ATLATSA RESOURCES CORPORATION

Consolidated Statement of Financial Position
As at 31 December 2013 and 2012
(Expressed in Canadian Dollars, unless otherwise stated)

	Note	2013	2012
Assets			
Non-current assets			
Property, plant and equipment	7	**651,178,482**	748,456,905
Capital work-in-progress	8	**27,296,481**	20,027,764
Other intangible assets	9	**326,350**	801,928
Mineral property interests	10	**7,612,443**	8,036,659
Goodwill	11	**8,845,940**	10,234,394
Platinum Producers' Environmental Trust	12	**3,292,979**	3,250,760
Other non-current assets		**540**	231,425
Total non-current assets		**698,553,215**	791,039,835
Current assets			
Assets held for sale	10	**-**	3,867,259
Inventories	13	**373,698**	769,447
Trade and other receivables	14	**33,782,099**	3,272,400
Cash and cash equivalents	15	**40,655,103**	14,580,886
Restricted cash	16	**265,293**	535,502
Total current assets		**75,076,193**	23,025,494
Total assets		**773,629,408**	814,065,329
Equity and Liabilities			
Equity			
Share capital	17	**71,967,083**	71,967,083
Treasury shares	17	**(4,991,726)**	(4,991,726)
Convertible preference shares	17	**162,910,000**	162,910,000
Foreign currency translation reserve		**(10,119,860)**	(9,797,657)
Share-based payment reserve		**25,794,650**	25,285,851
Accumulated loss		**(64,673,717)**	(264,166,155)
Total equity attributable to equity holders of the Company		**180,886,430**	(18,792,604)
Non-controlling interest		**198,227,542**	224,049,827
Total equity		**379,113,972**	205,257,223
Liabilities			
Non-current liabilities			
Loans and borrowings	18	**110,320,221**	434,968,189
Deferred taxation	19	**124,519,382**	142,341,072
Provisions	20	**11,100,511**	9,786,479
Total non-current liabilities		**245,940,114**	587,095,740
Current liabilities			
Trade and other payables	21	**71,878,955**	20,888,635
Short-term portion of loans and borrowings	18	**76,696,367**	823,731
Total current liabilities		**148,575,322**	21,712,366
Total liabilities		**394,515,436**	608,808,106
Total equity and liabilities		**773,629,408**	814,065,329

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

Approved by the Board of Directors on 31 March 2014

/s/ Harold Motaung

Harold Motaung (Director)

/s/ Fikile De Buck

Fikile De Buck (Director)

ATLATSA RESOURCES CORPORATION

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2013
(Expressed in Canadian Dollars, unless otherwise stated)

	Note	2013	2012	2011
Revenue	22	**195,621,452**	117,557,331	144,406,716
Cost of sales	23	**(233,776,296)**	(195,387,551)	(209,966,805)
Gross loss		**(38,154,844)**	(77,830,220)	(65,560,089)
Administrative expenses		**(19,805,849)**	(14,589,526)	(23,788,855)
Transaction costs		**(1,688,165)**	(822,621)	-
Profit on sale of assets	35	**171,113,397**	-	-
Other income		**321,476**	105,177	116,191
Fair value gain and AG8 adjustments on loans and borrowings	24	**47,999,163**	90,589,136	-
Operating profit/(loss)		**159,785,178**	(2,548,054)	(89,232,753)
Finance income	25	**330,591**	382,262	745,590
Finance expense	26	**(56,393,072)**	(82,837,200)	(92,044,884)
Net finance expense		**(56,062,481)**	(82,454,938)	(91,299,294)
Profit/(loss) before income tax	27	**103,722,697**	(85,002,992)	(180,532,047)
Income tax	28	**(3,853,420)**	(10,563,878)	32,667,499
Profit/(loss) for the year		**99,869,277**	(95,566,870)	(147,864,548)
Other comprehensive (loss)/income				
Items that will not be reclassified subsequently to profit and loss				
Foreign currency translation differences for foreign operations		**(27,068,629)**	2,415,302	(7,913,856)
Items that will be reclassified subsequently to profit and loss when specific conditions are met				
Effective portion of changes in fair value of cash flow hedges		-	-	1,602,501
Reclassification to profit or loss on settlement of cash flow hedge		-	-	2,521,654
Other comprehensive (loss)/income for the year, net of income tax	29	**(27,068,629)**	2,415,302	(3,789,701)
Total comprehensive profit/(loss) for the year		**72,800,648**	(93,151,568)	(151,654,249)
Profit/(loss) attributable to:				
Owners of the Company		**199,492,438**	(18,717,839)	(81,928,814)
Non-controlling interest		**(99,623,161)**	(76,849,031)	(65,935,734)
Profit/(loss) for the year		**99,869,277**	(95,566,870)	(147,864,548)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company		**198,879,308**	(17,236,373)	(83,923,552)
Non-controlling interest		**(126,078,660)**	(75,915,195)	(67,730,697)
Total comprehensive profit/(loss) for the year		**72,800,648**	(93,151,568)	(151,654,249)
Basic earnings per share	30	**47 cents**	(4 cents)	(19 cents)
Diluted earnings per share		**46 cents**	(4 cents)	(19 cents)

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

ATLATSA RESOURCES CORPORATION

Consolidated Statements of Changes in Equity
For the years ended 31 December 2013, 2012 and 2011
(Expressed in Canadian Dollars, unless otherwise stated)

		Attributable to equity holders of the Company											
		Share capital		Treasury shares									
	Note	Number of shares	Amount	Number of shares	Amount	Convertible preference shares	Foreign currency translation reserve	Share-based payment reserve	Hedging reserve	Accumulated profit/(loss)	Total	Non-controlling interest	Total equity
Balance at 1 January 2011		201,813,472	71,852,588	(4,497,062)	(4,991,726)	162,910,000	(5,197,843)	22,032,571	(4,124,155)	(163,519,502)	78,961,933	42,404,014	121,365,947
Total comprehensive loss for the year													
Loss for the year		–	–	–	–	–	–	–		(81,928,814)	(81,928,814)	(65,935,734)	(147,864,548)
Total other comprehensive loss	29	–	–	–	–	–	(6,040,490)	(78,403)	4,124,155	–	(1,994,738)	(1,794,963)	(3,789,701)
Total comprehensive loss for the year		–	–	–	–	–	(6,040,490)	(78,403)	4,124,155	(81,928,814)	(83,923,552)	(67,730,697)	(151,654,249)
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Common shares issued		75,000	114,495	–	–	–	–	(51,495)	–	–	63,000	–	63,000
Share-based payment transactions		–	–	–	–	–	–	2,140,038	–	–	2,140,038	–	2,140,038
Total contributions by and distributions to owners		75,000	114,495	–	–	–	–	2,088,543	–	–	2,203,038	–	2,203,038
Balance at 31 December 2011		201,888,472	71,967,083	(4,497,062)	(4,991,726)	162,910,000	(11,238,333)	24,042,711	–	(245,448,316)	(2,758,581)	(25,326,683)	(28,085,264)
Acquisition of shares in Bokoni Platinum Holdings (Pty) Ltd	24	–	–	–	–	–	–	–	–	–	–	197,477,602	197,477,602
Total comprehensive loss for the year													
Loss for the year		–	–	–	–	–	–	–	–	(18,717,839)	(18,717,839)	(76,849,031)	(95,566,870)
Total other comprehensive loss	29	–	–	–	–	–	1,440,676	40,790	–	–	1,481,466	933,836	2,415,302
Total comprehensive loss for the year		–	–	–	–	–	1,440,676	40,790	–	(18,717,839)	(17,236,373)	(75,915,195)	(93,151,568)
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Fair value gain on de-recognition of debt facility in relation to the first phase of debt restructuring		–	–	–	–	–	–	–	–	–	–	127,814,103	127,814,103
Share-based payment transactions		–	–	–	–	–	–	1,202,350	–	–	1,202,350	–	1,202,350
Total contributions by and distributions to owners		–	–	–	–	–	–	1,202,350	–	–	1,202,350	127,814,103	129,016,453
Balance at 31 December 2012		201,888,472	71,967,083	(4,497,062)	(4,991,726)	162,910,000	(9,797,657)	25,285,851	–	(264,166,155)	(18,792,604)	224,049,827	205,257,223
Acquisition of shares in Bokoni Platinum Holdings (Pty) Ltd	24	-	-	-	-	-	-	-	-	-	-	199,179,381	199,179,381
Total comprehensive loss for the year													
Profit/(loss) for the year		-	-	-	-	-	-	-	-	199,492,438	199,492,438	(99,623,161)	99,869,277
Total other comprehensive profit/(loss)	29	-	-	-	-	-	(322,203)	(290,927)	-	-	(613,130)	(26,455,499)	(27,068,629)
Total comprehensive profit/(loss) for the year		-	-	-	-	-	(322,203)	(290,927)	-	199,492,438	198,879,308	(126,078,660)	72,800,648
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Common shares issued		-	-	-	-	-	-	-	-	-	-	-	-
Fair value loss on repayment of debt facility	24	-	-	-	-	-	-	-	-	-	-	(98,923,006)	(98,923,006)
Share-based payment transactions		-	-	-	-	-	-	799,726	-	-	799,726	-	799,726
Total contributions by and distributions to owners		-	-	-	-	-	-	799,726	-	-	799,726	(98,923,006)	(98,123,598)
Balance at 31 December 2013		201,888,472	71,967,083	(4,497,062)	(4,991,726)	162,910,000	(10,119,860)	25,794,650	-	(64,673,717)	180,886,430	198,227,542	379,113,972

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

ATLATSA RESOURCES CORPORATION

Consolidated Statements of Cash Flows
For the years ended 31 December 2012, 2011 and 2010
(Expressed in Canadian Dollars, unless otherwise stated)

	Note	2013	2012	2011
Cash flows from operating activities				
Cash receipts from customers		**166,392,406**	140,085,828	148,279,469
Cash paid to suppliers and employees		**(157,268,152)**	(171,351,040)	(189,597,810)
Cash generated/(utilised) by operations	31	**9,124,254**	(31,265,212)	(41,318,341)
Interest received		**226,073**	296,187	544,825
Interest paid		**(20,660)**	(158)	(510,447)
Tax paid		**(7,043,536)**	(2,079,516)	-
Cash utilised by operating activities		**2,286,131**	(33,048,699)	(41,283,963)
Cash flows from investing activities				
Investment in environmental trusts		**(431,999)**	(461,681)	(505,440)
Acquisition of property, plant and equipment	7	**(278,200)**	(2,563)	(2,238)
Acquisition of capital work-in-progress	8	**(50,987,358)**	(38,917,145)	(28,678,042)
Acquisition of intangible assets	9	**-**	-	(236,304)
Proceeds from disposal of property plant and equipment		**278,200**	-	-
Proceeds from disposal of assets held for sale		**171,600,312**	-	-
Cash generated/(utilised) by investing activities		**120,180,954**	(39,381,389)	(29,422,024)
Cash flows from financing activities				
Loans and borrowings raised – OCSF	18	**-**	72,872,141	68,543,022
Loans and borrowings raised – Funding loan	18	**-**	315,612,211	-
Loans and borrowings raised – Transaction cost facility	18	**749,000**	-	-
Loans and borrowings raised – Working Capital Facility	18	**3,194,816**	-	-
Loans and borrowings raised – Consolidated Facility	18	**68,921,455**	-	-
Loans and borrowings raised – New Senior Debt Facility	18	**237,770,925**	-	-
Loan and borrowings raised – Shareholder loan	18	**3,451,333**		
Acquisition of shares in Bokoni Platinum Holdings (Pty) Ltd		**207,518,927**	197,477,614	63,000
Settlement of interest rate swap		**-**	-	(3,691,604)
"A" Preference shares repaid		**-**	(401,782,311)	-
Loans repaid	18	**(620,494,506)**	(110,074,287)	-
Loans repaid – Funding loan		**-**	(1,233,228)	-
Loans repaid – Transaction cost facility	18	**(769,223)**	-	-
Loans repaid – Other	18	**(695,785)**	(1,048,243)	(716,371)
Other loans repaid		**293,604**	-	-
Cash (utilised)/generated from financing activities		**(100,059,454)**	71,823,897	64,198,047
Effect of foreign currency translation		**3,791,294**	(757,931)	(3,311,642)
Net increase/(decrease) in cash and cash equivalents		**26,074,217**	(1,364,122)	(9,819,582)
Cash and cash equivalents, beginning of the year		**14,580,886**	15,945,008	25,764,590
Cash and cash equivalents, end of the year	15	**40,655,103**	14,580,886	15,945,008

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

1. NATURE OF OPERATIONS

Atlatsa Resources Corporation ("Company" or "Atlatsa") is incorporated in the Province of British Columbia, Canada. The Company had a primary listing on the TSX Venture Exchange ("TSX-V") and has a secondary listing on the New York Stock Exchange ("NYSE MKT") and the JSE Limited ("JSE"). Subsequent to year end, on 5 February 2014, the Group migrated from the TSX Venture Exchange to the Toronto Stock Exchange ("TSX"). The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") Its principal business activity is the mining and exploration of Platinum Group Metals ("PGM") through its mineral property interests. The Company focuses on mineral property interests located in the Republic of South Africa in the Bushveld Complex. Atlatsa operates in South Africa through its wholly-owned subsidiary Plateau Resources Proprietary Limited ("Plateau") which owns the Group's various mineral property interests and conducted the Group's business in South Africa.

2. GOING CONCERN

The Group incurred a net profit/(loss) for the year ended 31 December 2013 of $99.9 million (2012: ($95.6 million)) and as of that date its total assets exceeded its total liabilities by $379.1 million (2012: $205.3 million).

This is due to the fact that once the conditions precedent for the implementation of Phase Two of the Restructure Plan were met on 12 December 2013, the debt owing by the Company to Rustenburg Platinum Mines Limited ("RPM") of $76 million (ZAR750.0 million) under the New Senior Facilities Agreement ("New Senior Debt Facility") became repayable upon the issuance of 125 million Atlatsa common shares for $76 million (ZAR750.0 million) to RPM in accordance with the terms of the Restructure Plan. The timing of the new share issue and subsequent repayment of the debt falls within a twelve month period from the Company's financial year-end and therefore is classified as a current liability. This amount was settled subsequent to year-end on 31 January 2014 from the proceeds of the issuance of 125 million common shares in the Company to RPM. Refer to note 37 for the "Events after the reporting date".

The company completed a part of Phase two of its restructuring and recapitalising plan on 13 December 2013. This included the following transactions between the Company and RPM, a 100% subsidiary of Anglo American Platinum Limited ("Anglo Platinum"):

- the sale and transfer of the Company's interest in the Boikgantsho Project and the Eastern section of the Ga-Phasha Project to RPM for a net consideration of $172.2 million (ZAR1,700.0 million);
- the purchase consideration payable for the sale of the Boikgantsho Project was paid to the Company on December 13, 2013, excluding an amount of $2.9 million (ZAR29.0 million) in respect of the Boikgantsho Project information which is payable on the date of execution of the notarial deed of extension of the RPM Mining Right to include the Boikgantsho Prospecting Rights. The proceeds were used to reduce the outstanding debt to RPM;
- RPM subscribed for additional shares in Bokoni Holdco to the value of $196.5 million (ZAR1,939.4 million). Bokoni Holdco utilised these funds to repay the debt outstanding between Bokoni Holdco and RPM of $196.5 million (ZAR1,939.4 million);
- The 2009 Senior Debt Facility was repaid in full and the New Senior Debt Facility between Plateau and RPM as signed on March 27, 2013 was made effective. The amount available under the New Senior Debt Facility is $233.0 million (ZAR2,300 million) of which $225.5 million (ZAR 2,225.7 million), including interest was utilised by 31 December 2013.

The net result was the Group's debt was reduced by $370.8 million (ZAR 3,610.4 million).

In addition, a Working Capital Facility was provided by RPM to fund the Group's administrative and corporate expenses. The restructuring and recapitalising plan was finalised on 31 January 2014 resulting in the amount outstanding under the New Senior Debt Facility being reduced by a further $76 million (ZAR 750 million).

The New Senior Debt Facility is only repayable once the company generates sufficient free cash flow. The delay in the implementation of Phase two resulted in the additional resources that were made available in terms of the New Senior Debt facility being insufficient to meet the short term cash requirements of Bokoni Platinum Mines Proprietary Limited ("Bokoni Mine"), due to the interest accruing on the available debt facility. The facility was fully drawn by March 2014.

An alternative funding arrangement was entered into with RPM in November 2013, whereby an advance on the Purchase of Concentrate revenue ("Advance") on the concentrate sales made to RPM by Bokoni Platinum Mines Proprietary Limited ("Bokoni") was provided. The Advance was originally available from 1 November 2013 until 30 November 2014. The agreement with RPM with respect to the Advance provides that RPM may advance funds to Bokoni up to an amount of the lower of 90% of an advance on revenue for the preceding two months and $36.5 million (ZAR360.0 million), provided that the amount advanced shall not exceed the actual cash requirements for that month. This agreement was renegotiated in March 2014 to provide that RPM may advance funds to Bokoni up to an amount of the lower of 95% of an advance on revenue for the preceding two months and $48.1 million (ZAR475.0 million), provided that the amount advanced shall not exceed the actual cash requirements for that month of Bokoni Mine and was extended to 31 March 2015.

The Working Capital Facility made available to Plateau up to a maximum of $3 million (ZAR30 million) per year to Atlatsa during each of 2013, 2014 and 2015 for an aggregate facility of $9.1 million (ZAR90 million), including capitalised interest to fund Atlatsa's corporate and administrative expenses through to 2015. The Working Capital Facility is repayable in full by December 31, 2018.

Further negotiations were entered into with RPM and the following were agreed to ensure the Group had sufficient cash resources to 31 March 2015:

- RPM will meet its 49% shareholder commitment to match any cash resources that Atlatsa contributes;
- The backlog of accounts payable relating to Anglo Platinum of approximately $14.2 million (ZAR140 million) will be deferred to be paid from April 2015 over 9 equal instalments;
- The available facility of the $9.1 million (ZAR90 million) Working Capital Facility will be made available in the event Bokoni requires additional cash resources.
- RPM will consider the availability of the ZAR29 million outstanding on the sale of the Boikgantsho Project that took place on 13 December 2013 which is currently payable by RPM to the Company on the date of execution of a notarial deed of extension of the RPM Mining Right to include the Boikgantsho Prospecting Rights;
- Atlatsa executives will make available $6.1 million (ZAR60 million) as cash resources; and
- Bokoni has further evaluated that it can delay planned capital expenditure of approximately $3 million (ZAR30 million) without impacting Bokoni's production plans.

As a result of the available cash facilities of which $6.1 million is committed and held in escrow the financial statements are prepared on the basis of accounting policies applicable to a going concern.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

3.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis as set out in the accounting policies below. Certain items, including derivative financial instruments, are stated at fair value.

3.3 Functional and presentation currency

These consolidated financial statements are presented in (unless stated otherwise) Canadian Dollars ("$"), which is also the Company's functional currency. The rest of the Group financials are prepared in Rand. All financial information presented in $ has been rounded to the nearest dollar, except when otherwise indicated.

3.4 Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the notes to the financial statements where applicable.

4. ACCOUNTING POLICIES

Except for the changes as explained in 4.1, the accounting policies set out below are applied consistently to all years presented in these consolidated financial statements and have been applied consistently by Group entities.

Certain comparative amounts in the Consolidated Statement of Comprehensive Income have been reclassified or re-presented as a result of a change in the accounting policy regarding the presentation of items in the Other Comprehensive Income (OCI).

4.1 Change in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies set out in Note 5 to all periods presented in these consolidated financial statements.

The Group adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

- Disclosures – offsetting financial assets and financial liabilities (amendments to IFRS 7)
- IFRS 10 Consolidated Financial Statements (2011)
- IFRS 12 Disclosure of Interest in Other Entities
- IFRS 13 Fair value measurement
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)

The nature and effects of the change are explained below.

Offsetting financial assets and financial liabilities

As a result of the amendments to IFRS 7, the Group has expanded its disclosures about the offsetting of financial assets and financial liabilities (refer to note 6).

Subsidiaries

As a result of IFRS 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 (2011) introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

In accordance with the transitional provisions of IFRS 10 (2011), the Group reassessed the control conclusion for its investees at 1 January 2013. As a consequence, the Group has not changed its control conclusions in respect of its investment in its subsidiaries.

Disclosure of Interests in other entities

As a result of IFRS 12, the Group has expanded its disclosure about its interest in subsidiaries (refer to note 39 and note 40).

Fair value measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosure about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7. As a result, the Group has included additional disclosures in this regards (refer to note 6).

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and not provided any comparative information for new disclosures. Notwithstanding the above, the change has no significant impact on the measurements of the Group's assets and liabilities.

Presentation of items of OCI

As a result of the amendments to IAS 1, the Group has modified the presentation of items of OCI in its statement of profit or loss and OCI, to present separately items that would be reclassified to profit or loss from those that would never be. Comparative information has been re-presented accordingly.

Summary of quantitative impacts

There was no quantitative impact on the Group's financial position, comprehensive income and cash flows due to the above changes in the accounting policies.

4.2 Basis for consolidation

(i) Business combinations

All business combinations are accounted for by applying the acquisition method when control is transferred to the Group.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. To the extent that the fair value exceeds the consideration transferred, the excess is recognised in profit or loss.

Consideration transferred includes the fair values of the identifiable assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination is based on the market-based measure of the replacement awards, compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Non-controlling interest is measured at its proportionate interest in the fair value of the identifiable net assets of the acquiree.

Transaction costs incurred in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred, unless it is debt related. Directly attributable transaction costs related to debt instruments are capitalized, and amortised over the term of the related loan by the effective interest method.

If the Group obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognised.

(ii) Acquisitions of non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Acquisitions of non-controlling interests that do not result in loss of control are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

(iii) Subsidiaries

Subsidiaries are entities over which the Group exercises control. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

4.3 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Such gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of available-for-sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges that are effective, which are recognised in other comprehensive income.

(ii) Foreign operations

The financial results of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. The presentation currency of the Company is Canadian Dollars. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year except for significant individual transactions which are translated at the rate of exchange in effect at the transaction date. All assets and liabilities, including fair value adjustments and goodwill arising on acquisition, are translated at the rate of exchange ruling at the reporting date.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("FCTR") in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in a foreign operation and are recognised in other comprehensive income and are included in the foreign currency translation reserve.

On disposal of part or all of the operations, such that control, significant influence or joint control is lost,the proportionate share of the related cumulative gains and losses previously recognised in the FCTR through the other income are included in determining the profit or loss on disposal of that operation recognised in profit or loss.

4.4 Financial instruments

(i) Non-derivative financial assets

Non-derivative financial assets comprise loans and receivables.

Loans and receivables are recognised on the date of origination. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or the Group transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain any control over the transferred asset. Any interest in transferred financial assets that is created or retained is recognised as a separate asset or liability.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, restricted cash, investment in the Platinum Producer's Environmental Trust and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

Non-derivative financial liabilities comprise loans and borrowings, bank overdrafts, trade and other payables.

Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The difference between the amount received and the amount recognised at fair value on initial recognition, is recognised as a fair value gain or loss in profit and loss (excluding loans with a shareholder).

For loans and borrowings with a shareholder, refer to note 4.22, Transactions with a shareholder.

(iii) Derivative financial instruments, including hedge accounting

The Group held derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the year for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. The amount recognised in other comprehensive income is reclassified to profit or loss in the same period as the hedged cash flows affects profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is reclassified immediately to profit or loss. In other cases the amount reclassified in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Separate embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in profit or loss.

Other derivatives

When a derivative financial instrument is not held for trading purposes and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

(iv) Share capital

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, redeemable for a fixed number of the Company's shares, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Company's Board of Directors.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the holders, or if dividend payments are not discretionary. Dividends thereon are recognised as finance expense in profit or loss as accrued.

Treasury shares

Shares issued to subsidiaries are reflected as treasury shares on consolidation.

4.5 Accounting for borrowing costs

In respect of borrowing costs relating to qualifying assets, the Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

4.6 Property, plant and equipment

Mining assets, including mine development cost and infrastructure costs, mine plant facilities and buildings are measured at historical cost less accumulated depreciation and impairment losses.

Mining assets are capitalised to capital work-in-progress and transferred to mining property, plant and equipment when the mining venture reaches commercial production.

Capitalised mine development and infrastructure costs include expenditure incurred to develop new mining operations and to expand the capacity of the mine to the extent that it gives rise to future economic benefit. Costs include borrowing costs capitalised during the construction period where qualifying expenditure is financed by borrowings, the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use as well as an estimate of the costs of dismantling and removing the items and restoring the site on which they are located. Items of mining property, plant and equipment, excluding capitalised mine development and infrastructure costs, are depreciated on a straight-line basis over their expected useful life. Capitalised mine development and infrastructure are depreciated on a units of production basis. Depreciation is charged on mining assets from the date on which they are available for use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are depreciated over their estimated useful lives as follows:

Land	Not depreciated
Mine development and infrastructure	units of production
Plant and equipment	1 – 30 years
Buildings	5 – 30 years
Motor vehicles	1 – 5 years
Furniture and fittings	1 – 10 years

Items of property, plant and equipment that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the assets will be increased.

Repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognised net within profit or loss.

4.7 Intangible assets

(i) Goodwill

Goodwill is measured at cost less accumulated impairment losses and is not amortised. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

(ii) Other intangible assets

Other intangible assets include purchased software. These intangible assets are recognised if it is probable that future economic benefits will flow to the entity from the intangible assets and the costs of the intangible assets can be reliably measured.

Purchased software is stated at cost less amortisation and impairment losses and is amortised on a straight line basis over its estimated useful life of 10 years and is recognized in profit and loss. The amortisation method and estimated useful life are reviewed at least annually.

(iii) Mineral property interests

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

Mineral property interests transferred between segments (subsidiaries) is 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).

4.8 Impairment of assets

(i) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating units exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(ii) Financial assets (including receivables)

A financial asset not measured at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, for example:

- Default or delinquency by a debtor
- Indications that a debtor will enter into bankruptcy

and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less that suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

4.9 Inventories

Inventories, comprising of consumables and concentrate, are measured at the lower of cost and net realisable value.

The cost of inventories is based on the average cost of ore in stockpiles and comprises all costs incurred to the stage immediately prior to stockpiling, including costs of extraction and crushing, as well as processing costs associated with ore stockpiles, based on the relevant stage of production.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the years during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the year in which the employees render the service are discounted to their present value.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee cost, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of the share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as employee costs in profit or loss.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

(iv) Termination benefits

Termination benefits are recognised as an expense at the earlier of when Group can no longer withdraw the offer of those benefits and when Group recognizes costs for a restructuring. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

4.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

(i) Environmental rehabilitation provisions

Estimated environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the construction of an asset, they are capitalised as part of the cost of those assets. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are recognised in profit or loss.

4.12 Platinum Producers' Environmental Trust

Contributions to the Platinum Producers Environmental Trust are determined on the basis of the estimated environmental obligation over the life of a mine. Contributions made are recognised in non-current investments, and are held by the Platinum Producers' Environmental Trust. Interest earned on monies paid to rehabilitation trust funds is accrued on a time proportion basis and is recognised as finance income.

4.13 Revenue

Revenue arising from the sale of metals and intermediary products is recognised when the price is determinable, the product has been delivered in accordance with the terms of the contract, the significant risks and rewards of ownership have been transferred to the customer and collection of the sales price is reasonably assured. These criteria are typically met when the concentrate reaches the smelter.

Revenue from the sale of metals and intermediary products in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue further excludes value-added tax and mining royalties.

4.14 Lease payments

(i) Operating leases - Lessor

Operating lease income is recognised as income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Income for leases is disclosed under other income in profit or loss.

(ii) Operating leases - Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

4.15 Investment income and finance expense

Finance income comprises interest income on funds invested and interest received on loans and receivables. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expense comprises interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities and gains/losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Cash flows from dividends and interest received are classified under operating activities in the Statement of Cash Flows.

4.16 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax arising from dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that the group controls the timing of the revrsal of the temporary difference and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.17 Earnings per share

The Group presents basic and diluted earnings/(loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all dilutive potential common shares, which include share options granted to employees.

4.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s Chief Executive Officer (who is considered the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.19 Exploration expenditure

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are expensed as incurred. Re-imbursement of previously expensed exploration and evaluation costs are recognised as other income in profit or loss.

Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortised over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

4.20 Non-current assets held for sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group are remeasured in accordance with the Group’s accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated.

4.21 Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The fair value of the cash-settled SARs is measured using the Black-Scholes valuation model. Measurement inputs include share price on measurement date, strike price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), vesting, expiry and exercise dates, expected dividends and the risk free interest rate (based on the Bond Exchange of South Africa).

4.22 Transaction with a shareholder

When a transaction is with a shareholder at terms and conditions that would not be expected from a third party, it is clear that either the company or the shareholder obtained a benefit because of the shareholder relationship. This benefit is recognised directly in equity.

In respect of loans with shareholders, the difference between the loan received and the amount recognised at fair value on initial recognition, is recognised as a fair value gain or loss directly in equity.

In respect of loans with shareholders, the difference between the loan settled and the amount recognized at fair value on settlement date, is recognised as a fair value gain or loss directly in equity.

4.23 New standards and interpretations

Effective for the financial year commencing 1 January 2014

- IAS 32 *Offsetting Financial Assets and Financial Liabilities*
- IFRS 10, IFRS 12 and IAS 27 amendment *Investment entities*
- IFRIC 21 *Levies*
- *Recoverable Amount Disclosures for Non-Financial Assets* (Amendment to IAS 36)
- *Novation of Derivatives and Continuation of Hedge Accounting* (Amendments to IAS 39)

Effective for the financial year commencing 1 January 2015

- *Defined Benefit Plans: Employee Contributions* (Amendments to IAS 19)

To be decided

- IFRS 9 *Financial Instruments*

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

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

5. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are recognized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quote prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quote prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability to the entire measurement lowest level input that is significant might be categorized in different levels of fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

5.1 Property, plant and equipment

The fair value of items of property, plant and equipment, acquired in a business combination is based on the market approach using market prices and other relevant information generated by market transactions involving similar items when available and replacement cost when appropriate.

The fair value of mining rights included in property, plant and equipment acquired as part of a business combination is determined using the multi-year excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

5.2 Mineral property interest

The fair value of mineral property interests acquired in a business combination is determined using a market comparative approach. In applying a market comparative approach, a selection of appropriate historic transactions is used to determine an average transaction value.

5.3 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

5.4 Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

6. FINANCIAL RISK MANAGEMENT

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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.

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- foreign currency risk
- commodity price risk

(Expressed in Canadian Dollars, unless otherwise stated)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, and cash and equivalents. Management has evaluated treasury counterparty risk and does not expect any treasury counterparties to fail in meeting their obligations.

Trade and other receivables

Trade receivables represents sale of concentrate to Rustenburg Platinum Mines Limited ("RPM") in terms of a concentrate off-take agreement. The carrying value represents the maximum credit risk exposure. The Group has no collateral against these receivables. The terms of the receivables are 60 days and therefore require no impairment.

100% of the Group's revenue is generated in South Africa from sale of concentrate by Bokoni Platinum Mines Proprietary Limited ("Bokoni Mine") to RPM.

Cash and cash equivalents

At times when the Group's cash position is positive, cash deposits are made with financial institutions having superior local credit ratings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Group's holdings of cash and cash equivalents. This is facilitated via the Senior Term Facility, as amended on 26 September 2012 and settled on 13 December 2013, the New Senior Debt Facility and the Working Capital Facility entered into on 13 December 2013. The Group's cash and cash equivalents are invested in business accounts which are available on demand.

An alternative funding arrangement was entered into with RPM whereby an advance on the Purchase of Concentrate revenue ("Advance") on the concentrate sales made to RPM by Bokoni was provided. This arrangement was available from 1 November 2013 until 30 November 2014 and has been extended to 31 March 2015.

The Group operates in South Africa and is subject to currency exchange controls administered by the South African Reserve Bank ("SARB"). South African law provides for exchange control regulations that restrict the export of capital. The exchange control regulations, which are administered by SARB, regulate transactions involving South African residents, including legal entities, and limit a South African company's ability to borrow from and repay loans to non-residents and to provide guarantees for the obligations of its affiliates with regard to funds obtained from non-residents.

A portion of the Company's funding for its South African operations consist of loans advanced to its South African subsidiaries from subsidiaries that are non-residents of South Africa. The Company is in compliance with SARB regulations and is therefore not subject to restrictions on the ability of its South African subsidiaries to transfer funds to the Company or to other subsidiaries. In addition, the SARB has introduced various measures in recent years to relax the exchange controls in South Africa to entice foreign investment in the country. However, if more burdensome exchange controls were proposed or adopted by the SARB in the future, or if the Company was unable to comply with existing SARB regulations, such exchange control regulations could restrict the ability of the Company and its subsidiaries to repatriate funds needed to effectively finance the Company's operations.

The maturity profile of the contractual undiscounted cash flows of financial instruments, including scheduled interest payments on loans and borrowings, at 31 December were as follows:

	2014	2015	2016	2017	Thereafter	Total
2013						
Non-derivative financial liabilities						
Loans and borrowings	**74,774,668**	**7,318,397**	**13,102,767**	**60,199,898**	**214,439,463**	**369,855,193**
Trade and other payables	**36,923,487**	**-**	**-**	**-**	**-**	**36,923,487**
Total 2013	**111,698,155**	**7,318,397**	**13,102,767**	**60,199,898**	**214,439,463**	**406,778,680**

2012	2013	2014	2015	2016	Thereafter	Total
Loans and borrowings	754,531	4,142,905	562,335	190,021,619	562,416,835	757,898,225
Trade and other payables	14,319,136	-	-	-	-	14,319,136
Total 2012	15,073,667	4,142,905	562,335	190,021,619	562,416,835	772,217,361

(iii) Interest rate risk

As a result of the Group acquiring the Bokoni business during 2009, the Group had secured loan facilities with Standard Chartered Bank plc ("Standard Chartered") and RPM. Standard Chartered provided a loan of $50.7 million (ZAR500 million) and RPM provided a loan of $48.6 million (ZAR480 million) to the Group which was subject to interest rate risk. On 28 April 2011, the Standard Chartered loan was ceded to RPM with revisions to certain terms of the loan including a reduction in the interest rate to 3 month JIBAR plus 4% (9.585% at 31 December 2011) from a 3 month JIBAR plus applicable margin (4.5%) and mandatory cost (1.27%) (refer to note18).

The Group previously entered into an interest rate swap arrangement with Standard Chartered to fix the variable interest rate on $50.7 million (ZAR500 million) of the principal amount of the loan at 14.695% which arrangement was settled on 28 April 2011 with funding obtained from RPM. This funding has the same terms as the debt ceded to RPM and is also subject to interest rate risk.

On 28 September 2012, Atlatsa entered into an Amendment and Interim Implementation Agreement pursuant to which Atlatsa implemented the first phase of the broader restructuring, recapitalization and refinancing transaction, which was first announced by Atlatsa in a news release dated February 2, 2012.The first phase of the Restructure Plan involved an amendment to the terms of the Senior Term Loan Facilities Agreement (now a consolidated facility) dated June 12, 2009 between Plateau, as borrower and RPM, as lender to increase the total loan facility available by approximately $268.4 million (ZAR2.65 billion). The additional loan proceeds were used to repay the existing OCSF and fund share subscriptions by Plateau into Bokoni Platinum Holdings Proprietary Limited ("Bokoni Holdco") and by Bokoni Holdco into Bokoni Mine (the "Share Subscriptions") for the purpose of repayment of certain existing loan facilities by Plateau, Bokoni Holdco and Bokoni Mine.

The interest rate payable on the debt owing has been reduced to an annual effective rate of 5.98% (linked to JIBAR), which was 5.22% at 31 December 2013) compared to 6.27% at the end of Fiscal 2012. These revised loans are also subject to interest rate risk.

The method used in the sensitivity analysis is to assume a change in basis points. A 100 basis point increase in the interest rate at 31 December 2013 on the RPM loans would have changed the profit/(loss) and equity for the year by approximately $1,294,102 (2012: $2,478,813) and a 100 basis point decrease by ($1,276,489) (2012: ($3,694,508)). This analysis assumes that all other variables remain constant.

(iv) Foreign currency risk

The Group, from time to time, enters into transactions for the purchase of supplies and services denominated in foreign currency. As a result, the Group is subject to foreign exchange risk from fluctuations in foreign exchange rates. The Group has not entered into any derivative or other financial instruments to mitigate this foreign exchange risk.

Within the Group, certain loans between Group entities amounting to $50.0 million (2012: $50.6 million) are exposed to foreign exchange fluctuations. The method used in the sensitivity analysis is to assume a change in the $/ZAR exchange rate. The closing ZAR to $ exchange rate for the year ending 31 December 2013 was ZAR9.87 (2012:ZAR8.53). A 10% change in the $/ZAR exchange rate at 31 December 2013 would have resulted in an increase/decrease of $5.0 million (2012: $5.1 million) in profit/(loss) and equity. The Group has no significant external exposure to foreign exchange risk. All loans and borrowings are denominated in ZAR (refer note 18).

(v) Commodity price risk

The value of the Group's revenue and resource properties depends on the prices of PGM's and their outlook. The Group does not hedge its exposure to commodity price risk. PGM prices historically have fluctuated widely and are affected by numerous factors outside of the Group's control, including, but not limited to, industrial and retail demand, forward sales by producers and speculators, levels of worldwide production, and short-term changes in supply and demand because of hedging activities.

The Group revenue amounts to $195,621,452 (ZAR1,828,237,870) and is exposed to commodity price fluctuations. The method used in the sensitivity analysis is to assume a change in the 4E basket price. A 10% change in the 4E basket price at 31 December 2013 would have resulted in an increase/decrease of $19.6 million in profit or loss and equity.

(Expressed in Canadian Dollars, unless otherwise stated)

(vi) Capital risk management

The primary objective of managing the Group's capital is to ensure that there is sufficient capital available to support the funding and operating requirements of the Group in a way that optimises the cost of capital, maximizes shareholders' returns, matches the current strategic business plan and ensures that the Group remains in a sound financial position.

The Group 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 take the form of raising equity, market or bank debt or hybrids thereof. The Group 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 mandatory requirement that Atlatsa Holdings Proprietary Limited ("Atlatsa Holdings") (formerly Pelawan Investments Proprietary Limited), its majority Black Economic Empowerment ("BEE ") shareholder, retain a 51% fully diluted shareholding in the Company up until 1 January 2015, as required by covenants given by Atlatsa Holdings and Atlatsa in favour of the Department of Mineral Resources ("DMR"), the SARB and Anglo Platinum.

During the year the Group entered into an Advance on concentrate sales agreement to manage capital risk. (Please refer to liquidity risk section). There were no other changes to the Group's approach to capital management during the year.

(vii) Summary of the carrying value of the Group's financial instruments

At 31 December 2013	**Loans and receivables**	**Financial liabilities at amortised cost**
Platinum Producers' Environmental Trust**	**3,292,979**	**-**
Trade and other receivables*	**32,730,150**	**-**
Cash and cash equivalents*	**40,655,103**	**-**
Restricted cash*	**265,293**	**-**
Loans and borrowings*	**-**	**187,016,588**
Trade and other payables*	**-**	**36,923,487**

At 31 December 2012	**Loans and receivables**	**Financial liabilities at amortised cost**
Platinum Producers' Environmental Trust**	**3,250,760**	**-**
Trade and other receivables*	**1,154,526**	**-**
Cash and cash equivalents*	**14,580,886**	**-**
Restricted cash*	**535,502**	**-**
Loans and borrowings*	**230,283**	**435,791,920**
Trade and other payables*	**-**	**14,319,136**

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

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

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

	2013		**2012**	
	Carrying value	**Fair value (level 2)**	**Carrying value**	**Fair value (level 2)**
Loans and borrowings	**187,016,588**	**187,016,588**	435,791,920	435,791,920

The carrying amount of loans and borrowings approximate fair value, as the loans were recognized at fair value on the 28 September 2012 and subsequently adjusted for all changes in drawdowns.

(Expressed in Canadian Dollars, unless otherwise stated)

The contractual value of the loans and borrowings (financial liabilities at amortised cost) at 31 December 2013 was $225,463,195 (ZAR2,225,697,880) (2012:$ 554,659,611 (ZAR4,732,590,541)).

(a) Valuation techniques and unobservable inputs:

The following table shows the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable input used:

Type	Valuation technique	Significant unobservable inputs
Loans and borrowings	Discounted cash flows	Not applicable

(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

	2013	2012
Cost		
Balance at beginning of year	**856,549,652**	876,764,628
Additions	**278,200**	2,563
Transferred from capital work-in-progress	**41,942,185**	40,632,355
Disposals	**(2,982,768)**	(934)
Adjustment to rehabilitation assets	**2,697,102**	1,391,080
Effect of translation	**(118,438,167)**	(62,240,040)
Closing Balance	**780,046,204**	856,549,652
Accumulated depreciation and impairment losses		
Balance at beginning of year	**108,092,747**	77,840,208
Depreciation for the year	**39,397,747**	37,091,152
Disposals	**(1,964,190)**	(353)
Effect of translation	**(16,658,582)**	(6,838,260)
Closing Balance	**128,867,722**	108,092,747
Carrying value	**651,178,482**	748,456,905

(Expressed in Canadian Dollars, unless otherwise stated)

2013	Total	Mining Development and Infrastructure	Plant and Equipment	Buildings	Motor Vehicles	Furniture and Fittings
Cost						
Balance at beginning of year	**856,549,652**	**708,159,785**	**97,125,875**	**46,689,356**	**4,023,134**	**551,502**
Transfer between classes	**-**	**132,671**	**(132,671)**	**-**	**-**	**-**
Additions	**278,200**	**278,200**	**-**	**-**	**-**	**-**
Transferred from capital work-in-progress	**41,942,185**	**37,291,369**	**3,209,728**	**378,776**	**1,037,835**	**24,477**
Disposals	**(2,982,768)**	**(2,547,828)**	**(80,094)**	**(49,299)**	**(305,547)**	**-**
Adjustment to rehabilitation assets	**2,697,102**	**2,697,102**	**-**	**-**	**-**	**-**
Effect of translation	**(118,438,167)**	**(98,082,194)**	**(13,343,352)**	**(6,351,687)**	**(584,811)**	**(76,123)**
Closing Balance	**780,046,204**	**647,929,105**	**86,779,486**	**40,667,146**	**4,170,611**	**499,856**
Accumulated depreciation and impairment losses						
Balance at beginning of year	**108,092,747**	**86,442,543**	**13,145,963**	**5,239,931**	**2,788,850**	**475,460**
Transfer between classes	**-**	**121,611**	**(121,611)**	**-**	**-**	**-**
Depreciation for the year	**39,397,747**	**30,318,959**	**5,924,448**	**2,399,196**	**736,195**	**18,949**
Disposals	**(1,964,190)**	**(1,694,392)**	**(51,125)**	**(2,876)**	**(215,797)**	**-**
Effect of translation	**(16,658,582)**	**(13,252,132)**	**(2,096,333)**	**(838,531)**	**(406,072)**	**(65,514)**
Closing Balance	**128,867,722**	**101,936,589**	**16,801,342**	**6,797,720**	**2,903,176**	**428,895**
Carrying Value	**651,178,482**	**545,992,516**	**69,978,144**	**33,869,426**	**1,267,435**	**70,961**

2012	Total	Mining Development and Infrastructure	Plant and Equipment	Buildings	Motor Vehicles	Furniture and Fittings
Cost						
Balance at beginning of year	876,764,628	723,436,727	99,012,259	50,028,250	3,708,511	578,881
Additions	2,563	-	-	-	-	2,563
Transferred from capital work-in-progress	40,632,355	34,744,984	5,158,567	123,021	595,206	10,577
Disposals	(934)	-	-	-	(934)	-
Adjustment to rehabilitation assets	1,391,080	1,391,080	-	-	-	-
Effect of translation	(62,240,040)	(51,413,006)	(7,044,951)	(3,461,915)	(279,649)	(40,519)
Closing Balance	856,549,652	708,159,785	97,125,875	46,689,356	4,023,134	551,502
Accumulated depreciation and impairment losses						
Balance at beginning of year	77,840,208	64,473,077	7,812,645	2,941,882	2,198,682	413,922
Depreciation for the year	37,091,152	27,506,955	6,113,731	2,603,784	772,849	93,833
Disposals	(353)	-	-	-	(353)	-
Effect of translation	(6,838,260)	(5,537,489)	(780,413)	(305,735)	(182,328)	(32,295)
Closing Balance	108,092,747	86,442,543	13,145,963	5,239,931	2,788,850	475,460
Carrying Value	748,456,905	621,717,242	83,979,912	41,449,425	1,234,284	76,042

The recoverable amount of mining assets and goodwill reviewed for impairment is determined based on value-in-use calculations. All mining assets and goodwill are allocated to one cash-generating-unit ("CGU"). Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value-in-use. Future cash flows are estimated based on financial budgets approved by management which is based on the mine's life-of-mine plan. Management determines the expected performance of the mine based on past performance and its expectations of market developments which are incorporated into a life-of-mine plan.

(Expressed in Canadian Dollars, unless otherwise stated)

Key assumptions used in the value-in-use calculation of the impairment assessment of mining assets were the following:

- Life-of-mine – 39 years (2012: 31 years)
- South African real discount rate – 10.97% (2012: 9.64%)
- Range of PGM prices – based on market expectations. Initial price of US$1,551/oz (2012: US$1,735/oz) for platinum in 2014.
- Range of ZAR/US$ exchange rates – based on market expectations. Initial exchange rate of ZAR9.44/US$ used in 2014
- Production of 4E ounces starts at 214,245 (2012: 197,101) ounces in 2014, building up to 374,327 (2012: 412,000) ounces in 2029 and gradually scales down towards the end of the life of mine.
- Sensitivity analysis:

Sensitivity Analysis	**WACC**	**90%**	**100% (Base NPV)**	**110%**
Price (4E basket)	10.97%	567,505	819,389	1,066,467
Production	10.97%	674,074	819,389	963,658
Operating Cost	10.97%	922,920	819,389	714,087
WACC	10.97%	961,912	819,389	703,458
Capital	10.97%	839,532	819,389	799,194

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.

	2013	2012
Balance at beginning of year	**20,027,764**	20,826,290
Additions	**50,987,358**	38,917,145
Transfer to property, plant and equipment	**(41,942,185)**	(40,632,355)
Capitalisation of borrowing costs	**1,502,507**	2,382,069
Effect of translation	**(3,278,963)**	(1,465,385)
	27,296,481	20,027,764

Capital work-in-progress is funded through cash generated from operations and available loan facilities (refer note 18).

9. OTHER INTANGIBLE ASSETS

Cost		
Balance at beginning of year	**2,898,047**	3,113,175
Additions	**-**	-
Effect of translation	**(393,165)**	(215,128)
Balance at end of year	**2,504,882**	2,898,047
Accumulated amortisation and impairment losses		
Balance at beginning of year	**2,096,119**	1,217,970
Amortisation for the year	**387,422**	1,001,726
Effect of translation	**(305,009)**	(123,577)
Balance at end of year	**2,178,532**	2,096,119
Carrying value	**326,350**	801,928

The intangible asset relates to the implementation of a SAP system throughout the Group during 2011. The asset is amortised on a straight line basis over ten years.

(Expressed in Canadian Dollars, unless otherwise stated)

Change in estimate

On 31 May 2013, management assessed the remaining useful life of the SAP system and identified that the remaining useful life on 31 May 2013 was 10 years.

- this was done to bring the period over which the SAP system is amortised in line with the actual remaining useful life over which the SAP system will be used.

- the remaining useful life at the beginning of the year was therefore 10 years and 5 months.

The change in useful life of the SAP system had the following impact on amortisation, included in Cost of Sales:

	2013	**Later**
(Decrease)/increase in Amortisation	(326,350)	326,350

It is impractical to determine what the difference in future periods will be, as we do not know what the future exchange rates will be and therefore cannot determine the split between amortisation and exchange rate differences.

10. MINERAL PROPERTY INTERESTS

	2013	2012
Balance at beginning of year	**11,903,918**	12,370,437
Mineral property interests sold	**(3,449,797)**	-
Effect of translation	**(841,678)**	(466,519)
	7,612,443	11,903,918
Assets classified as held for sale:		
Ga-Phasha	**-**	(3,836,670)
Boikgantsho	**-**	(30,589)
	-	(3,867,259)
	7,612,443	8,036,659

The Group's mineral property interest consists of various early stage exploration projects as detailed below:

Ga-Phasha

The mineral title relating to the Ga-Phasha Project was held by Ga-Pasha Platinum Mines Proprietary Limited

On 13 December 2013, the Company sold two (Paschaskraal and De Kamp) of the four farms in GPM to RPM as part of the refinancing and restructuring plan of the Group and Klipfontein and Avoca were incorporated into Bokoni Mine .

Platreef

As of 1 July 2009, the Group holds an effective 51% in Platreef properties located on the Northern Limb of the Bushveld Igneous Complex ("BIC") in South Africa. The Group has received conversion to new order prospecting rights in respect of all Platreef mineral properties.

Boikgantsho

As of 1 July 2009, the Boikgantsho joint venture agreements terminated and Boikgantsho Platinum Mine Proprietary Limited ("BPM"), a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of Bokoni Holdco, acquired the interest in and assets relating to the Boikgantsho Project ("Boikgantsho Project").

On 13 December 2013, the Company sold the BPM mineral assets to RPM as part of the refinancing and restructuring plan of the Group.

Kwanda

As of 1 July 2009, the Kwanda joint venture agreements terminated and Kwanda Platinum Mine Proprietary Limited, a private company incorporated under the laws of South Africa, a wholly-owned subsidiary of Bokoni Holdco, acquired the interest in assets relating to the Kwanda Project ("Kwanda Project"). Atlatsa owns an effective 51% interest in this project. The Group received conversion to new order prospecting rights for the Kwanda North and Kwanda South properties.

(Expressed in Canadian Dollars, unless otherwise stated)

Rietfontein

The Group has entered into a settlement agreement (the "Agreement") effective 11 December 2009 with Ivanhoe Nickel & Platinum Ltd. ("Ivanplats") to replace and supersede the 2001 agreement relating to the Rietfontein property located on the Northern Limb of the BIC. The Agreement settles the arbitration process relating to disagreements with respect to the exploration activities undertaken at the Rietfontein property. Salient terms of the new Agreement are as follows:

- Both parties abandon their respective claims under dispute forming the subject matter of arbitration.
- The existing joint operation ("JO") between the parties is amended such that the current Rietfontein JO is extended to incorporate a defined area of Ivanplats' adjacent Turfspruit mineral property. Both parties retain their existing prospecting rights in respect of mineral properties in their own names but make these rights and technical information available to the extended JO ("the Extended JO").
- Atlatsa will be entitled to appoint a member to the Extended JO technical committee and all technical programmes going forward will be carried out with input from Atlatsa.
- Atlatsa is awarded a 6% free carried interest in the Extended JO, provided that the Extended JO contemplates an open pit mining operation, incorporating the Rietfontein mineral property. Atlatsa has no financial obligations under the Extended JO terms and Ivanplats is required to fund the entire exploration programme to feasibility study with no financial recourse to Atlatsa. On delivery of the feasibility study, Atlatsa may elect to either:
  - Retain a participating interest of 6% in the Extended JO and finance its pro rata share of the project development going forward; or
  - Relinquish its participating interest of 6% in the Extended JO in consideration for a 5% net smelter return royalty in respect of mineral products extracted from those areas of the Rietfontein mineral property forming part of the Extended JO mineral properties.

11. GOODWILL

	2013	2012
Balance at beginning of the year	**10,234,394**	10,994,115
Effect of translation	**(1,388,454)**	(759,721)
	8,845,940	10,234,394

For impairment considerations, refer note 7. The goodwill relates to the acquisition of Bokoni Mine.

12. PLATINUM PRODUCERS' ENVIRONMENTAL TRUST

The Group contributes to the Platinum Producers' Environmental Trust annually. The Trust was created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the lives of the Group's mines. Contributions are determined on the basis of the estimated environmental obligation over the life of a mine. The Group's share of the cash deposits made is reflected in non-current cash deposits held by Platinum Producers' Environmental Trust.

Opening balance	**3,250,760**	2,928,591
Contributions	**431,999**	461,681
Growth in environmental trust	**78,427**	85,312
Effect of translation	**(468,207)**	(223,825)
Closing balance	**3,292,979**	3,250,760

The non-current cash deposits are restricted in use as it is to be used exclusively for pollution control, rehabilitation and mine closure at the end of lives of the Group's mines. Any shortfall is covered by RPM guarantee.

13. INVENTORIES

Consumables and concentrate	**373,698**	769,447

(Expressed in Canadian Dollars, unless otherwise stated)

14. TRADE AND OTHER RECEIVABLES

Financial assets	**2013**	2012
Trade receivables	**31,300,081**	913,558
Other trade receivables	**1,430,069**	240,968
	32,730,150	1,154,526
Non-financial assets		
Prepayments	**1,046,385**	1,213,925
Lease debtor	**2,330**	-
Value added tax	**3,234**	564,953
Employee receivables	**-**	337,901
Other receivables	**-**	1,095
	33,782,099	3,272,400

The Group has one major customer with an outstanding account within the agreed payment terms. As a result, no allowance for impairment losses has been recognised.

15. CASH AND CASH EQUIVALENTS

Bank balances	**40,655,103**	14,530,030
Cash on hand	**-**	50,856
	40,655,103	14,580,886

16. RESTRICTED CASH

Restricted cash – ESOP Trust	**265,293**	535,502

Restricted cash consist of cash and cash equivalents held by the Bokoni Platinum Mine ESOP Trust, which is not available to fund operations.

During the year, there were distributions to beneficiaries in terms of the trust deed to the value of $219,356 (ZAR2,036,732) (2012: $nil).

17. SHARE CAPITAL

Authorised and issued

	Number of shares	
Common shares with no par value	**201,888,472**	201,888,472
B2 Convertible Preference shares of $0.1481 (ZAR1) each	**115,800**	115,800
B3 Convertible Preference shares of $0.1481 (ZAR1) each	**111,600**	111,600

The Company's authorised share capital consists of an unlimited number of common shares without par value. During 2009 cumulative convertible “B” preference shares were issued to facilitate the acquisition of the 51% shareholding in Bokoni Holdco.

Share capital

Share capital	**74,150,116**	74,150,116
Share issue costs	**(2,183,033)**	(2,183,033)
	71,967,083	71,967,083
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.

(Expressed in Canadian Dollars, unless otherwise stated)

Convertible Preference shares	**2013**	2012
B2 Convertible Preference shares	**17,150**	17,150
B3 Convertible Preference shares	**16,528**	16,528
Share premium	**162,876,322**	162,876,322
	162,910,000	162,910,000

$162.9 million (ZAR 1.1 billion) was raised through share-settled financing with the issue of cumulative mandatory convertible "B" preference shares ("B Prefs") to RPM and a subsidiary of Atlatsa Holdings to finance the 51% acquisition in Bokoni Holdco on 1 July 2009. The final effects of the share settled financing will result in RPM receiving a fixed number of 115.8 million common shares of Atlatsa and Atlatsa Holdings, Atlatsa's controlling shareholder, receiving a fixed number of 111.6 million common shares. These preference shares are convertible upon the earlier of the date of receipt of a conversion notice from RPM and 1 July 2018.

A dividend will be declared on the last business day immediately prior to the conversion date, in terms of a formula set out in the preference share subscription agreement.

On 14 January 2014, these shares were converted as a result of the Group's refinancing and restructuring plan. Refer note 37 for details.

18. LOANS AND BORROWINGS

RPM – Working Capital Facility (related party)	**3,039,000**	-
RPM – Consolidated facility (related party)	**-**	430,570,710
RPM – New Senior Debt Facility (related party)	**176,691,263**	-
RPM – Interest free loan (related party)	**2,928,688**	3,388,374
RPM – Shareholder loan (related party)	**3,267,477**	-
Other	**1,090,160**	1,832,836
	187,016,588	435,791,920
Short-term portion		
RPM – New Senior Debt Facility (related party)	**(75,975,000)**	-
Other	**(721,367)**	(823,731)
	(76,696,367)	(823,731)
Non-current liabilities	**110,320,221**	434,968,189

(Expressed in Canadian Dollars, unless otherwise stated)

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

	2013	2012
Balance at beginning of the year	**435,791,920**	745,552,722
Loan from RPM – OCSF	**-**	72,872,141
Loan from RPM – Consolidated Facility	**68,921,455**	-
Loan repaid - RPM	**(620,494,506)**	(111,307,515)
Loan from RPM – Transaction Cost Facility	**749,000**	-
Loan repaid – Transaction Cost Facility	**(769,223)**	-
Loans repaid - other	**(695,785)**	(1,048,243)
Loan from RPM – New Senior Debt Facility	**237,770,925**	-
Loan from RPM – Working Capital Facility	**3,194,816**	-
Loan from RPM – Shareholder loan	**3,451,333**	-
Commitment fee capitalised	**-**	(82,457)
Finance expenses accrued	**57,227,112**	84,546,911
Funding loan raised – RPM (related party)	**-**	315,612,211
Redemption of A Preference shares	**-**	(401,782,311)
Commitment fee liability	**-**	82,457
De-recognition of OCSF and Senior funding loan	**-**	(682,365,807)
Recognition of consolidated facility	**-**	682,365,807
Fair value loss/(gain) on additional draw downs of Consolidated Facility	**(25,900,282)**	-
AG8 adjustments on Consolidated Facility	**(8,512,338)**	(215,470,758)
Derecognition of facility at a Bokoni Holdco and Plateau level	**133,100,219**	-
Fair value loss/(gain) on recognition of New Senior Debt Facility	**(51,586,902)**	-
Fair value loss/(gain) on additional draw down of New Senior Debt Facility	**(748,112)**	-
Effect of translation	**(44,482,992)**	(53,183,238)
Balance at end of the year	**187,016,588**	435,791,920
Short-term portion	**2013**	2012
RPM - New Senior Debt Facility	**(75,975,000)**	-
Other	**(721,367)**	(823,731)
	(76,696,367)	(823,731)
Non-current portion	**110,320,221**	434,928,189

The fair value adjustments of the consolidated facility and New Senior Debt facility and subsequent adjustments are made up of the following:

Fair Value gain – owners of the company	**(60,614,173)**	(102,291,808)
Fair value (gain)/loss – Non-controlling interest (refer note 24)	**(17,621,123)**	(127,814,103)
Subsequent adjustments (refer note 24)	**129,159,136**	14,635,153
	50,923,840	(215,470,758)

The terms and conditions for the outstanding borrowings at 31 December 2013 are as follows:

Senior Term Loan Facility (subsequently recognised as part of the "Consolidated facility")

On 28 April 2011, the Senior Term Loan Facility with Standard Chartered Bank ("SCB") and FirstRand Bank acting through its division, Rand Merchant Bank ("RMB") was ceded to Anglo Platinum through its subsidiary, RPM. The outstanding interest rate swap was settled with funding obtained from RPM.

The debt ceded to RPM had similar terms as the Senior Term Loan Facility except for certain revisions. The revised terms of the loan was a reduction in the interest rate from a 3 month JIBAR plus applicable margin (4.5%) and mandatory cost (11.735% at 31 December 2010) to 3 month JIBAR plus 4% (9.575% at 31 December 2011). The total facility had also been increased from $94.4 million (ZAR750 million) to $117.1 million (ZAR930 million). The commencement of re-payments was then deferred by one year from 31 January 2013 to 31 January 2014.

On 28 September 2012, Atlatsa entered into an Amendment and Interim Implementation Agreement pursuant to which Atlatsa implemented the first phase of the broader restructuring, recapitalization and refinancing transaction, which was first announced by Atlatsa in a news release dated 2 February 2012.

The first phase of the Restructure Plan involved an amendment to the terms of the Senior Term Loan Facilities Agreement (now a consolidated facility) dated 12 June 2009 between Plateau, as borrower and RPM, as lender to increase the total loan facility available by approximately $268.4 million (ZAR2.65 billion). The additional loan proceeds were used to repay the existing OCSF and fund share subscriptions by Plateau into Bokoni Holdco and by Bokoni Holdco into Bokoni Mine (the “Share Subscriptions”) for the purpose of repayment of certain existing loan facilities by Plateau, Bokoni Holdco and Bokoni Mine.

The interest rate payable on the debt owing was reduced to an annual effective rate of 6.27% (linked to the 3-month JIBAR) from the current effective rate of 12.31%. Due to the significant change in the terms of the loan, the Senior Term Loan Facility was derecognised and a new loan recognised at fair value – the Consolidated facility.

On 27 March 2013, as part of Phase Two of the Restructure Plan, RPM agreed to make additional facilities available to the Company when, amongst other things, the conditions precedent to such draw downs were met. Due to the delay in the conditions precedent being met, on 28 May 2013, the parties signed an Amendment Agreement, making available $21.8 million (ZAR215.7 million) of the additional facilities.

On 12 December 2013, the conditions precedent were met and on 13 December 2013, the Consolidated facility was repaid and the additional facilities were made available under the New Senior Debt Facility. The repayment terms of the New Senior Debt Facility include quarterly cash sweeps when cash is available with the debt to be reduced to $101.3 million by 31 December 2018, $50.7 million by 31 December 2019 and fully repaid by 31 December 2020.

The covenants relating to the New Senior Debt Facility were waived by RPM until 31 December 2014.

RPM - Funding Loans (subsequently recognised as part of the “Consolidated facility”)

This loan was between RPM and Bokoni Holdco and consisted of the retention of the original RPM loans for an amount of $56.3 million (ZAR480.3 million)

As a result of the changes to the Senior Term Loan Facility, the commencement of the repayments of the $56.3 million was also deferred by one year from 31 January 2013 to 31 January 2014 and is payable in semi-annual instalments. The unpaid principal balance would bear interest at the interest rate and on the same terms as the revised Senior Term Loan Facility ceded by SCB to Anglo Platinum. The total facility had also been increased from $84.4 million (ZAR720 million) to $104.7 million (ZAR893 million).

On 28 September 2012, the loan was derecognised as a result of the significant change in the terms of the loan and a new loan was recognised at fair value – called the Consolidated facility.

RPM – OCSF (subsequently recognised as part of the “Consolidated facility”)

Under the Operating Cash flow Shortfall Facility (“OCSF”), if funds are requested by Bokoni (and authorised by Bokoni Holdco), RPM shall advance such funds directly to Bokoni. At 31 December 2012, $200.8 million (ZAR1.71 billion) of the available $252.8 million (ZAR2.16 billion) has been advanced by RPM. The remaining facility may be utilised only for the purposes of operating or capital expenditure cash shortfalls at Bokoni. In addition, RPM has extended the terms of the OCSF facility to fund cash shortfalls up to 31 January 2013.

The OCSF Loan was originally payable in semi-annual instalments starting 31 January 2013 to the extent cash is available after payment of the Senior Term Facility and the RPM funding loan. The unpaid principal balance on the OCSF will bear interest at a fixed rate of 15.84%, compounded quarterly in arrears. Based on the revised terms on the Senior Facility with RPM, repayment will also be deferred by one year from 31 January 2013 to 31 January 2014.

On 28 September 2012, the loan was derecognised as a result of the significant change in the terms of the loan and a new loan was recognised at fair value – called the Consolidated facility

RPM – New Senior Debt Facility

As at 31 December 2013, the facility under the New Senior Debt Facility is $233 million (ZAR2,300 million).

On 13 December 2013 with the implementation of Phase II of the Restructure Plan, the Consolidated Facility was converted to the New Senior debt facility and one of the implementation steps was to make a repayment under the consolidated facility by drawing down on the New Senior Debt facility, to give effect to the revised terms of the facility.
The repayment terms of the New Senior Debt Facility, includes quarterly cash sweeps, when cash is available. Atlatsa will be required to reduce the New Senior Debt Facility owing to RPM to an outstanding balance (including capitalized interest) of $101.3

million (ZAR1 billion) as at 31 December 2018, and $50.7 million (ZAR500 million) as at 31 December 2019 and zero at 31 December 2020.

RPM – Working Capital Facility

On 13 December 2013, Plateau and RPM entered into a Working Capital Facility whereby RPM will make a maximum of $3.0 million (ZAR30 million) per year available to Plateau during each of 2013, 2014 and 2015 for an aggregate facility of $9.1 million (ZAR90 million), including capitalized interest to fund Atlatsa's corporate and administrative expenses through to 2015.

Pursuant to the terms of the Working Capital Facility, interest will be charged on the outstanding amounts of the Working Capital Facility at a three-month JIBAR plus 4% per annum. The balance of the Working Capital Facility cannot exceed $9.1 million (ZAR90 million) at any time. Atlatsa cannot pay any dividends until the Working Capital Facility is fully repaid. The Working Capital Facility will be repayable in full by 31 December 2018.

The Company was not entitled to the Working Capital Facility until, amongst other things, the conditions precedent to implement Phase Two had been met (which were only met on 12 December 2013).

Prior to implementation of Phase Two of the Restructure Plan and as an interim measure pursuant to closing of the Restructure Plan, the parties agreed to a Transaction Cost Loan Agreement, as signed and implemented on 28 May 2013. A facility of $2.3 million (ZAR22.5 million) was made available under this agreement. The additional facility of $11.1 million (ZAR110 million) under the Amendment Agreement, implemented on 28 May 2013 was inclusive of the $2.3 million (ZAR22.5 million) provided for under the Transaction Cost Loan Agreement.

As at 30 September 2013 a draw down of $0.7 million (ZAR7 million) was made under the Transaction Cost Loan Agreement. On 13 December 2013 the $0.7 million (ZAR7 million) inclusive of interest was repaid from the draw down on the Working Capital Facility.

Please refer to the going concern note for further information regarding the Working Capital facility.

RPM – Interest-free loan

This loan is between RPM and Bokoni Holdco. The loan is interest-free and repayable 12 months and 1 day after requested by RPM.

RPM – Shareholder loan

The treatment of this shareholder's loan is to be decided by the Bokoni Holdco Board of Directors as per the Bokoni Holdco Shareholders Agreement. This loan bears no interest and no repayment terms.

Other

This loan is between Plateau and the Deloitte Mining Shared Service Centre ("DMSSC") relating to the financing of the SAP system (refer note 9). The loan bears interest at prime (8.5% at 31 December 2013) plus 2% and is payable in quarterly instalments starting 31 March 2011.

Security

The Senior Term Loan Facility was secured through various security instruments, guarantees and undertakings provided by the Group against 51% of the cash flows generated by the Bokoni Mine, together with 51% of the Bokoni Mine asset base. The New Senior Debt Facility is secured in the same manner as the Senior Term Loan Facility. Refer note 37 for events after the reporting date.

The Group's debt is denominated in ZAR, which is translated to the presentation currency of the Company.

(Expressed in Canadian Dollars, unless otherwise stated)

19. DEFERRED TAX

Deferred tax liabilities and assets on the statement of financial position relate to the following:

	2013	2012
Deferred tax liabilities		
Property plant and equipment (including capital work-in-progress)	**191,993,931**	214,355,251
Prepayments	**275,213**	289,060
Environmental trust fund contributions	**756,400**	742,633
Fair value gain on consolidated debt facility	**21,966,118**	20,552,705
Gross deferred tax liability	**214,991,662**	235,939,649
Deferred tax assets		
Provision for environmental liabilities	**(3,108,143)**	(2,740,214)
Unredeemed capital expenditure	**(50,291,274)**	(41,839,861)
Accrual for employee leave liabilities	**(1,355,126)**	(1,080,158)
Liability for share-based compensation	**(963,445)**	(154,345)
Calculated tax losses	**(43,498,036)**	(47,783,999)
Deferred tax asset not recognised	**8,743,744**	-
Gross deferred tax asset	**(90,472,280)**	(93,598,577)
Net deferred tax liability	**124,519,382**	142,341,072

The movement in the net deferred tax liability recognised in the statement of financial position is as follows:

Balance at beginning of year	**142,341,072**	144,032,213
Current year	**(3,190,180)**	6,069,415
Prior year adjustment	**-**	2,530,794
Fair value gain/(loss) recognised directly in equity	**(2,325,969)**	34,261,529
Effect of translation	**(12,305,606)**	(44,552,879)
	124,519,382	142,341,072

As at 31 December the Group had not recognised the following net deferred tax assets:

Deferred tax assets	**(35,527,483)**	16,098,160
The unrecognised temporary differences are:		
Unredeemed capital expenditure	**1,421,345**	1,644,438
Tax losses	**(37,659,097)**	12,930,100
Other deductible temporary differences	**2,749,613**	2,536,651
Foreign exchange losses	**(2,039,344)**	(1,013,029)
	(35,527,483)	16,098,160

Deferred tax assets have not been recognised for the above temporary differences as it is not probable that the respective Group entities to which they relate will generate future taxable income against which to utilise the temporary differences.

Gross calculated tax losses expire as follows:

2014-2018	**(2,715,067)**	(4,456,781)
Thereafter	**(10,977,393)**	(11,271,792)
Indefinitely	**(183,158,562)**	(200,495,074)
	(196,851,023)	(216,223,647)

(Expressed in Canadian Dollars, unless otherwise stated)

20. PROVISIONS

Non-current provisions	2013	2012
Rehabilitation provision		
Balance at beginning of the year	**9,786,479**	8,383,708
Capitalised to property, plant and equipment	**2,697,102**	1,391,080
Unwinding of interest	**647,680**	672,204
Transferred to income statement	**(554,417)**	-
Effect of translation	**(1,476,333)**	(660,513)
Balance at end of year	**11,100,511**	9,786,479
Future net obligations		
Undiscounted rehabilitation cost	**18,797,660**	13,511,417
Amount invested in environmental trust fund (refer note 12)	**(3,292,979)**	(3,250,760)
Total future net obligation – Undiscounted	**15,504,681**	10,260,657

The Group intends to finance the ultimate rehabilitation costs from the money invested in environmental trust funds, ongoing contributions as well as the proceeds on sale of assets and metals from plant clean-up at the time of mine closure.

Key assumptions used in determining the provision:

Discount period – Underground	**26.5 years**	27.5 years
Discount period – Opencast mine	**10 years**	-
South African discount rate (risk free rate)	**8.2%**	7.2%
South African inflation	**5.5%**	6.0%

The method used in the sensitivity analysis is to assume a change in basis points. The change in basis point is applied to one variable while the other variable remains constant.

Sensitivity – change in provision	**Inflation rate (discount rate constant)**	Inflation rate (discount rate constant)
1% increase	**2,291,298**	2,883,347
1% decrease	**(1,860,610)**	(2,245,647)
	Discount rate (inflation rate constant)	Discount rate (inflation rate constant)
1% increase	**(1,803,212)**	(2,204,478)
1% decrease	**2,250,392**	2,875,672

21. TRADE AND OTHER PAYABLES

Financial liabilities		
Trade payables	**25,485,317**	4,737,638
Other payables	**11,438,170**	9,581,498
	36,923,487	14,319,136
Non-financial liabilities		
Payroll accruals	**2,387,606**	1,579,747
Leave liabilities	**3,785,549**	4,504,703
Share-appreciation rights	**3,359,180**	376,648
Lease accrual	**681,323**	2,690
Value added tax	**24,741,810**	105,711
	71,878,955	20,888,635

(Expressed in Canadian Dollars, unless otherwise stated)

22. REVENUE

Revenue from mining operations by commodity:

	2013	2012	2011
Platinum	**120,127,718**	72,048,362	85,146,242
Palladium	**38,233,831**	19,887,921	23,999,481
Rhodium	**8,404,880**	6,097,887	9,910,678
Nickel	**14,684,989**	9,870,789	14,414,240
Other	**14,170,034**	9,652,372	10,936,075
	195,621,452	117,557,331	144,406,716

Revenue consists of the sale of concentrate to RPM (a related party).

23. COST OF SALES

Cost of sales includes:

Labour costs	**89,037,773**	80,915,283	86,226,560
Stores costs	**39,065,648**	29,147,878	33,519,868
Power and compressed air	**13,958,444**	12,057,211	11,871,488
Contractors cost	**29,155,947**	14,723,372	18,059,940
Other costs	**22,767,295**	21,581,660	19,174,646
Inventory movement	**422,723**	(38,257)	(855,227)
Depreciation	**39,368,466**	37,000,404	41,969,530
	233,776,296	195,387,551	209,966,805

24. FAIR VALUE GAIN ON CONSOLIDATED FACILITY

In the prior year, Atlatsa and Anglo Platinum announced the completion of the first phase (“Phase One”) of the restructure plan for the refinancing, recapitalisation and restructure of the Group. In terms of Phase One of the Restructure Plan, the Senior Term Loan Facility Agreement dated 12 June 2009 between the Company as borrower, and RPM as lender, was amended to increase the total amount available, and this amount was utilised to repay the amounts owed to RPM under the Operating Cash Shortfall Facility (“OCSF”).

Atlatsa and RPM subscribed for ordinary share capital in Bokoni Holdco ($205.5 million and $19.5 million respectively) and the proceeds were used to redeem the existing “A” Preference Share Facility that was outstanding to RPM. These transactions resulted in all outstanding debt owing to RPM being consolidated into one single facility (the “Consolidated Debt Facility”) on terms and conditions agreed between the parties, including an interest rate adjustment, which lowered the Company’s cost of borrowing from an effective annual cash flow interest rate of 12,31% to 6.27% (linked to the 3 month JIBAR rate – 5.13% at 31 December 2012).

As a result of this debt consolidation and associated interest rate adjustment the Company has recognised a fair value gain of $90.6 million (ZAR 742.5 million) in its 2012 financial statements, representing the fair value difference between the Company’s new costs of borrowing under the Consolidated Debt Facility when compared to a market related cost of borrowing available to the Company.

On 13 December 2013 Atlatsa and Anglo Platinum announced the completion of the Phase Two of the Restructure Plan for the refinancing, recapitalisation and restructure of the Group. In terms of Phase Two of the Restructure Plan, the New Senior Debt Facility between the Company as borrower, and RPM as lender, was amended to increase the total amount available, and this amount was utilised to repay the amounts owed to RPM under the Consolidated Debt Facility.

As a result of this debt consolidation and associated interest rate adjustment, the Company has recognised fair value gains and AG8 adjustments of $47,9 million (ZAR448.6 million) in its 2013 financial statements, representing the fair value difference between the Company’s new costs of borrowing under the New Senior Debt Facility compared to a market related cost of borrowing available to the Company.

(Expressed in Canadian Dollars, unless otherwise stated)

2013	Through profit/loss (Owners of the Company)	Through profit/loss (Non-Controlling interest)	Total – through profit/loss	Directly in equity (Non-controlling interest)
Fair value gain of draw downs on Consolidated Facility	(8,279,158)	(17,621,123)	(25,900,281)	-
AG8 adjustments on Consolidated Facility	(8,517,641)	5,302	(8,512,339)	-
Derecognition of facility between RPM and Bokoni Holdco	38,748,472	-	38,748,472	94,351,747
Deferred tax impact on fair value of loans recognized in equity	-	-	-	4,571,259
Fair value gain on recognition of New Senior Debt Facility	(51,586,902)	-	(51,586,902)	-
Fair value gain of draw downs on the New Senior Debt Facility*	(748,112)	-	(748,112)	-
	(30,383,341)	(17,615,821)	(47,999,162)	98,923,006

*Movement related to Non-controlling interest is due to changes in the fair value of a shareholders loan being accounted for directly in equity

The AG8 adjustment relates to revised estimates of payments and receipts (cash flows) by the end of 31 December 2013 as compared to cash flows used in computing the fair value at 13 December 2013.

2012	Through profit/loss (Owners of the Company)	Through profit/loss (Non-Controlling interest)	Total – through profit/loss	Directly in equity (Non-controlling interest)
Day 1 fair value gain on Consolidated Debt Facility	102,291,808	-	102,291,808	127,814,103
Effect of translation	2,932,480	-	2,932,480	-
AG8 adjustments	(10,725,589)	(3,909,563)	(14,635,152)	-
	94,498,699	(3,909,563)	90,589,136	127,814,103

25. FINANCE INCOME

Interest received – Financial assets at amortised cost	**2013**	2012	2011
Platinum Producers' Environmental Trust	**78,427**	85,312	82,685
Bank accounts	**252,164**	296,950	662,905
	330,591	382,262	745,590

26. FINANCE EXPENSES

Financial liabilities at amortised cost			
"A" Preference shares (related party)	**-**	33,258,103	47,409,220
OCSF and funding facilities (related party)	**-**	24,209,389	30,903,663
Senior Term Loan Facility (related party)	**-**	12,274,479	9,132,826
Consolidated debt facility	**55,837,155**	14,180,371	-
New Senior Debt Facility	**1,197,435**	-	-
Working Capital Facility	**15,328**	-	-
Transaction Cost Facility	**20,223**	-	-
Interest on fair value of interest rate swap	**-**	-	546,169
Other	**177,758**	244,314	702,438
	57,247,899	84,166,656	88,694,316

(Expressed in Canadian Dollars, unless otherwise stated)

Non-financial liabilities	**2013**	2012	2011
Notional interest – rehabilitation provision	**647,680**	672,204	644,045
Commitment fees on OCSF	**-**	380,409	631,838
Transaction costs	**-**	-	3,852,116
	647,680	1,052,613	5,127,999
Total finance costs before interest capitalised	**57,895,579**	85,219,269	93,822,315
Interest capitalised	**(1,502,507)**	(2,382,069)	(1,777,431)
Total finance costs	**56,393,072**	82,837,200	92,044,884

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation during the year is 13.94% (2012: 12.6%).

27. PROFIT/(LOSS) BEFORE INCOME TAX

Loss before income tax as stated includes the following:

Operating lease expense – buildings	**164,189**	227,869	275,450
Restructuring costs	**-**	-	44,323
Share-based payment expense – equity settled	**21,783**	309,769	2,140,038
Share-based payments expense – cash settled	**(837,758)**	(389,858)	(437,152)
Interest rate swap fair value	**-**	-	2,550,958
Depreciation and amortisation	**39,785,169**	38,092,878	43,224,377

28. INCOME TAX

SA normal taxation			
Capital Gains Tax	**7,043,536**	-	-
Current tax – prior year	**-**	162,375	-
Deferred tax – prior year	**-**	6,069,415	-
Deferred tax – current year	**(3,190,116)**	2,530,794	32,667,499
Securities Transfer Tax	**-**	1,801,294	-
	3,853,420	10,563,878	32,667,499
Tax rate reconciliation:			
Statutory Canadian tax rate	**25.75%**	25%	26.50%
Other disallowed expenditure	**0.07%**	0.96%	(0.17%)
Transaction costs disallowed	**0.52%**	(0.20%)	(0.57%)
Preference dividends disallowed	**-**	(10.96%)	(6.92%)
Non taxable income	**(45.03%)**	-	-
Equity settled share based compensation	**0.29%**	(0.51%)	(0.32%)
Investment income not taxable	**(0.02%)**	0.03%	0.01%
Tax adjustments – prior year	**-**	(7.32%)	-
Deferred tax assets not recognised	**14.37%**	(2.27%)	(1.81%)
Securities Transfer Tax	**-**	(2.12%)	-
Capital gains tax	**6.79%**	-	-
Recoupment of finance expense	**-**	(18.17%)	-
Effect of rate differences	**0.98%**	3.12%	1.04%
Effective taxation rate	**3.72%**	(12.44%)	17.76%

(Expressed in Canadian Dollars, unless otherwise stated)

29. OTHER COMPREHENSIVE INCOME NET OF INCOME TAX

Components of other comprehensive income:

	2013	2012	2011
Foreign currency translation differences for foreign operations*	**(27,068,629)**	2,415,302	(7,913,856)
Effective portion of changes in fair value of cash flow hedges	**-**	-	1,602,501
Reclassification to profit or loss on settlement of cash flow hedge	**-**	-	2,521,654
	(27,068,629)	2,415,302	(3,789,701)

*shown net of tax as there is no tax impact

Attributable to:

Owners of the Company	**(613,130)**	1,481,466	(1,994,738)
Non-controlling interest *	**(26,455,499)**	933,836	(1,794,963)
	(27,068,629)	2,415,302	(3,789,701)

*Relates to the foreign currency translation differences for foreign operations in 2013, 2012 and 2011.

30. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2013 was based on the profit/(loss) attributable to owners of the Company of $199,492,438 (2012: ($18,717,839); 2011: ($81,928,814)), and a weighted average number of common shares of 426,290,432 (2012: 424,791,411; 2011: 424,783,603).

At 31 December 2013 share options were excluded in determining diluted weighted average number of common shares as all the options were significantly undervalued and were not exercised. (2012 and 2011, share options were excluded in determining diluted weighted average number of common shares as their effect would have been anti-dilutive.)

Issued common shares at 1 January	**201,888,473**	201,888,473	201,813,473
Effect of shares issued in financial year	**-**	-	67,192
Treasury shares	**(2,998,041)**	(4,497,062)	(4,497,062)
Convertible “B” Preference shares - issued on 1 July 2009	**227,400,000**	227,400,000	227,400,000
Weighted average number of common shares at 31 December	**426,290,432**	424,791,411	424,783,603

The basic earnings per share for the year ended 31 December 2013 was 47 cents (2012: (4 cents); 2011: (19 cents)).

The calculation of diluted earnings per share for the year ended 31 December 2013 was based on the profit/(loss) attributable to owners of the Company of $199,492,438 (2012: ($18,717,839); 2011: ($81,928,814)), and a weighted average number of common shares of 429,288,473 (2012: 424,791,411; 2011: 424,783,603).

At 31 December 2013 share options were excluded in determining diluted weighted average number of common shares as all the options were significantly undervalued and were not exercised. (2012 and 2011, share options were excluded in determining diluted weighted average number of common shares as their effect would have been anti-dilutive.)

Issued common shares at 1 January	**201,888,473**	201,888,473	201,813,473
Effect of shares issued in financial year	**-**	-	67,192
Treasury shares	**-**	(4,497,062)	(4,497,062)
Convertible “B” Preference shares - issued on 1 July 2009	**227,400,000**	227,400,000	227,400,000
Weighted average number of common shares at 31 December	**429,288,473**	424,791,411	424,783,603

The diluted earnings per share for the year ended 31 December 2013 was 46 cents (2012: (4 cents); 2011: (19 cents)).

(Expressed in Canadian Dollars, unless otherwise stated)

31. CASH GENERATED (UTILISED) BY OPERATIONS

	2013	2012	2011
Profit/(loss) before income tax	**103,722,697**	(85,002,992)	(180,532,047)
Adjustments for:			
Finance expense	**56,393,072**	82,837,200	92,044,884
Finance income	**(330,591)**	(382,262)	(745,590)
Non-cash items:			
Depreciation and amortisation	**39,785,169**	38,092,878	43,224,377
Equity-settled share-based compensation	**799,726**	1,346,509	2,140,038
Loss on disposal of property, plant and equipment	**(170,402,784)**	581	339,068
Settlement of cash flow hedge	**-**	-	2,550,958
AG8 Adjustments	**(47,999,163)**	(90,589,136)	-
Balance due on sale of mineral properties	**3,103,227**	-	-
Rehabilitation adjustment	**(554,415)**	-	-
Other	**-**	-	69,200
Cash utilised before ESOP* transactions	**(15,483,062)**	(53,697,222)	(40,909,112)
ESOP cash transactions (restricted cash)	**307,614**	312,510	836,081
Cash utilised before working capital changes	**(15,175,448)**	(53,384,712)	(40,073,031)
Working capital changes			
(Increase)/decrease in trade and other receivables (i)	**(32,914,115)**	22,816,980	3,357,055
Increase/(decrease) in trade and other payables (ii)	**56,906,061**	(659,223)	(3,747,138)
Decrease/(increase) in inventories (iii)	**307,756**	(38,257)	(855,227)
Cash generated/(utilised) by operations	**9,124,254**	(31,265,212)	(41,318,341)

*Employee Share Option Scheme

(i) (Increase)/decrease in trade and other receivables

	2013	2012	2011
Opening balance	**3,272,400**	27,048,591	36,190,110
Closing balance	**(33,782,099)**	(3,272,400)	(27,048,591)
Movement for the year	**(30,509,699)**	23,776,191	9,141,519
Effect of translation	**(2,404,416)**	(959,211)	(5,784,464)
	(32,914,115)	22,816,980	3,357,055

(ii) Increase/(decrease) in trade and other payables

	2013	2012	2011
Opening balance	**(20,888,631)**	(23,125,587)	(31,844,332)
Closing balance	**71,878,950**	20,888,631	23,125,587
Movement for the year	**50,990,319**	(2,236,956)	(8,718,745)
Effect of translation	**5,915,742**	1,577,733	4,971,607
	56,906,061	(659,223)	(3,747,138)

(iii) Decrease/(increase) in inventories

	2013	2012	2011
Opening balance	**769,447**	787,084	-
Closing balance	**(373,698)**	(769,447)	(787,084)
Movement for the year	**395,749**	(17,637)	(787,084)
Effect of translation	**(87,993)**	(20,620)	(68,143)
	307,756	(38,257)	(855,227)

(Expressed in Canadian Dollars, unless otherwise stated)

32. 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 CEO (the Group's chief operating decision maker) reviews internal management reports monthly. The following summary describes the operations in each of the Group's reportable segments:

- Bokoni Mine - Mining of PGM's.
- Projects - Mining exploration in Boikgantsho, Kwanda, and Ga-Phasha exploration projects. Please refer to note 10 for the sale of mineral rights.

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 expense, income tax, depreciation and amortisation ("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.

	31 December 2013			31 December 2012			
	Bokoni Mine	**Projects**	**Total**	Bokoni Mine	Projects	Total	**Note**
Revenue	**195,621,452**	**-**	**195,621,452**	117,557,331	-	117,557,331	
Cost of sales	**(234,860,426)**	**-**	**(234,860,426)**	(196,735,768)	-	(196,735,768)	(i)
EBITDA	**21,557,943**	**77,595,515**	**99,153,458**	(60,985,577)	(36,943)	(61,022,520)	(ii)
Profit/(loss) before income tax	**(42,561,288)**	**77,595,515**	**35,034,227**	(170,083,832)	(36,943)	(170,120,775)	(iii)
Income tax	**(140,414)**	**7,043,536**	**6,903,122**	14,049,927	-	14,049,927	(iv)
Depreciation and amortization	**(38,949,245)**	**-**	**(38,949,245)**	(35,567,022)	-	(35,567,022)	(v)
Finance income	**279,389**	**-**	**279,389**	280,872	-	280,872	(vi)
Finance expense	**(25,449,376)**	**-**	**(25,449,376)**	(73,812,106)	-	(73,812,106)	(vii)
Total assets*	**764,378,809**	**2,527,644**	**766,906,453**	827,304,772	114,373,668	941,678,440	(viii)
Additions to non-current assets	**278,200**	**-**	**278,200**	38,917,145	-	38,917,145	(ix)
Total Liabilities	**(59,024,036)**	**(42,785,419)**	**(101,809,455)**	(270,285,274)	(13,877,671)	(284,162,945)	(x)

*includes all assets held for sale for 2012

Reconciliations of reportable segment cost of sales, EBITDA, profit or loss before income tax, income tax, depreciation, finance income, finance expense, assets, addition to non-current assets and liabilities:

(i) Cost of sales

	2013	2012
Total cost of sales for reportable segments	**(234,860,426)**	(196,735,768)
Corporate and consolidation adjustments	**1,084,128**	1,348,217
Consolidated cost of sales	**(233,776,298)**	(195,387,551)

(Expressed in Canadian Dollars, unless otherwise stated)

	2013	2012
(ii) EBITDA		
Total EBITDA for reportable segments	**99,153,458**	(61,022,520)
Net finance expense	**(56,393,072)**	(82,454,938)
Depreciation and amortisation	**(39,785,169)**	(38,092,878)
Corporate and consolidation adjustments	**100,747,480**	96,567,344
Consolidated profit/(loss) before income tax	**103,722,697**	(85,002,992)
(iii) Profit/(Loss) before income tax		
Total profit/(loss) before tax for reportable segments	**35,034,227**	(170,120,775)
Corporate and consolidation adjustments	**68,688,470**	85,117,783
Consolidated profit/(loss) before income tax	**103,722,697**	(85,002,992)
(iv) Income tax		
Taxation for reportable segments	**6,903,122**	14,049,927
Corporate and consolidation adjustments	**(3,049,702)**	(24,613,805)
Consolidated taxation	**3,853,420**	(10,563,878)
(v) Depreciation		
Depreciation for reportable segments	**(38,949,245)**	(35,567,022)
Corporate and consolidation adjustments	**(835,924)**	(2,525,856)
Consolidated depreciation	**(39,785,169)**	(38,092,878)
(vi) Finance income		
Finance income for reportable segments	**279,389**	280,872
Corporate and consolidation adjustments	**51,202**	101,390
Consolidated finance income	**330,591**	382,262
(vii) Finance expenses		
Finance expense for reportable segments	**(25,449,376)**	(73,812,106)
Corporate and consolidation adjustments	**(30,943,696)**	(9,025,094)
Consolidated finance expense	**(56,393,072)**	(82,837,200)
(viii) Total assets		
Assets for reportable segments	**766,906,453**	941,678,440
Corporate and consolidation adjustments	**6,722,956**	(127,613,111)
Consolidated assets	**773,629,409**	814,065,329
(ix) Additions to non-current assets		
Additions to non-current assets for reportable segments	**278,200**	38,917,145
Corporate and consolidation adjustments	**-**	21,010
Consolidated additions to non-current assets	**278,200**	38,938,155
(x) Total liabilities		
Liabilities for reportable segments	**(101,809,455)**	(284,162,945)
Corporate and consolidation adjustments	**(292,705,976)**	(324,645,161)
Consolidated liabilities	**(394,515,431)**	(608,808,106)

(Expressed in Canadian Dollars, unless otherwise stated)

33. SHARE OPTIONS

33.1 Equity-settled options

The Group has a share option plan approved by the shareholders that allows it to grant options, subject to regulatory terms and approval, to its directors, employees, officers, and consultants to acquire up to 32,600,000 (2012: 32,600,000) common shares. As at 31 December 2013, 5,110,000 options were outstanding and 27,490,000 options remained available to be granted. On 30 June 2009 the Company obtained shareholder and stock exchange approval to decrease the exercise price to C$1.29 per option for 8,061,000 share options, including stock options granted to certain insiders of the Company pursuant to repricing. The exercise price of each option is set by the Board of Directors at the time of grant but cannot be less than the market price (less permissible discounts) on the TSX Venture Exchange. Options have a term of up to a maximum of ten years (however, the Company has historically granted options for up to a term of five years), and terminate 30 to 90 days following the termination of the optionee's employment or term of engagement, except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted. The continuity of share purchase options is as follows:

	Weighted average exercise price	Number of options	Contractual weighted average remaining life (years)
Balance - 31 December 2011	$ 1.11	12,162,667	2.89
Granted	-	-	
Exercised	-	-	
Cancelled	1.09	(246,667)	
Expired	1.27	(3,983,000)	
Balance – 31 December 2012	$ 1.03	7,933,000	2.14
Granted	-	-	
Exercised	-	-	
Cancelled	-	-	
Expired	1.21	(2,823,000)	
Balance – 31 December 2013	$ 0.93	5,110,000	2.24

Options outstanding and exercisable at 31 December 2013 were as follows:

Expiry date	Option price	Number of options outstanding	Number of options vested	Weighted average life (years)
25 June 2014	$ 0.96	550,000	550,000	0.5
30 November 2016	$ 0.84	4,060,000	4,060,000	2.9
1 May 2017	$1.61	500,000	500,000	3.3
Total		**5,110,000**	**5,110,000**	
Weighted average exercise price		**$ 0.93**	**$ 0.93**	

The exercise prices of all share purchase options granted during the year were equal to or greater than the market price at the grant date. Using the Black-Scholes option pricing model with the assumptions noted below, the estimated fair value of all options granted have been reflected in the statement of changes in equity.

The share-based payments expense recognised during the year ended 31 December 2013 was $21,783 (2012: $309,769; 2011: $1,156,036).

(Expressed in Canadian Dollars, unless otherwise stated)

The assumptions used to estimate the fair value of options granted during the year were:

	2013	2012	2011
Canadian risk- free interest rate	**2.8%**	2.8%	2.8%
Expected life	**5-7 years**	5-7 years	5- 7 years
Volatility	**83%**	83%	83%
Forfeiture rate	**0%**	0%	0%
Expected dividends	**Nil**	Nil	Nil

The volatility of the shares was calculated over the expected life of the option. Volatility was calculated by using available historical information on the share price for Atlatsa equal to the expected life of the scheme.

The risk free rate for periods within the contractual term of the share right is based on the Government of Canada benchmark bond yield.

33.2 Cash-settled share-based payments

The Group also currently has a scheme in place to award SARs to recognise the contributions of senior staff to the Group's financial position and performance and to retain key employees. These SARs are linked to the share price of the Group on the JSE and are settled in cash on the exercise date.

A third of the SARs granted are exercisable annually from the grant date with an expiry date of 4 years from the grant date for senior management and 5 years for lower and middle management. The offer price of these SARs equaled the closing market price of the underlying shares on the trading date immediately preceding the granting of the SARs.

Vested shares	**1,647,770**	1,997,268	-
Share appreciation rights granted (all unvested at year-end)	**15,166,658**	15,327,601	6,294,869
Vesting year of unvested share appreciation rights:			
Within one year	**5,558,728**	5,636,401	2,396,801
One to two years	**7,048,597**	5,273,200	2,025,134
Two to three years	**2,559,333**	4,418,000	1,872,934
Total number of shares unvested	**15,166,658**	15,327,601	6,294,869

The value of the SARs expensed in the year ended 31 December 2013 was calculated as $1,024,512 (2012: $nil; 2011: $437,152; 2010: $947,176). Value of vested shares in 2013 was $368,828

The assumptions used to estimate the fair value of the SARS granted during the year were:

South African risk-free rate	**5.0% - 7.3%**	4.9% - 5.8%	6.4%
Volatility	**88% - 113%**	82% - 106%	85.1%
Share Price	**0.50**	0.15	0.45
Weighted average exercise price	**0.23**	0.23	0.55
Forfeiture rate	**0%**	0%	0%
Expected dividends	**Nil**	Nil	Nil

The only vesting conditions for the scheme are that the employees should be in the employment of the Group.

The volatility of the shares were calculated with the equally weighted standard approach of calculating volatility by using available historical information on the share price for Atlatsa equal to the term to maturity of the scheme.

The risk free rates were obtained from the bootstrapped zero coupon perfect fit swap curve as at 31 December 2013, sourced from the Bond Exchange of South Africa

(Expressed in Canadian Dollars, unless otherwise stated)

33.3 Equity settled - Bokoni Platinum Mine ESOP Trust

Prior to the acquisition of Bokoni on 1 July 2009, certain employees of Bokoni were part of the Anglo Group Employee Empowerment Scheme ("Kotula Scheme"). When Atlatsa acquired Bokoni, Anglo Platinum and Atlatsa replaced the Kotula Scheme with the Bokoni Platinum Mine ESOP Trust ("ESOP Trust"), which has similar participation benefits to the Kotula Scheme.

The purpose of the ESOP Trust scheme is to incentivize and retain employees, promote BEE and increase broad-based and effective participation in the equity of Atlatsa by historically disadvantaged persons.

The ESOP Trust holds and utilises ordinary shares in Atlatsa (refer note 17) for the benefit of the beneficiaries.

Any units that the employees held in the Kotula Scheme were exchanged into units in the ESOP Trust at a ratio of 15 units in the ESOP Trust for every Kotula unit held. The remaining units in the ESOP Trust are allocated to the employees in five equal annual installments beginning 31 March 2010 and for the next four years thereafter. Employees will receive an equal allocation of units. Any units held by a beneficiary that are forfeited shall be added back to the number of unallocated units available for future allocation.

The ESOP Trust shall dispose of the shares held in Atlatsa to the beneficiaries as follows:

- One third vested in proportion to the beneficiaries units on 16 May 2013;
- Half of the remaining balance of ordinary shares will vest in proportion to their interest on 16 May 2014; and
- The remaining balance of ordinary shares will vest in proportion to their interest on 16 May 2015.

The trustees (acting as agent on behalf of the beneficiaries) shall dispose of and sell as many shares as will be necessary to settle all taxes payable by the beneficiaries. The beneficiaries may also direct the trustees to sell the distribution shares on behalf of the beneficiaries and the proceeds of such sale, net of all expenses, shall be distributed to the beneficiaries.

If a beneficiary's employment is terminated due to death, retrenchment, retirement, disability or ill-health, Bokoni will pay a cash amount equal to the fair value of the beneficiary's units to the beneficiary who will then cease to be a beneficiary of the ESOP Trust. The units will be transferred to Bokoni who will become a beneficiary of the ESOP Trust. Where the beneficiary's employment is terminated prior to the termination date for any other reason, the beneficiary shall forfeit all his rights under the scheme. The forfeited units will be added back to the number of unallocated units for future allocation.

At 31 December the following units were allocated:

	2013	2012	2011
Total units available for allocation	**70,000,000**	70,000,000	70,000,000
Allocation 1 July 2009	**(20,078,634)**	(20,078,634)	(20,078,634)
Allocation 31 March 2010	**(10,282,759)**	(10,282,759)	(10,282,759)
Allocation 31 March 2011	**(10,666,586)**	(10,666,586)	(10,666,586)
Allocation 31 March 2012	**(11,081,905)**	(11,081,905)	-
Allocation 31 March 2013	**(11,081,905)**	-	-
Total units available for allocation at 31 December	**6,808,211**	17,890,116	28,972,021
Units forfeited	**1,378,332**	1,535,309	1,492,429
South African risk free rate	**6.4%**	6.4%	6.7%
Forfeiture rate	**5%**	5%	5%
Expected dividends	**Nil**	Nil	Nil
Exercise price	**Nil**	Nil	Nil
Share price at grant date (ZAR)	**8.00**	7.00	11.10

The share-based payment expense recognised during the year ended 31 December 2013 was $955,704 (2012: $877,546; 2011: $984,002).

(Expressed in Canadian Dollars, unless otherwise stated)

34. CONTINGENCIES

Deep Groundwater Pollution

The company has identified a future pollution risk posed by deep groundwater in certain underground shafts. Various studies have been undertaken by Bokoni Mine since 2012. In view of the documentation of current information for the accurate estimation of the liability, no reliable estimate can be made for the obligation.

35. 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

		2013	2012
RPM	Loans and Borrowings (refer note 18)	**(185,926,441)**	(433,959,084)
	Trade and other payables	**(15,546,290)**	(1,149,533)
	Trade and other receivables	**3,035,968**	913,558
	Convertible preference shares (refer note 17)	**-**	-
Atlatsa Holdings	Convertible preference shares (refer note 17)	**-**	-

Related party transactions

RPM	Revenue (refer note 22)	**(195,621,452)**	(117,557,331)
	Finance expense (before interest capitalised)	**57,070,142**	81,115,550
	Administration expenses	**-**	661,494
	Cost of sales	**58,026,729**	45,901,635
	Costs capitalised to capital work-in-progress	**9,224,910**	7,851,315
	Profit on sale of assets #	**171,113,399**	-
	Fair value gain on Consolidated Debt Facility (refer note 24)	**47,999,162**	90,589,136

The Profit on sale of fixed asset is brought about by the sale of mineral assets (as described in Note 10) to RPM. The actual consideration for the sale was $174.6 million (ZAR 1.7 billion) of which $171.6 million (ZAR 1.67 billion) was received by year-end.

Included in non-controlling interest is a fair value gain on de-recognition of the debt facility between Bokoni Holdco and RPM of $98,923,006.

Also refer to note 37 for the transaction with Anglo Platinum, RPM's holding company.

(Expressed in Canadian Dollars, unless otherwise stated)

Key Management Compensation

	2013	2012
Remuneration for executive directors and key management		
- Salaries	**3,414,860**	3,483,677
- Short-term benefits	**1,655,880**	723,609
- Restructuring	**-**	-
- Share options	**21,783**	259,387
- Cash settled share-based payments	**837,758**	-
- Remuneration for non-executives	**348,408**	334,985
	6,278,689	4,801,658

36. COMMITMENTS

	2013	2012
Contracted for	**13,808,613**	3,417,123
Not yet contracted for	**16,965,588**	10,831,638
Authorised capital expenditure	**30,774,201**	14,248,761

The committed expenditures relate to property, plant and equipment and will be funded through cash generated from operations and available loan facilities.

37. EVENTS AFTER THE REPORTING DATE

In January 2014, the Restructure Plan was finalised by completing the following:

- Pelawan SPV converted all of its “B” Preference Shares in Plateau into 227.4 million common shares in the Company on January 14, 2014; RPM in turn converted its “B” Preference shares in Pelawan SPV for 115.8 million of the 227.4 million Atlatsa shares; and

- RPM subscribed for 125 million common shares of the Company on January 31, 2014 to the value of $76.0 million (ZAR750.0 million).

The above subscription reduced the New Senior Debt Facility to $157.0 million (ZAR1,550 million).

Atlatsa Holdings, the Company’s majority shareholder acquired the 115.8 million Atlatsa common shares that RPM received on conversion of the “B” Preference shares from RPM on a vendor financed basis for $46.9 million (ZAR463 million).

Atlatsa Holdings will provide security to RPM in relation to the Atlatsa Holdings Vendor Finance Loan by way of a pledge and cession of its entire shareholding in Atlatsa, which shares remain subject to a lock-in arrangement through to 2020. Should Atlatsa Holdings be unable to meet its minimum repayment commitments under the Atlatsa Holdings Vendor Finance Loan between 2018 to 2020, Atlatsa will have a discretionary right, with no obligation, to step in and remedy such obligation in order to protect its BEE (as defined below) shareholding status, subject to commercial terms being agreed between Atlatsa Holdings and Atlatsa for that purpose and receipt of the necessary regulatory and shareholder approvals.

38. EMPLOYEE COSTS

Employee costs included in profit/(loss) for the year are as follows:

	2013	2012	2011
Salaries and wages and other benefits	**91,766,785**	83,552,252	90,109,090
Retirement benefit costs	**315,949**	366,621	442,633
Medical aid contributions	**12,939**	14,570	17,853
Employment termination costs	**-**	-	44,323
Share-based compensation – equity-settled	**799,056**	1,329,857	1,991,277
Share-based compensation – cash-settled	**837,758**	-	(437,152)
	93,732,487	85,263,300	92,168,024

(Expressed in Canadian Dollars, unless otherwise stated)

39. GROUP ENTITIES

The following are the shareholdings of the Company in the various group entities:

Company	**Country of Incorporation**	**2013**	2012
N1C Resources Incorporation	Cayman Islands	**100 %**	100 %
N2C Resources Incorporation *	Cayman Islands	**100 %**	100 %
Plateau Resources Proprietary Limited *	South Africa	**100 %**	100 %
Bokoni Holdings Proprietary Limited *	South Africa	**51 %**	51 %
Bokoni Mine Proprietary Limited *	South Africa	**51 %**	51 %
Boikgantsho Proprietary Limited *	South Africa	**51 %**	51 %
Kwanda Proprietary Limited *	South Africa	**51 %**	51 %
Ga-Phasha Proprietary Limited *	South Africa	**51 %**	51 %
Lebowa Platinum Mine Limited * #	South Africa	**51 %**	51 %
Middlepunt Hill Management Services Proprietary Limited * #	South Africa	**51 %**	51 %

The following are the structured entities in the group:

Bokoni Platinum Mine ESOP trust**	South Africa	**Consolidated structured entity**	Consolidated structured entity
Bokoni Rehabilitation Trust***	South Africa	**Consolidated structured entity**	Consolidated structured entity
Bokoni Platinum Mine Community Trust****	South Africa	**Unconsolidated structured entity**	Unconsolidated structured entity

*- Indirectly held

#- These entities are dormant

**The Atlatsa group provided the funding through Bokoni Mine to construct the trust and purchase shares in Atlatsa, but is not required to provide any further financial support to this entity. The purpose of the Trust is to facilitate a SBP arrangement on behalf of the group. Atlatsa has the right to appoint one trustee, who has the right to reject any decision made by the other trustees. Atlatsa therefore has power of the trust.

***Atlatsa Group has power over the trust, as the sole trustee is a director of Atlatsa. All the cash resources kept by the trust is on behalf of Atlatsa, to be later utilised against any rehabilitation and decommissioning incurred.

**** As per the requirements of IFRS 10, we have considered the purpose and objective of the trust, and the Group has concluded that the power over the investee, exposure or rights to variable returns and the ability to use its power over the investee to affect the amount of the investor's return does not reside with Atlatsa. This is due to Atlatsa having the right to appoint one trustee of the trust, but do not have the deciding vote, Atlatsa has no interest in/or power over the operations of the trust. The Atlatsa group is also not required to provide any financial support to the trust.

(Expressed in Canadian Dollars, unless otherwise stated)

40. NON CONTROLLING INTEREST

The only non-controlling interest is the 49% shareholding of RPM in Bokoni Holdco (please refer to organogram). Bokoni Holdco owns the Group's various mineral property interest and conducted in the Republic of South Africa in the Bushveld Complex.

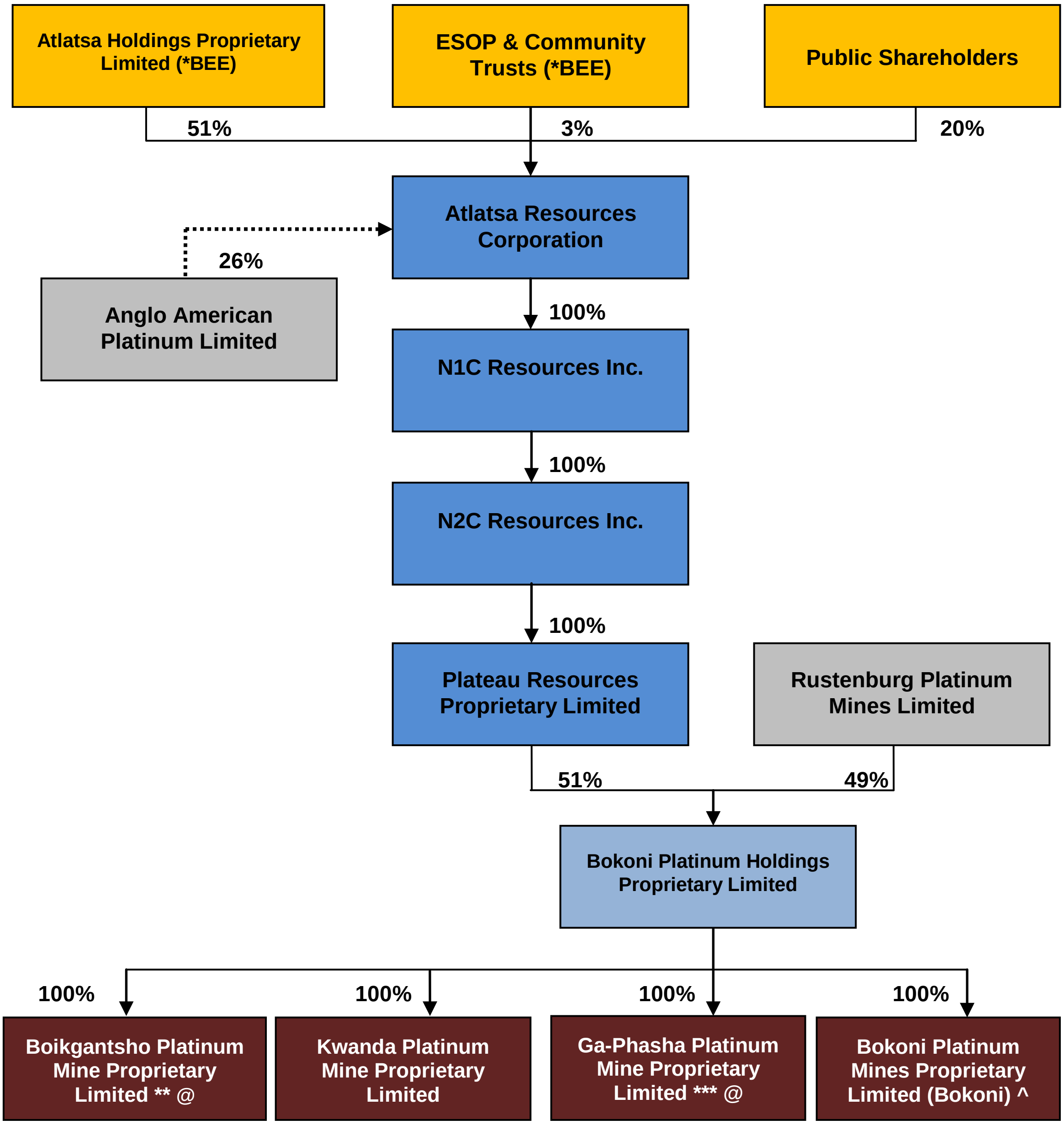
Non controlling interest roll forward	Note	**2013**	**2012**
Balance beginning of the year		**224,049,827**	(25,326,683)
Acquisition of shares in Bokoni Platinum Holdings (Pty) Ltd	24	**199,179,381**	197,477,602
Loss for the year		**(99,623,161)**	(76,849,031)
Total other comprehensive income for the year	29	**(26,455,499)**	933,836
Fair value gain on initial recognition of debt facility		**-**	127,814,103
Fair value loss on de-recognition of debt facility	24	**(98,923,006)**	
		198,227,542	224,049,827

The following is summarised financial information for the Bokoni Holdco subgroup, prepared in accordance with IFRS.

Non-current assets	**940,116,063**	1,436,203,613
Current assets	**73,851,830**	16,326,936
Non-current liabilities	**(123,388,538)**	(257,708,463)
Current liabilities	**(70,833,003)**	(19,536,411)
Net assets	**819,746,352**	1,175,285,674
Revenue	**195,621,452**	117,557,331
Total comprehensive income (*)	**(203,312,573)**	(156,834,756)
Cash flows from operating activities	**88,166**	(31,272,857)
Cash flows from investment activities	**131,497,258**	(39,378,826)
Cash flows from financing activities	**(101,770,828)**	72,872,141
Net increase in cash and cash equivalents	**29,814,596**	2,220,458

* As Bokoni Platinum Holdings (Pty) Ltd has no other comprehensive income, total comprehensive income is therefore equal to the loss for the year.

GROUP ORGANOGRAM



** Black Economic Empowerment*

*** All mineral rights in name of the Company (Farms Drenthe and Witrivier) has been sold and transferred to RPM.*

**** The mineral rights of the Company, specifically the Eastern Section (Farms Paschaskraal and De Kamp) has been sold and transferred to RPM, the Western Section were consolidated into the adjacent Bokoni Mine's operations.*

@ Dormant from December 13, 2013.

^ Bokoni Rehabilitation Trust is consolidated into Bokoni