there is an indicator, to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair-value-less-costs-of-disposal ("**FVLCOD**") and the value in use.

In order to conduct the impairment calculation, a recoverable amount needs to be determined for each asset. As a result of the mine being placed under care and maintenance, a FVLCOD model was used. The assumptions used in determining the FVLCOD include the fact that Bokoni Mine will no longer be an operating mine. As a result, management of the Company engaged a third-party valuator to determine the FVLCOD. The valuator took into account the physical condition and operational status of each of the assets. The impairment indicators identified included:

- continued depressed PGM pricing environment; and
- mine placed on care and maintenance; and
- continued operational challenges at the Bokoni Mine resulting in operational losses and negative cash generation.

Refer to *Note 4 - CRITICAL ACCOUNTING ESTIMATES*- of the audited consolidated financial statements for Fiscal 2017, which have been filed on SEDAR at www.sedar.com, for more details regarding an impairment loss of $180.9 million with respect to property, plant and equipment and capital work-in-progress.

Amended Loan Facilities

In order to further facilitate the management of Atlatsa Group cash flows, the following amendments to facilities occurred during Fiscal 2017:

Term Loan Facility

This facility was amended and restated on March 9, 2017, to increase the size of the facility by an additional $23.3 million (ZAR214.2 million). A third amendment and restatement to this facility occurred on June 26, 2017 with a further increase of $27.2 million (ZAR250 million). Pursuant to the Letter Agreement (refer to Section 2 - *SIGNIFICANT EVENTS -2017 Restructure Plan),* the total size of this facility was reduced to $96.8 million (ZAR890 million) on July 21, 2017.

This facility was fully drawn on July 26, 2017.

Working Capital Facility

A second amendment and restatement of the Working Capital Facility was entered into on March 31, 2017, to suspend interest charges with effect from September 1, 2016 onwards.

Senior Term Loan and Revolving Facility

On September 13, 2016, the SFA was further amended and restated to suspend interest charges there under.

Care and Maintenance Term Loan Facility

The Care and Maintenance Term Loan Facility was entered into on October 12, 2017 between Plateau (as borrower) and RPM (as lender) for $56.7 million (ZAR521 million) to enable the Atlatsa Group to fund its share of all costs associated with the care and maintenance process described in Phase 1 above. As at the reporting date, drawdowns of $39.8 million (ZAR365.7 million) have been made against the facility, the majority of which were used to fund the S189A retrenchment costs.

Transaction Cost Facility

The Transaction Cost Facility of $5.4 million (ZAR50.3 million) was entered on April 16, 2018 after the reporting date. Whilst this facility was being concluded, Plateau was granted an advance pursuant to the agreement of $1.04 million (ZAR9.6 million), this drawdown was made on February 14, 2018.

Debt Standstill

As described in *"Details of Phase 1: Bokoni Mine Care and Maintenance and Debt Standstill"* above, all debt facilities currently in use and to be used in future are included in the Debt Standstill, and all repayment terms and conditions connected to these facilities have been suspended until December 31, 2019.

3. FINANCIAL QUARTER HIGHLIGHTS

Financial Highlights for Q1 2018

- Atlatsa incurred an operating loss of $18.6 million, and a loss before income tax of $36.5 million for Q1 2018, compared to an operating loss of $21.3 million and a loss before income tax of $28.1 million for Q1 2017.
- Atlatsa's net loss after tax was $36.5 million for Q1 2018, compared to a net loss after tax of $27.7 million for Q1 2017.
- Atlatsa's basic and diluted loss per share was $0.05 for Q1 2018, compared to a basic and a diluted loss per share of $0.03 for Q1 2017. The basic and diluted loss per share is based on the losses attributable to the shareholders of the Company of $26.2 million for Q1 2018 compared to the loss attributable to the shareholders of $17.5 million for Q1 2017.

Financial Highlights at March 31, 2018 compared to Financial Highlights at December 31, 2017

The following are key changes in financial conditions for Q1 2018 compared to Fiscal 2017:

- Atlatsa's total assets increased by $1.4 million (0.6%) from $204.7 million as at December 31, 2017 to $206.1 million as at March 31, 2018. The increase is primarily as a result of the stronger South African Rand against the Canadian Dollar.
- Atlatsa's total liabilities increased by $49.1 million (+13.5%) from $363.0 million as at December 31, 2017 to $412.0 million as at March 31, 2018. This increase in total liabilities is primarily due to the drawdowns during the first quarter on the Care and Maintenance Term Loan Facility and the Transaction Cost Facility with RPM.

4. RESULTS OF OPERATIONS

Bokoni Mine

The Bokoni Mine was placed on care and maintenance on October 1, 2017. The only revenue generated by Bokoni Mine was as a result of treating ore on behalf of RPM based on the Mototolo Ore Sale Agreement. This generated revenue of $4.0 million (ZAR38.1milliom) during Q1 2018.

Klipfontein Merensky Opencast Mine Operation

Mining at the Klipfontein Merensky Opencast operation ceased as at March 31, 2017 with rehabilitation completed during the 2017 Fiscal year.

Operating Plan

As documented under Section 2 - *SIGNIFICANT EVENTS* - *2017 Restructure Plan,* on July 21, 2017, a decision was taken to place the Bokoni Mine on care and maintenance, which was implemented on October 1, 2017. As a result, the production statistics for Q1 2018 is zero.

	Unit		Q1 2018	Q1 2017	%
Production Statistics					
Tonnes delivered	**Tonnes**		**0**	**313,856**	**-100%**
Underground	Tonnes		0	285,290	-100%
Opencast	Tonnes		0	28,566	-100%
Tonnes milled	**Tonnes**		**0**	**296,366**	**-100%**
Underground	Tonnes		0	273,896	-100%
Opencast	Tonnes		0	22,470	-100%
4E Ounces	**oz**		**0**	**35,338**	**-100%**
Underground	Tonnes		0	33,566	-100%
Opencast	Tonnes		0	1,772	-100%
Recovered grade	4Eg/t		0	3.7	-100%
Primary Development meters	m		0	1,239	-100%
Re-development meters	m		0	1,636	-100%
Total permanent labor (mine Operations)	number		0	2,685	-100%
Total contractors (mine Operations)	number		0	1,082	-100%

The summary of the financial operating results for Q1 2018 and for Q1 2017 are depicted in the table below:

	Q1 2018 $ million	*Q1 2017 $ million*	*%*
Revenue	4,032	38,360	-89%
Cost of sales	(4,019)	(54,058)	-93%
Gross loss	13	(15,698)	-99%
General, administrative and other expenses	(2,063)	(5,626)	-63%
Care and maintenance costs	(16,594)	-	100%
Other income	2	3	-33.33%
Operating (loss) / profit	(18,642)	(21,321)	-13%
Net finance costs	(17,905)	(6,795)	164%
Income tax	-	427	-100%
(Loss) / profit for the period	(36,547)	(27,689)	32%
(Loss) / profit attributable to Atlatsa shareholders	(26,237)	(17,505)	50%
Basic (loss) / profit per share – cents	(5)	(3)	67%

Inflows and Outflows

Revenue

The Company has two reportable segments: the Bokoni Mine and the Kwanda Project. All external revenue of the Company is generated by the Bokoni Mine. The Kwanda Project segment generated no revenue in Q1 2018 as it is yet to be operational. Revenue was $4.0 million (ZAR38.1 million) in Q1 2018 compared to $38.4 million (ZAR382.8 million) in Q1 2017. Revenue for Q1 2018 is as a result of treating ore on behalf of RPM based on the Mototolo Ore Sale Agreement.

Cost of Sales and Other Significant Expenses

	Q1 2018 ZAR million	Q1 2017 ZAR million	%	Q1 2018 $ million	Q1 2017 $ million	%
Financial Performance Outflows						
# Consolidated Cash Operating Costs	86.5	480.01	82%	9.2	48.2	80.91%
Labour	25.8	200.2	87%	2.7	20.1	86.57%
Stores	17.6	127.7	86%	1.9	12.8	85.16%
Utilities	16.2	28.6	43%	1.7	2.9	41.38%
Contractors	0.2	44.6	100%	0.02	4.5	-99.56%
Sundries	26.7	79.0	-66%	2.8	7.9	64.56%
Finance Expenses	171.7	70.4	144%	43.17	9.14	22%

Consolidated cash operating costs equals cost of sales plus care and maintenance costs, excluding inventory movements and depreciation.

1. Consolidated cost of sales for Q1 2018 was $4.0 million (ZAR38.0 million) which is $50.1 million (ZAR501.5 million) less than Q1 2017 of $54.1 million (ZAR539.5 million). This is due to the Bokoni Mine being on care and maintenance. The cost of sales relates to the costs incurred as a result of treating ore on behalf of RPM

2. Care and maintenance costs incurred during Q1 2018 was $16.6 (ZAR156.9 million). Care and maintenance costs include maintenance costs, pumping to prevent flooding of the workings, safety inspections and general and administrative expenses necessary to safeguard the assets.

3. *Finance Expenses* - During Q1 2018, additional drawdowns took place under the Care and Maintenance Term Loan Facility and the Transaction Cost Facility. As described in Section 2 - *SIGNIFICANT EVENTS - 2017 Restructure Plan*, the outstanding amounts under these facilities are not contractually interest bearing as at March 31, 2018. However, for accounting purposes, an effective interest rate on each drawdown is established on initial recognition that would be used to unwind the fair value to arrive back at the contractual value of the loan by date of payment.

Exchange Rate

For presentation purposes in the consolidated statement of comprehensive income for Q1 2018, the average ZAR to $ exchange rate for Q1 2018 was ZAR10.575=$1. This represents a strengthening of 7.5% compared to the average exchange rate for Q1 2017 of ZAR9.98=$1.

For the statement of financial position for Q1 2018, the closing ZAR to $ exchange rate for Q1 2018 was ZAR9.19=$1, representing a strengthening of 6.7% as compared to the closing exchange rate at December 31, 2017 of ZAR9.85=$1.

Safety

Bokoni Mine's LTIFR was 0 in Q1 2018 compared to 0.79 in Q1 2017. There was an unfortunate fatality in Q1 2017 due to a fall of ground incident that occurred on February 7, 2017. Zero Section 54 stoppages were imposed by the DMR during Q1 2018 compared to three Section 54 stoppages in Q1 2017 resulting in 28 lost days of production. As a result of these unscheduled breaks in production during Q1 2017, an estimated 933 platinum ounces was not extracted as planned.

5. SUMMARY OF QUARTERLY RESULTS

The table below sets forth selected results of operations for the Company's eight most recently completed quarters (in $, except per share amounts) in accordance with IFRS.

($ million)	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016
Revenue	4.03	0.2	32.2	45.8	38.4	37.5	48.9	40.7
Cost of sales	(4.0)	(18.4)	(50.2)	(57.8)	(54.1)	(56.2)	(54.0)	(47.0)
Gross (Loss)	(0.03)	(18.2)	(18.0)	(11.9)	(15.7)	(18.7)	(5.1)	(6.3)
(Loss) for the period	(36.55)	(21.9)	(72.3)	(192.7)	(27.7)	(31.4)	(11.4)	(24.1)
Basic (Loss) per share	(0.05)	(0.03)	(0.08)	(0.22)	(0.03)	(0.04)	(0.04)	(0.04)
Diluted (Loss) per share	(0.05)	(0.03)	(0.08)	(0.22)	(0.03)	(0.04)	(0.04)	(0.04)
Weighted number of Common Shares outstanding (million)	549	549	549	549	549	549	549	549
Diluted weighted number of Common Shares outstanding (million)	549	549	549	549	549	549	549	549

Discussion of Last Eight Quarterly Results

Quarterly results fluctuate considerably quarter over quarter. The fluctuations are largely due to changes in production due to production efficiencies, potholing, safety stoppages and the $176.2 million impairment recognized in Q2 2017 and $4.8 million impairment recognized in Q3 2017. The Bokoni Mine being placed on care and maintenance on October 1, 2017 has had a significant impact on the results of Q1 2018 and Q4 2017. In addition, the recovered grade has a significant impact on revenue. Varying PGM basket prices and the volatility of the ZAR against the US$ contribute to the quarter over quarter fluctuations.

The period to period variations in cost of sales are mainly as a result of: varying labour costs; varying use of contractors based on management's production and development planning requirements; fluctuations in stores costs based predominately on tonnes milled; varying utility costs between winter and summer tariffs, as well as annual tariff increases; variable depreciation charges based on the unit-of-production method and arising from the capitalization of work-in-progress; rising commodity prices combined with fluctuations in the ZAR/US$ and ZAR/$ exchange rate.

6. LIQUIDITY AND GOING CONCERN

As at March 31, 2018, Atlatsa had a positive working capital, excluding restricted cash, of $5.9 million compared to negative working capital of $89.1 million at March 31, 2017 and a positive working capital of $7.7 million as at December 31, 2017. The Company incurred a net loss in Q1 2018 of $36.5 million compared to a net loss in Q1 2017 of $27.7 million.

The current assets exceeded current liabilities by $5.9 million (December 31, 2017: $7.8 million) and Atlatsa's ratio of current assets (excluding restricted cash) to current liabilities was 1.7:1 as at March 31, 2018. However, its total liabilities exceeded its total assets by $206 million (December 31, 2017: total liabilities exceeded total assets by $158.2 million).

The net loss for the period is as a result of the Bokoni Mine being placed on care and maintenance.

As at March 31, 2018, the Company had unrestricted cash and equivalents of $1.7 million, with $16.9 million undrawn facilities under the Care and Maintenance Term Loan Facility.

Atlatsa had the following contractual obligations as at March 31, 2018:

Obligations due by Period ($ million)					
	Total	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Loans and Borrowings	480.9	0.1	426.4	54.4	-

Atlatsa's major cash commitments until December 31, 2019 relate to its obligation to fund its share of the care and maintenance costs at the Bokoni Mine and other administrative costs. The total expected care and maintenance costs are budgeted between $1.2 million (ZAR11.0million) and $2.2 million (ZAR20.0 million) per month. Atlatsa expects to fund these obligations from available cash resources and the remaining undrawn Care and Maintenance Term Loan Facility and Transaction Cost Facility. Also refer to Section 2 - *SIGNIFICANT EVENTS - 2017 Restructure Plan.* In terms of the Bokoni Holdco Shareholders Agreement, RPM will fund its portion (49%) of Bokoni Mine's funding requirements.

Refer Section 14 - *FINANCIAL INSTRUMENTS AND RISK MANAGEMENT* to for a discussion of Atlatsa's debt instruments and associated financial risks.

Going Concern conclusion

The directors of the Atlatsa Group believe that with the Debt Standstill and Anglo Platinum's undertaking (Phase 1) to fund all once-off and ongoing costs associated with placing Bokoni Mine on care and maintenance until December 31, 2019 and the Atlatsa Group's approved overhead costs (as discussed in Section 2 - SIGNIFICANT EVENTS - 2017 Restructure Plan), the Atlatsa Group will be able to settle its liabilities as and when they fall due until December 31, 2019. The directors also believe that Phase 2 would be successfully implemented by December 31, 2019. Accordingly, the unaudited condensed consolidated interim financial statements for Q1 2018, which are available on SEDAR at www.sedar.com, have been prepared on a going concern basis.

However, in the event that the Phase 2 conditions precedent, as discussed in Section 2 - SIGNIFICANT EVENTS - 2017 Restructure Plan, are not met by December 31, 2019, the Atlatsa Group may not have the ability to discharge its liabilities as and when they fall due beyond December 31, 2019. These conditions give rise to a material uncertainty that may cast significant doubt about the Atlatsa Group's ability to continue as a going concern.

Anglo Platinum and Atlatsa are still in the process of implementing the various conditions precedent for implementation of Phase 2 of the *2017 Restructure Plan*, which have not been finalized as at the date of approval of the unaudited condensed consolidated interim financial statements for Q1 2018, which have been filed on SEDAR at www.sedar.com.

7. CAPITAL RESOURCES

Atlatsa's primary source of capital is debt, and its access to capital is dependent on general commodity and financial market conditions.

As at March 31, 2018, the Company is not in breach of the loan covenants under the SFA, the Concentrate Agreement, the Term Loan Facility, the Working Capital Facility, the Care and Maintenance Term Loan Facility or the Transaction Cost Facilty. As mentioned above in Section 2 - *SIGNIFICANT EVENTS - 2017 Restructure Plan*, all debt facilities currently in use and to be used in the future are included in the Debt Standstill, therefore all repayment terms and conditions connected to these individual facilities have been suspended until December 31, 2019.

Atlatsa's cash balance as at March 31, 2018 was $1.7 million compared to $2.1 million as at December 31, 2017.

A summary of Atlatsa's debt facilities as at March 31, 2018, is as follows:

	Balance as at March 31, 2018 ($ million)	Available Facility ($ million)	Unutilized portion of Facility ($ million)
SFA (1)	198.7	198.7	-
Working Capital Facility (1)	13.1	13.0	0.1
Term Loan Facility (1)	96.9	96.9	-
Care and Maintenance Term Loan Facility (1)	39.8	56.7	16.9
Transaction Cost Facility(1)	1.0	5.5	4.5
Other (1) (2)	131.3	131.3	-
Total	**480.8**	**502.1**	**21.5**

Notes

(1) The loan facility balances above are disclosed at the contractual values outstanding as at March 31, 2018, which does not agree to the loan balance as per the condensed consolidated interim statement of financial position which is shown as the fair value required by International Financial Reporting Standards.

(2) This relates to a shareholder's loan that support RPM's obligation to meet its 49% share of the cash call in accordance with the Bokoni Holdco Shareholders Agreement.

Atlatsa's ability to raise new equity in the equity capital markets is subject to the mandatory requirement that Atlatsa Holdings, a BEE shareholder of Atlatsa, retains at least a 51% fully diluted shareholding in the Company until December 31, 2020. Atlatsa, through Atlatsa Holdings, is compliant with the BEE requirements. Under the current circumstances, there is minimal availability for the Company to issue additional equity.

The Company does not currently use any financial instruments for hedging or similar purposes.

8. OFF-BALANCE SHEET ARRANGEMENTS

Atlatsa has not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditure or capital resources that is material to investors.

9. TRANSACTIONS WITH RELATED PARTIES

RPM is a 49% shareholder in Bokoni Holdco, and is therefore considered a related party of the Company. Atlatsa has a number of agreements with RPM including the Working Capital Facility, the SFA, the shareholder loan between Bokoni Holdco and RPM, the Term Loan Facility, the Concentrate Agreement and the related POC Advance, Care and Maintenance Term Loan Facility, Transaction Cost Facility and the Mototolo Ore Sale Agreement.

Pursuant to the terms of various shared services agreements, the Anglo American plc group of companies provide certain operational services to BPM at a cost that is no greater than the costs charged to any other Anglo American plc group for the same or similar services. These services include, but are not limited to administrative services, supply chain management and treatment of the concentrate, and other services. For further details regarding the costs of such services, please refer to the table below.

Transactions with RPM during Q1 2018 and Fiscal 2017 are summarized below:

	Q1 2018 ($ millions)	**Fiscal 2017 ($ millions)**	**Q1 2017** ($ millions)
Revenue	4.0	116.5	38.4
Purchases	0.5	26.6	7.3
Administrative Expense	-	9.7	-

The following balances were outstanding to/from RPM as at March 31, 2018, and Fiscal 2017:

	Q1 2018 ($ millions)	**Fiscal 2017 ($ millions)**	**Q1 2017** ($ millions)
Loans and Borrowings	(350.5)	(306.5)	231.9
Trade and Other Payables	(0.9)	(1.4)	1.9
Trade and Other Receivables	4.8	4.3	(0.2)

Refer to Section 6 - *LIQUIDITY AND GOING CONCERN* and Section 7 - *CAPITAL RESOURCES* for additional discussion of financing and debt arrangements with RPM. Also refer to Note 37 to the audited financial statements for Fiscal 2017, which have been filed on SEDAR at www.sedar.com.

10. PROPOSED TRANSACTIONS

All proposed transactions are documented in the Letter Agreement. Refer to Section 2 - *SIGNIFICANT EVENTS - 2017 Restructure Plan* for further details.

11. CRITICAL ACCOUNTING ESTIMATES

Atlatsa's significant accounting judgements, estimates and assumptions accounting policies are the same as those applied in *Note 4* of the audited consolidated financial statements for Fiscal 2017, which have been filed on SEDAR at www.sedar.com.

12. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied by Atlatsa in *Note 4* of the unaudited consolidated interim financial statements for Q1 2018, are the same as those applied in the audited consolidated financial statements for the year ended December 31, 2017, both of which have been filed on SEDAR at www.sedar.com.

Standards Issued but not yet Effective

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

Effective for the financial year commencing 1 January 2019

- IFRIC 23 *Uncertainty over Income Tax Treatments*

All standards and interpretations will be adopted at their effective date, if applicable.

Management of the company has assessed the impact of the above-mentioned changes, and does not believe that they will result in a significant impact to the financial statements given the current care and maintenance phase of Bokoni Mine.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Atlatsa's financial instruments and risk management practices are presented in *Note 6* on the unaudited consolidated interim financial statements for the period ended March 31, 2018, which has been filed on SEDAR at www.sedar.com.

Financial Risk Management Activities

Atlatsa manages its exposure to key financial risks in accordance with its financial risk management policy. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Atlatsa, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Refer to *Note 6 – FINANCIAL RISK MANAGEMENT* - of the unaudited consolidated interim financial statements for Q1 2018, which have been filed on SEDAR at www.sedar.com.

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The risk arises principally from the Company's receivables from customers, cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables represents the sale of concentrate to RPM in terms of a concentrate off-take agreement and a tolling agreement. The carrying value represents the maximum credit risk exposure. Atlatsa has no collateral against these receivables. The terms of the receivables are 90 days. 100% of the Company's revenue is generated in South Africa from the sale of concentrate by Bokoni Mine to RPM and the Mototolo Ore Sale Agreement with RPM.

From time to time when the Company's cash position is positive, cash deposits are made with financial institutions having superior local credit ratings.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that it has sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and its holdings of cash and cash equivalents. The Company's cash and cash equivalents are invested in business accounts which are available on demand.

An alternative funding arrangement, the POC Advance, was entered into with RPM whereby an advance on the revenue from the concentrate sales made to RPM by Bokoni pursuant to the Concentrate Agreement was provided to Bokoni.

Refer to Section 6 **-** *LIQUIDITY AND GOING CONCERN* for details of the Company's going concern conclusion.

Capital Risk Management

The primary objective of managing capital is to ensure the availability of sufficient capital to support the Company's funding and operating requirements in a way that optimizes the cost of capital, maximizes shareholders' returns and ensures that the Company remains in a sound financial position.

The Company manages and makes adjustments to the capital structure which consists of debt and equity as and when borrowings mature or when funding is required. This may be in the form of raising equity, market or bank debt or combinations thereof. The Company may also adjust the amount of dividends paid, sell assets to reduce debt or schedule projects to manage the capital structure. Atlatsa's ability to raise new equity in the equity capital markets is subject to the requirement that Atlatsa Holdings, its majority BEE shareholder, retain a 51% fully diluted shareholding in the Company up until December 31, 2020, as required by covenants given by Atlatsa Holdings and Atlatsa in favor of the DMR, the South African Reserve Bank and Anglo Platinum.

Refer to Section 6 **-** *LIQUIDITY AND GOING CONCERN* for a discussion of the different facilities used to fund the Company.

14. OTHER MD&A REQUIREMENTS

Additional information relating to Atlatsa, including Atlatsa's Annual Information Form, is available on SEDAR at www.sedar.com. Refer to "*Note to U.S. Investors Regarding U.S. Delisting and Deregistration*".

15. DISCLOSURE OF OUTSTANDING SHARE DATA

At the Company's Annual General Meeting on June 27, 2014, shareholders approved a new Share Option Plan, Share Appreciation Rights Plan and Conditional Share Unit Plan (collectively the "**Equity Incentive Plans**"). Refer to the Company's Management Information Circular dated May 25, 2017, which is available on SEDAR at www.sedar.com, for more information relating to the Equity Incentive Plans.

Share Appreciation Rights

On May 28, 2015, the Company awarded 2,887,070 share appreciation rights ("**SARs**") at a grant price of ZAR1.45, to certain eligible employees of Plateau entitling each such employee to one common share of the Company on the vesting date. Subsequently, 626,697 units that were originally awarded were cancelled. There were no new grants in 2018. The vesting condition is that the 5-day volume weighted share price as at vesting date of December 31, 2017, shall have increased from grant date to the vesting date by a percentage that exceeds the movement in the consumer price index ("**CPI**") over the same period. As at December 31, 2017 this vesting condition was not met and all SARS expired since vesting date and expiry date are on the same date.

The share-based payment expense recognized during the period was $0 (2017: $19,904). There was no unamortised share based payments expense as of March 31, 2018.

Conditional Share Unit Plan

On August 20, 2014, the Company awarded 9,004,500 Conditional Share Units ("**CSUs**") to certain eligible employees of Plateau entitling each such employee to one common share of the Company on the vesting date. These CSUs vested on March 31, 2017. Upon the assessment of the Company's average total shareholder return ("**TSR**") for the 2015 and 2016 Fiscal years, no common shares will be allocated to qualifying employees. All such CSUs have expired.

On May 28, 2015, the Company awarded 26,274,800 CSUs to certain eligible employees of Plateau entitling each such employee to one common share of the Company on the vesting date. Subsequently, 3,407,700 units that were originally awarded were cancelled. At December 31, 2017 the Company's Total Shareholder Return ("**TSR**") for the 2015, 2016. and 2017 years was assessed in comparison to the five specified peer comparator companies, and as the Company was fifth or below, zero of the CSUs vested.

The share-based payment expense recognized during the period under review was $0 (2017: $238,388). There was no unamortised share based payments expense as of March 31, 2018.

Options

500,000 options were issued under the pre-existing stock option plan, which are exercisable at a weighted average price of $1.29. Subsequently, all of these options expired.

On August 20, 2014, the Company issued 5,142,882 share options to its non-executive directors ("**NEDs**") under the terms of its Stock Option Plan at a strike price of ZAR3.813 ($0.39). Subsequently, 690,835 options that were originally awarded were cancelled.

The share-based payment recognized during the period under review was $0 (2017: $0).

As of Q1 2018, 4,452,047 options were outstanding with the following terms:

Expiry Date	Option Price	Number of Options Outstanding	Number of Options Vested	Weighted Average Life (years)
August 19, 2024	$ 0.39	4,452,047	4,452,047	6.9
Total	-	**4,452,047**	**4,452,047**	-
Weighted Average Exercise Price	-	**$0.39**	**$0.39**	-

As of the date hereof, the issued share capital of Atlatsa is 554,421,806 common shares. There was no unamortised share based payments expense as of March 31, 2018.

16. INTERNAL CONTROLS OVER FINANCIAL REPORTING PROCEDURES

*Disclosure Controls and Procedures (“**DC&P**”)*

DC&P are those controls and procedures that are designed to ensure that the information required to be disclosed in the filings under applicable securities regulations is recorded, processed, summarized and reported within the time periods specified in applicable securities regulations.

Atlatsa’s Management, including its chief executive officer (“**CEO**”) and chief financial officer (“**CFO**”), (collectively (“**Atlatsa’s Management**”)) is responsible for establishing and maintaining adequate DC&P. Atlatsa’s internal control system was designed to provide reasonable assurance to Atlatsa’s Management and the Board regarding reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS.

Under the supervision of and with the participation of Atlatsa Management, the effectiveness of the Company’s DC&P as at March 31, 2018 was evaluated. Based upon this evaluation and the material weaknesses described below, the CEO and CFO concluded that the Company’s disclosure controls and procedures were not effective as at March 31, 2018.

Internal control over financial reporting (“ICFR”)

Atlatsa Management is also responsible for establishing and maintaining adequate ICFR. ICFR is defined as a process designed to provide reasonable assurance with respect to the reliability of financial reporting and the presentation of financial statements for external reporting purposes in accordance with IFRS.

Under the supervision of and with the participation of Atlatsa Management, the effectiveness of the Company’s ICFR and procedures as at March 31, 2018 was evaluated. In conducting its assessment, Atlatsa Management used criteria established in the framework on 2013 Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment and those criteria, Atlatsa Management concluded that as of March 31, 2018 its ICFR was not effective, as a result of the material weaknesses in its internal control over financial reporting described below.

Atlatsa Management has identified the following two material weaknesses in our ICFR as of March 31, 2018:

- Recording of revenue

  Atlatsa Management determined that as at March 31, 2017, Atlatsa’s ICFR controls and procedures were ineffective based on a material weakness subsequently identified in BPM’s recording of revenue. Revenue price adjustments amounting to $5 million relating to the three months ended March 31, 2017 were identified subsequent to the issuance of the March 31, 2017 condensed consolidated interim financial statements. As a result, Atlatsa Management concluded that the review control of the monthly revenue reconciliation and related journal entries at BPM were not operating effectively. As a result of this deficiency, there is a reasonable possibility that a material misstatement of the financial statements would not be prevented or detected on a timely basis.

  Accordingly, revenue as reported in the March 31, 2017 condensed consolidated interim financial statements should have been $38.4 million instead of $33.4 million, due to the price adjustment correction made relating to the three months then ended.

  The corrected revenue for Q1 2017, including the reasons as explained above, was disclosed in *Note 12* to the condensed consolidated interim financial statements for the six months ended June 30, 2017, which is available on SEDAR at www.sedar.com. As disclosed in those financial statements, Atlatsa Management restated the revenue attributable to the three months ended March 31, 2017 to be $38.4

million. Atlatsa Management performed a detailed review of revenue for the year ended December 31, 2017 and March 31, 2017 and also confirmed the revenue with RPM. However, the control remediation has not operated for a sufficient amount of time to conclude that the deficiency has been remediated due to the fact that no additional revenue has since been derived in the same manner since Q3 2017 to test the effectiveness of the operation of the control.

- Review process

  Atlatsa's review process over the year-end financial reporting process at the Bokoni Mine did not operate effectively, resulting in errors and adjustments to the financial statements. Some of these errors and adjustments related to transactions which required the application of significant judgment by Atlatsa Management in selecting the appropriate assumptions for calculating financial estimates. These errors were identified and corrected prior to the issuance of the December 31, 2017 consolidated financial statements. Atlatsa Management identified that it did not have sufficient resources within its finance department for the Bokoni Mine to ensure an effective review process as a result of the retrenchments resulting from the mine being placed on care and maintenance. As a result of this deficiency, there is a reasonable possibility that a material misstatement of the annual financial statements would not be prevented or detected on a timely basis.

Planned Remedial Actions

- Management of BPM has taken steps to improve the review process of the monthly revenue reconciliation and related journal entries which include adding an extra level of precision by confirming the monthly revenue with RPM.
- Although the level of activity and the number of transactions at the Bokoni Mine has decreased due to the Bokoni Mine being placed on care and maintenance, the Company has increased its finance resources by employing fixed term contractors within its finance department. The Company is also in the process of transferring a number of the accounting roles and responsibilities to the Anglo American Global Shared Services team, this transfer of responsibilities should be completed during the second quarter of 2018.
- With the transition of certain functions to the Anglo American Global Shared Services and the reduced number of employees in the finance function, Atlatsa Management will review existing controls and implement new controls, where required, to remediate the deficiencies identified.

Conclusion

Under the direction of the Audit and Risk Committee and the Board of Directors, Atlatsa Management will continue to develop and implement policies to improve the Company's ICFR. The material weaknesses cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and Atlatsa Management has concluded, through testing, that these controls are operating effectively.

Notwithstanding the ineffectiveness of the Company's ICFR and procedures as of March 31, 2018, Atlatsa Management has concluded that the unaudited consolidated interim financial statements for period ended March 31, 2018 and other financial information contained in MD&A present fairly, in all material respects, the financial condition, results of operations and cash flows as of, and for, the dates and periods presented which have been filed on SEDAR at www.sedar.com.

Changes in Internal Control over Financial Reporting

Except as disclosed in response to remediate the material weaknesses described above, there has been no change in ICFR during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

17. RISK FACTORS

Atlatsa is subject to significant risks and uncertainties which are described in detail under "*Description of Business - Risk Factors"* in Atlatsa's Annual Information Form for Fiscal 2017, which is available on SEDAR at www.sedar.com.

18. CAUTIONARIES

Note to U.S. Investors Regarding U.S. Delisting and Deregistration

On July 20, 2015, the Company filed a Form 25 (Notification of Removal from Listing and/or Registration under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) with the U.S. Securities and Exchange Commission (the "**SEC**") to voluntarily withdraw its shares from listing on the NYSE MKT. The delisting was effective 10 days following the filing of the Form 25. On July 8, 2016, the Company filed a Form 15 with the SEC to terminate the registration of its common shares under Section 12(g) of the Exchange Act, and its reporting obligations under Section 13(a) of the Exchange Act. The termination of the Company's registration was effective 90 days after the date of filing of the Form 15 with the SEC. Upon filing of the Form 15, the Company's reporting obligations under the Exchange Act were suspended. While the Company's prior filings with the SEC, including its Annual Report on Form 20-F, continue to be available on the SEC's Electronic Document Gathering and Retrieval System at www.sec.gov, the Company no longer files information with, or furnishes information to, the SEC.

The Company's common shares continue to trade on the TSX and the JSE, and the Company will continue to meet its Canadian and South African continuous disclosure obligations through filings with the applicable Canadian and South African securities regulators. All of the Company's filings can be found on SEDAR at www.sedar.com and also on www.atlatsa.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws, that are based on Atlatsa's expectations, estimates and projections as of the dates as of which those statements are made, including statements relating to anticipated financial or operational performance. Generally, these forward-looking statements can be identified by the use of forward-looking terminology 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 MD&A 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: placing the Bokoni Mine on care and maintenance; safe guarding of all assets and the maintenance of major equipment; implementing the terms of the Letter Agreement and Debt Standstill as contemplated in the 2017 Restructure Plan; and satisfying the conditions precedent of the 2017 Restructure Plan.

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 placing the Bokoni Mine on care and maintenance; uncertainties related to the implementation of the 2017 Restructure Plan; uncertainties related to satisfying the conditions precedent of the 2017 Restructure Plan; 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 maintain the Bokoni Mine on care and maintenance; 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 loans and borrowings, as described under "Going Concern" in *Note 2* of the unaudited consolidated interim financial statements for period ended March 31, 2018 which have been filed on SEDAR at www.sedar.com. 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 "*Description of Business - Risk Factors*" in Atlatsa's Annual Information Form for Fiscal 2017, which is available on SEDAR at www.sedar.com.

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 MD&A and other documents that Atlatsa files from time to time with, or furnishes to Canadian securities regulators and which are available on SEDAR at www.sedar.com.

Cautionary Note Regarding Non-IFRS Measures

EBITDA is not a recognized measure under IFRS and should not be construed as an alternative to net profit or loss determined in accordance with IFRS as an indicator of the financial performance of Atlatsa or as a measure of Atlatsa's liquidity and cash flows. While EBITDA is a useful supplemental measure of cash flow prior to debt service, changes in working capital, capital expenditures and taxes, Atlatsa's method of calculating EBITDA may differ from other issuers and, accordingly, EBITDA may not be comparable to similar measures presented by other issuers. See *Note 22* of the unaudited Consolidated Interim Financial Statements for Q1 2018, for a reconciliation of EBITDA to net income (loss) which is available on SEDAR at www.sedar.com.

Cautionary Note to U.S. Investors Regarding Mining Disclosures

This MD&A uses the terms "measured resources" and "indicated resources". Atlatsa advises U.S. investors that while those terms are recognized and required by Canadian securities regulators, the SEC does not currently recognize them. U.S. investors are cautioned not to assume that any mineralized material in these categories, not already classified as reserves, will ever be converted into reserves. In addition, requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("**NI 43-101**") for identification of "reserves" are not the same as those of the SEC, and reserves reported by Atlatsa in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Investors should refer to the disclosure under the heading *"Resource Category Classification Definitions"* in Atlatsa's Annual Information Form for Fiscal 2017, which is available on SEDAR at www.sedar.com.

This MD&A uses the term "inferred resources". Atlatsa advises U.S. investors that while the term "inferred resources" is recognized and required by Canadian securities regulators, the SEC does not recognize such term. "Inferred resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred resources may not form the basis of economic studies, except in rare cases. U.S. investors are cautioned not to assume that any part or all of an inferred resource exists, or is economically or legally mineable.

In addition, disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations. However, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade, without reference to unit measures. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with U.S. standards.

Investors should refer to the disclosure under the heading *"Resource Category Classification Definitions"* in Atlatsa's Annual Information Form for Fiscal 2017, which is available on SEDAR at www.sedar.com.

Cautionary Note to Investors Concerning Technical Review of the Bokoni Mine

The following are the principal risk factors and uncertainties which, in management's opinion, are likely to most directly affect the conclusions of the technical review of the Bokoni Mine. Some of the mineralized material classified as a measured and indicated resource has been used in the cash flow analysis. Under U.S. mining standards, a full feasibility study would be required in order for such mineralized material to be included in the cash flow analysis, which would require more detailed studies. Additionally, all necessary mining permits would be required in order to classify these parts of the Bokoni Mine's mineralized material as a mineral reserve. There can be no assurance that this mineralized material will become classifiable as a reserve and there is no assurance as to the amount, if any, which might ultimately qualify as a reserve or what the grade of such reserve amounts would be.

Data is not complete and cost estimates have been developed, in part, based on the expertise of the individuals participating in the preparation of the technical review and on costs at projects believed to be comparable, and not based on firm price quotes. Costs, including design, procurement, construction and on-going operating costs and metal recoveries could be materially different from those contained in the technical review as well as start-up of the Mine. There can be no assurance that mining can be conducted at the rates and grades assumed in the technical review. There can be no assurance that the 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 for fluctuation in the availability of electricity. Projected metal prices have been used for the technical review. The prices of these metals are historically volatile, and the Company has no control or influence over the prices of these metals, which are determined in international markets.

There can be no assurance that the prices of platinum, palladium, rhodium, gold, copper or nickel will continue at current levels or that they will not decline below the prices assumed in the technical review. Prices for these commodities have been below the price ranges assumed in the technical report at times during the past ten years and for extended periods of time. The expansion projects described herein will require major financing; probably a combination of debt and equity financing. There can be no assurance that debt and/or equity financing will be available to the Company on acceptable terms or at all. A significant increase in costs of capital could materially adversely affect the value and feasibility of constructing the expansions. 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 the accommodation of local and community concerns. The conclusions, assumptions and economics of the technical review are sensitive to the currency exchange rates, which have been subject to large fluctuations in the recent years.