Atlatsa
RESOURCES CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

for the three and twelve months ended
December 31, 2016

EMPOWERED TO PRODUCE

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the audited consolidated financial statements for year ended December 31, 2016 and related notes thereto, prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This MD&A is prepared as of March 31, 2017.

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

All dollar figures stated herein are references to Canadian dollars ("**$**"), unless otherwise specified. The closing South African Rand ("**ZAR**") to $ exchange rate as at December 31, 2016 was ZAR10.21=$1 compared to ZAR11.18=$1 at December 31, 2015. Unless otherwise specified, all ZAR figures have been converted at either the closing or average exchange rate (depending on the item) as at December 31, 2016. Additional information about Atlatsa, including its Annual Information Form for the year ended December 31, 2016, is publicly available on System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

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GLOSSARY

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

"**AG8**" means an adjustment to the carrying amount of the financial instrument (i.e. the SFA (as defined below)) to reflect changes in the estimated future cash flows or the interest rate after the calculation of the effective interest rate on initial recognition. A change in the carrying amount is immediately recognized as a gain or loss in the consolidated statement of comprehensive income;

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

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

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

"**Bokoni Group**" means Bokoni Holdco (as defined below) and all of its subsidiaries;

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

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

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

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

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

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

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

"**Kwanda**" means Kwanda Platinum Mine Proprietary Limited, a wholly owned subsidiary of Bokoni Holdco, which owns the Kwanda Project (as defined below);

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

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

"**Projects**" included, for Fiscal 2016 and 2015, the mining exploration in Kwanda. Up until Fiscal 2013, Projects also included Boikgantsho and Ga-Phasha. Boikgantsho and two farms in Ga-Phasha (Paschaskraal and De Kamp) were sold to RPM and the remaining two farms in Ga-Phasha (Avoca and Klipfontein) were transferred to Bokoni Mine on December 13, 2013. Refer to *Note 38* in the audited consolidated financial statements for Fiscal 2016 for further details;

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

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

“**Restructure Plan**” means the restructuring of the Bokoni Mine operations which was completed on June 30, 2016 and as further described in Section *2 - SIGNIFICANT EVENTS*;

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

“**SAMREC**” means the principles contained in the South African Code for Reporting of Mineral Resources and Mineral Reserves of 2007, as amended in 2009. The Company uses estimates and reports ore reserves and mineral resources in line with SAMREC;

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

“**SFA**” means the senior term loan and revolving facility entered into on March 27, 2013, pursuant to which RPM made available to Plateau up to $225.4 million (ZAR2,300.0 million). On December 9, 2015, the SFA was amended and restated to increase the size of the facility by $7.0 million (ZAR71.4 million) to enable Plateau to repay its 51% pro rata share of the backlog of trade and other payables due to RPM of approximately $13.7 million (ZAR140.0 million). On September 13, 2016, the SFA was further amended and restated to suspend interest charges under the facility. The total contractual amount outstanding on this facility as of the date hereof is $178.9 million (ZAR1,826.2 million);

“**Term Loan Facility**” means the term loan facility entered into on December 9, 2015, between Plateau (as borrower) and RPM (as lender) for $32.7 million (ZAR334.0 million) to enable Plateau advance its portion of the shareholder loans to Bokoni Holdco for the sole purpose of enabling Bokoni Mine to fund operating expenses, working capital expenditure and capital expenditure costs in the event that such costs cannot be funded from Bokoni Mine cash flows. The facility was amended and restated on August 15, 2016, to increase the size of the facility by $18.9 million (ZAR193.0 million), available in two tranches. The total contractual amount outstanding on this facility as of the date hereof was $51.6 million (ZAR527.0 million) and fully utilized. On March 9, 2017, the Facility was amended and restated to allow for an additional $21.0 million (ZAR214.2 million) under this facility; and

“**Working Capital Facility**” means the working capital facility entered into on December 13, 2013, between Plateau (as borrower) and RPM (as lender) whereby RPM agreed to provide up to $2.9 million (ZAR30.0 million) to Plateau each year from 2013 to 2015, including capitalized interest, to fund Plateau’s corporate and administrative expenses through to 2015. Pursuant to amendments made to the Working Capital Facility, all conditions precedent were met on May 21, 2015, and the size of the total facility increased to $12.0 million (ZAR122.0 million). As a result of cost saving initiatives at Plateau, the full drawdown of 2015 was not utilized, and RPM made the remainder of this facility available in 2016. A second amendment and restatement of the Working Capital Facility agreement was entered into on March 31, 2017, to suspend interest charges with effect from September 1, 2016 onwards. The total contractual amount outstanding on this facility as of the date hereof is $11.8 million (ZAR120.5 million).

1. OVERVIEW

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

Atlatsa’s objective is to become a significant PGM producer with a diversified PGM asset base, including production and exploration assets. Atlatsa controls a significant estimated mineral resource base of approximately 56.2 million ounces in the measured category, 27.1 million ounces in the indicated category and 69.9 million ounces in the inferred category. Of this estimated mineral resource base, approximately 28.7 million ounces in the measured category, 13.8 million ounces in the indicated category and 35.6 million ounces in the inferred category are attributable to Atlatsa. Refer to page 13 of Atlatsa's technical report titled "An Independent Qualified Persons' Report on the Bokoni Platinum Mine, in the Mpumalanga Province, South Africa" dated April 24, 2013 and filed on SEDAR at www.sedar.com.[1]

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

2. SIGNIFICANT EVENTS

Restructure Plan

On September 16, 2015, Atlatsa announced, together with Anglo Platinum, the implementation of an operational and financial restructure plan at Bokoni Mine. The primary objective of the Restructure Plan was to enable Bokoni Mine endure an extended period of depressed PGM commodity prices, by reducing its cost structure and increasing its production volumes of higher grade ore from underground operations.

The Restructure Plan at Bokoni Mine was completed on June 30, 2016, and resulted in the following developments:

1. The UM2 and Vertical Merensky shaft operations have been placed on care and maintenance (in August and December 2015 respectively).
2. The projected ramp up to steady state production of 60 kilo tonnes per month ("**ktpm**") at Middelpunt Hill UG2 and 90 ktpm at Brakfontein Merensky development shafts for Q2 2018 and Q4 2019, respectively. Management is currently implementing a comprehensive development plan to ensure sufficient stoping face length is made available to achieve the planned production ramp up. This is being achieved by improving waste handling infrastructure and upgrading trackless mining equipment required for development. Management is also investigating the use of contract mining services to develop critical ends and to ensure that development targets are met.
3. Rather than continuing mining at the Klipfontein Merensky Opencast operation as a mill-gap filler during ramp up of the underground operations, the decision was made to terminate the opencast operations. The Klipfontein Merensky Opencast operation has been affected by a number of challenges including delays in obtaining a water use licence, stoppages at the eastern pit due to community disruptions and intersection of a large number of potholes on the western portion of the pit. These challenges have impacted the operation's ability to deliver sufficient volumes to generate a profit. Mining at the Klipfontein Merensky Opencast operation ceased as at March 31, 2017 with rehabilitation continuing until the end of the 2017 fiscal year.
4. A significant reduction in labour overheads has been achieved whereby Bokoni Mine's labour complement reduced by 28% from 5,657 employees as at September 30, 2015 (shortly after the announcement of the Restructure Plan) to 4,074 employees as at June 30, 2016 (when the

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[1] Bokoni Mine is situated in the Limpopo Province and incorrectly referenced as Mpumalanga in the above report. No material change has occurred and there is therefore no need for an updated report.

Restructure Plan was completed). The reduction is made up of a 50.8% decrease in contractors and a 15.4% decrease in own mine employees.

5. Bokoni Mine's cash operating costs was reduced by 14.6% from September 30, 2015 (shortly after the announcement of the Restructure Plan) to June 30, 2016 (when the Restructure Plan was completed), mainly as a result of the substantial reduction in Bokoni Mine's labour force. Between June 30, 2016 and December 31, 2016, cash operating costs were reduced by an additional 3.4%.

The costs of implementing the Restructure Plan was financed from the operating cash flows and the Term Loan Facility.

Over Complement of Employees

Although the Restructure Plan has been completed, various events have occurred subsequent to the initial Section 189A facilitation process, which has resulted in an over complement of mine personnel over various departments and which has necessitated the further re-assessment and re-evaluation of the Company's total workforce.

Bokoni Mine issued a Section 189(3) notice to relevant parties pursuant to Section 189A of the South African Labour Relations Act, 66 of 1995, on August 5, 2016, for the commencement of a consultation process on the contemplated retrenchments of its employees based on operational requirements.

This process was completed by the end of Q1 2017 and is projected to result in further cost reductions of approximately $0.3 million (ZAR2.5 million) in labour costs per month.

Amended Loan Facilities

Senior Term Loan and Revolving Facility

On December 9, 2015, the SFA was amended and restated to increase the size of the facility by $7.0 million (ZAR71.4 million) to enable Plateau to repay its 51% pro rata share of the backlog of trade and other payables due to RPM of approximately $13.7 million (ZAR140.0 million). The conditions precedent was fulfilled on September 30, 2016, as well as the repayment of the backlog of trade and other payables.

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

Term Loan Facility

On August 15, 2016, the Term Loan Facility was amended and restated to allow for an additional $18.9 million (ZAR193.0 million) in order to enable Plateau advance its portion of the shareholder loans to Bokoni Holdco for the sole purpose of enabling Bokoni Mine to fund operating expenses, working capital expenditure and capital expenditure costs in the event that these costs cannot be funded from Bokoni Mine cash flows.

On March 9, 2017, the Term Loan Facility was further amended and restated to increase the facility by an additional $21.0 million (ZAR214.2 million). The conditions precedent to the utilization of the additional borrowings under the Term Loan Facility include a resolution of the board of directors of Plateau approving the terms of the amendment and restatement as well as a legal opinion from South African legal counsel as to the capacity and authority of Plateau to enter into the amendment and restatement agreement, both of which are satisfied as of the date hereof. Refer to Section 6 - *LIQUIDITY* for further conditions to the utilization this facility.

Working Capital Facility

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

3. SELECTED ANNUAL INFORMATION

Financial Highlights for the Year Ended December 31, 2016

- Atlatsa incurred an operating loss of $38.7 million, and a loss before income tax of $67.1 million in Fiscal 2016, compared to an operating loss of $416.2 million and a loss before income tax of $439.9 million in Fiscal 2015.
- Atlatsa's net loss after tax was $66.3 million in Fiscal 2016, compared to a net loss after tax of $369.0 million in Fiscal 2015.
- Atlatsa recognised a fair value gain and AG8 adjustments of $1.0 million in its consolidated statement of profit or loss and other comprehensive income in Fiscal 2016 compared to a fair value loss and AG8 adjustments of $0.3 million in Fiscal 2015.
- Atlatsa's basic and diluted loss per share for Fiscal 2016 was $0.08, compared to a basic and a diluted loss per share of $0.30 in Fiscal 2015. The basic and diluted loss per share is based on the losses attributable to the shareholders of the Company of $46.5 million for Fiscal 2016 and $167.1 million and Fiscal 2015, respectively.

Fiscal 2016 Compared to Fiscal 2015

The following are key changes in financial conditions for Fiscal 2016 compared to Fiscal 2015:

- Atlatsa's total assets increased by $42.7 million (+13.1%) from $326.4 million as at December 31, 2015 to $369.1 million as at December 31, 2016. This increase is primarily due to:
  - An increase of $33.2 million in Property, Plant and Equipment as well as Capital work-in-progress; and
  - An increase of $7.5 million in trade and other receivables during Fiscal 2016 as a result of a lower usage of the POC Advance compared to Fiscal 2015.
- Atlatsa's total liabilities increased by $26.5 million (+9.7%) from $273.8 million as at December 31, 2015 to $300.4 million as at December 31, 2016. This increase in total liabilities is primarily due to the drawdowns as on the Term Loan Facility with RPM.

Consolidated Statements of Financial Position - $ Millions			
	As at Dec 31, 2016	***As at Dec 31, 2015***	***As at Dec 31, 2014***
Current Assets	19.9	11.4	25.2
Mineral property interests	7.1	7.0	7.3
Other non-current assets	342.1	308.0	688.3
Total Assets	**369.1**	**326.4**	**720.8**
Current liabilities	85.0	82.4	44.8
Non-current liabilities	215.3	191.4	260.8
Total Equity	**68.7**	**52.6**	**415.2**
Total liabilities and Equity	**369.1**	**326.4**	**720.8**

Consolidated Statements of Financial Performance - $ millions			
	Year ended Dec 31, 2016	***Year ended Dec 31, 2015***	***Year ended Dec 31, 2014***
Revenue	162.7	205.7	237.4
Cost of sales	-200.5	-260.6	-264.8
Gross Profit (Loss)	**-37.8**	**-54.9**	**-27.4**
General and administration expenses	-9.8	-9.0	-10.2
Restructuring costs	6.7	-14.9	-
Other expenses including impairment loss	-	-337.5	-2.6
Other income	2.2	0.0	0.0
Operating Profit (Loss)	**-38.7**	**-416.2**	**-40.1**
Finance income	0.3	0.2	0.3
Finance costs	-28.7	-23.9	-16.3
Net Profit (Loss) before income tax	**-67.1**	**-439.9**	**-56.1**
Income Tax	0.9	70.9	6.5
Profit (Loss) for the year	**-66.3**	**-369.0**	**-49.5**
Other comprehensive income	-1.0	1.3	-2.1
Total comprehensive Profit (Loss) for the year	**-67.3**	**-367.6**	**-51.6**
Profit (Loss) attributable to:			
Owner of the parent	-46.5	-167.1	-24.6
Non-controlling interest	-167.1	-201.9	-24.9
Basic and dilute loss per common share (cents)	-8	-30	-5
Weighted average number of shares outstanding	554.4	554.4	544.0

4. RESULTS OF OPERATIONS

Bokoni Mine

The Bokoni Mine's production (tonnes milled) for Fiscal 2016 averaged 109,906 tonnes per month ("**tpm**") of ore from its UG2 and Merensky reef horizons (including the Klipfontein Merensky Opencast Mine), representing a 21.4% decrease from Fiscal 2015. Bokoni Mine's earnings before net finance costs, income tax, depreciation and amortization ("**EBITDA**") increased from a loss of ($390.2 million), to ($15.1 million), due to the factors discussed below. Refer to Section *19 - CAUTIONARIES - Cautionary Note Regarding Non-IFRS Measures* with respect to the EBITDA calculation.

Klipfontein Merensky Opencast Mine Operation

On July 19, 2016, the Company's management notified the opencast contractor that the Company will terminate the contract to mine the Klipfontein Merensky Opencast Mine. Mining at the Klipfontein Merensky Opencast operation ceased as at March 31, 2017, with rehabilitation continuing until the end of the 2017 fiscal year.

Operating Plan

Post implementation of the Restructure Plan, Bokoni operates two underground shafts, both of which remain in ramp-up phases towards becoming steady state operations. The Middelpunt Hill UG2 shaft is currently operating at 80% of its targeted steady state volumes of 60 ktpm and is estimated to achieve its steady state by Q2 2018.

The Brakfontein Merensky shaft is currently operating at 50% of its targeted steady state volumes of 90 ktpm and is estimated to achieve its steady state by Q2 2019.

Management is currently implementing a comprehensive development plan to ensure sufficient stoping face length is made available to achieve the planned production ramp up. This is being achieved by improving waste handling infrastructure and upgrading trackless mining equipment required for development. Management is also investigating the use of contract mining services to develop critical ends to ensure that development targets are met.

The key production parameters for the Bokoni Mine for Fiscal 2016 as compared to Fiscal 2015, are depicted in the table below. The impact of closing the Klipfontein Merensky Opencast Mine, and placing the Vertical and UM2 shafts (both on the Merensky reef) on care and maintenance in Fiscal 2015, had the following impact on the production at Bokoni Mine:

	Unit		*YTD 2015*	*YTD 2016*	*%*	*Note*
Production Statistics						
Tonnes delivered	Tonnes		1,681,656	1,294,503	-23.0%	1
Underground	Tonnes		1,078,286	1,155,524	7.2%	
Care and Maintenance	Tonnes		379,417	-	-100.0%	
Opencast	Tonnes		223,953	138,979	-37.9%	
Tonnes milled	Tonnes		1,676,694	1,317,668	-21.4%	1
Underground	Tonnes		1,082,277	1,164,713	7.6%	
Care and Maintenance	Tonnes		374,922	-	-100.0%	
Opencast	Tonnes		219,495	152,954	-30.3%	
4E Ounces	oz		190,740	159,241	-16.5%	2
Underground	Tonnes		132,483	148,605	12.2%	
Care and Maintenance	Tonnes		42,490	-	-100.0%	
Opencast	Tonnes		15,766	10,637	-32.5%	
Recovered grade	4Eg/t		3.5	3.8	8.6%	
Primary Development meters	m		7,778	5,686	-26.9%	3
Cash Operating Costs/Tonne Milled	R/tonne		1,323	1,488	12.5%	
Cash Operating Costs/4E oz	R/4E		11,630	12,311	5.9%	
Total permanent labor (mine Operations)	number		3,477	2,941	-15.4%	
Total contractors (mine Operations)	number		2,134	1,049	-50.8%	

Notes

1) Tonnes delivered to the concentrator for Fiscal 2016 decreased by 23.0% compared to Fiscal 2015, tonnes milled decreased by 21.4% and closing stock at the concentrator decreased by 89.2% over the same comparative period. In the latter part of Fiscal 2015, the UM2 and Vertical Merensky shaft operations were placed on care and maintenance and only one of the three existing pits at the Klipfontein Merensky Opencast Mine was in production during Fiscal 2016.

2) 4E ounces production decreased by 16.5% in Fiscal 2016 as compared to Fiscal 2015. The decrease is mainly attributable to the decrease in production tonnes milled.

3) Primary development decreased by 26.9% in Fiscal 2016 as compared to Fiscal 2015, due to the impact of the restructuring. The Restructure Plan and delays in training of mine employees has resulted in a backlog of development during Fiscal 2016 relative to the intended mine development plan. Thus, the planned production ramp up at Brakfontein Merensky and Middelpunt Hill UG2 development shaft complexes has been delayed. Refer to point 2 noted under the Section *2 – SIGNIFICANT EVENTS - Restructure Plan* for details regarding management's plans to remedy this delay.

In Fiscal 2016, recoveries at the concentrator increased by 0.9% to 89.5% for the Merensky concentrate and by 1.0% to 86.7% for the UG2 concentrate. The Klipfontein Merensky Opencast Mine concentrate recoveries also increased by 7.0% to 72.6% in Fiscal 2016.

Inflows and Outflows

Revenue

The Company has two reportable segments: the Bokoni Mine and the Kwanda Project. All external revenue of the Company is generated by the Bokoni Mine. The Kwanda Project segment generated no revenue in Fiscal 2016 as it is yet to be operational. Revenue was $162.7 million (ZAR1,800.4 million) in Fiscal 2016 compared to $205.7 million (ZAR2,046.7 million) in Fiscal 2015, which represents a 20.9% decrease in $ terms and a 12.0% decrease in ZAR terms as a result of the following:

- 4E ounces produced decreased by 16.5% to 159,241 4E ounces in Fiscal 2016 as compared to the 190,740 4E ounces produced in Fiscal 2015. The decrease is mainly attributable to the decrease in production tonnes milled. In the latter part of Fiscal 2015, the UM2 and Vertical Merensky shaft operations were placed on care and maintenance.
- Average 4E basket price for Fiscal 2016 was 5.4% higher at ZAR11,306 as compared to ZAR10,730 for Fiscal 2015;
- Average platinum price of US$987 during Fiscal 2016 was 6.4% lower as compared to the Fiscal 2015 average of US$1,054; and
- Average realized ZAR/US$ exchange rate for Fiscal 2016 was ZAR14.71 as compared to the average realized exchange rate of ZAR12.76 for Fiscal 2015 representing a 15.3% weakening of the ZAR.

Cost of Sales and Other Significant Expenses

Consolidated cost of sales for Fiscal 2016 was $200.5 million (ZAR2,218.5 million) which is $60.1 million (ZAR387.4 million) less than Fiscal 2015 of $260.6 million (ZAR2,605.9 million). This represents a decrease of 23.1% in $ terms and 14.9% in ZAR terms.

	YTD 2015 ZAR million	***YTD 2016 ZAR million***	***%***	***YTD 2015 $ million***	***YTD 2016 $ million***	***%***
Financial Performance - Outflows						
Consolidated Cash Operating Costs	2,218.1	1,960.4	11.6%	222.9	177.2	20.5%
Labour	997.0	821.3	17.6%	100.2	74.2	25.9%
Stores	430.5	460.5	-7.0%	43.3	41.6	3.8%
Utilities	157.4	138.3	12.1%	15.8	12.5	21.0%
Contractors	339.8	214.1	37.0%	34.2	19.3	43.4%
Sundries	293.4	326.2	-11.2%	29.5	29.5	0.0%
Cash Operating Costs per Tonne Milled	1,323	1,488	-12.5%	133	134	-1.1%
Cash Operating Costs per 4E oz	11,630	12,311	-5.9%	1,169	1,113	4.8%
Capital	255.6	279.0	-9.2%	25.7	25.2	-1.9%
Finance Expenses	243.0	323.7	-33.2%	23.9	28.7	-20.1%

The main contributors to the cost variances were:

1. *Labour* - The decrease in labour costs was mainly due to the implementation of the Restructure Plan which resulted in several employees taking voluntary severance packages during Q4 2015, as well as Q3 2016 and Q4 2016 (respectively under the two separate Section 189A notices filed). This decrease was partially offset by the annual salary increases in January 2016 and the agreed wage increase with organized labour unions in July 2016.

2. *Stores* - The increase in stores costs was due to the increase in the engineering fleet at the mine which resulted in an increase in the maintenance costs thereof. At the Brakfontein shaft the increase in production (development, stoping, tons delivered and milled) resulted in an increase in mining material consumption.
3. *Utilities* - The decrease in utility costs was mainly due to the UM2 and Vertical Merensky shaft operations that were placed on care and maintenance in the latter part of Fiscal 2015. This decrease was partially offset by the Eskom Holdings ("**Eskom**") electricity rate increase of 9.4% (applicable from April 2016). Due to the megaflex paying system, Eskom's rate (Cost/kWh) changes depending on time of usage, i.e. during peak times, utilities will cost more.
4. *Contractors cost* - The decrease in contractor costs was due to the implementation of the Restructure Plan which led to the retrenchment of a significant number of contractor employees. The decrease was compounded by the 37.9% decrease in Klipfontein Merensky Opencast Mine tonnes delivered (the opencast contractor is paid on a ZAR per tonne delivered basis).
5. *Sundry costs* - The increase in sundry costs was mainly due to an increase in the maintenance and refurbishment costs in relation to equipment bought for underground usage and costs to third party suppliers associated with the transporting of tonnes to the concentrator and waste dump areas in line with a corresponding increase of 7.6% in underground production (excluding the opencast and underground shafts placed on care and maintenance).
6. *Capital* - Total capital expenditure for Fiscal 2016 comprised of 38% sustaining capital and 62% project expansion capital (compared to 35% sustaining capital and 65% project expansion capital in Fiscal 2015). The decrease in capital expenditure can be attributed largely to a decrease in capital development as a result of the Restructure Plan.
7. *Finance Expenses* - During Fiscal 2016, additional drawdowns took place under the SFA, the Term Loan Facility and the Working Capital Facility. As described in Section *2 -SIGNIFICANT EVENTS*, the outstanding amounts under these facilities are not contractually bearing interest as at December 31, 2016.

   However, for accounting purposes (on the SFA and the Term Loan Facility), interest is recorded at a calculated effective interest rate which is an effective floating interest rate of a three-month Johannesburg Interbank Agreed Rate ("**JIBAR**") plus 8%. The JIBAR rate increased by 16.6% from December 31, 2015 to October 20, 2016 (the date of the last drawdown for Fiscal 2016), which also accounts for the increase in finance costs.

   The POC Advance bears interest at a rate of three-month JIBAR plus 1.41% per annum and the Working Capital Facility bore interest at a rate of three-month JIBAR plus 4% per annum until September 1, 2016.

Exchange Rate

For presentation purposes in the consolidated statement of comprehensive income for Fiscal 2016, the currencies of the South African subsidiaries are converted from ZAR to $. The average ZAR to $ exchange rate for Fiscal 2016 was ZAR11.07=$1. This represents a weakening of 10.1% compared to the average exchange rate for Fiscal 2015 of ZAR9.95=$1.

For the Statement of Financial Position for Fiscal 2016, the closing ZAR to $ exchange rate for Fiscal 2016 was ZAR10.21=$1, representing a strengthening of 9.5% as compared to the closing exchange rate at December 31, 2015 of ZAR11.18=$1.

Safety

Atlatsa's LTIFR in Fiscal 2016 of 1.05 improved by 4.5% compared to the Fiscal 2015 LTIFR of 1.10. Nine (9) Section 54 stoppages were imposed by the South African Department of Mineral Resources

("**DMR**") during Fiscal 2016 as compared to nineteen (19) stoppages during Fiscal 2015 and 84 days production (as compared to 91 days in Fiscal 2015) were lost due to these stoppages. As a result of these unscheduled breaks in production, an estimated 2,773 platinum ounces were lost in Fiscal 2016 and 3,280 platinum ounces were lost in Fiscal 2015.

During Fiscal 2016, three fatalities occurred compared to one fatality in Fiscal 2015.

The redeployment of employees from different work areas and shafts as a result of the Restructure Plan affected employee morale, and negatively impacted their safety focus and awareness. Management therefore continues to focus on safety and health of the employees as one of its core pillars of operation.

Operations at the eastern side of the Klipfontein Merensky Opencast Mine have been suspended since October 8, 2014 due to the fatal injury of a Motsotsi community member and remains suspended pending finalization of an investigation by the DMR and the South African Police Services. As of the date hereof, the eastern side of the Klipfontein Merensky Opencast Mine remains closed.

5. SUMMARY OF QUARTERLY RESULTS

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

($ Million)	Dec 31, 2016	Sept 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sept 30, 2015	Jun 30, 2015	Mar 31, 2015
Revenue	37.5	48.9	40.7	35.6	44.5	57.2	51.7	52.3
Cost of sales	(56.2)	(54.0)	(47.0)	(43.2)	(66.1)	(65.0)	(66.1)	(63.4)
Gross loss	(18.7)	(5.1)	(6.3)	(7.7)	(21.6)	(7.8)	(14.4)	(11.1)
Profit (Loss) for the period	(31.4)	(11.4)	(24.1)	(9.4)[2]	(17.7)	(37.4)	(297.1)	(16.8)
Basic profit (loss) per share	(0.04)	(0.01)	(0.04)	(0.01)[2]	(0.02)	(0.04)	(0.23)	(0.02)
Diluted profit (loss) per share	(0.04)	(0.01)	(0.04)	(0.01)[2]	(0.02)	(0.04)	(0.23)	(0.02)
Weighted number of Common Shares outstanding (million)	554	554	554	554	554	554	554	553
Diluted weighted number of Common Shares outstanding (million)[1]	554	554	554	554	554	554	554	553

Notes

1) Including unvested treasury shares issued pursuant to the Company's Employee Stock Option Plan.

2) The Company recognized a fair value gain and AG8 adjustments of $10.5 million in the Statement of Profit or Loss and Other Comprehensive Income for Q1 2016, of which $9.6 million related to the fair value gain on the Term Loan Facility. This fair value adjustment should, however, have been classified as equity as the loan was with a shareholder, and is reflected as such in the Q2 2016 financial statements.

Discussion of Last Eight Quarterly Results

Quarterly results fluctuate considerably quarter over quarter. The fluctuations are largely due to changes in production due to production efficiencies, potholing and safety stoppages. In addition, the recovered grade has a significant impact on revenue. Varying PGM basket prices and the volatility of the ZAR against the US$ contribute to the quarter over quarter fluctuations.

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

6. LIQUIDITY

As at December 31, 2016, Atlatsa had negative working capital, excluding restricted cash, of $65.2 million compared to negative working capital of $71.1 million at December 31, 2015. The Company incurred a net loss in Fiscal 2016 of $66.3 million and an operating cash flow shortfall of $43.1 million compared to a 2015 Fiscal loss of $369.0 million and $21.4 million respectively. The loss for the year is primarily as a result of the decrease in production volumes and the resulting impact on the profitability of the Bokoni Mine. In the previous comparable period, an impairment loss of $337.1 million was accounted for with respect to property, plant and equipment and goodwill which had an impact on the profitability of the Company.

The Company's total current liabilities exceeded its total current assets by $65.1 million. Management of the Company is in the process of renegotiating the terms of short-term shareholder loan of $56.4 million. The remaining balance will be funded from short-term cash flows and the Term Loan Facility as discussed under "*Term Loan Facility*" below. As a result of these factors, management considered whether the going concern assumption continued to be appropriate as at December 31, 2016. Refer to "*Going Concern Conclusion*" below.

Atlatsa remains in discussion with Anglo Platinum regarding the future optimization of Bokoni Mine as well as potential alternative financial support for the Bokoni Group in light of the current challenges within the South African platinum industry. In order for Bokoni to be sustainable in the future, the strengthening of the PGM price remains a key component.

Management of the Company is continuously investigating areas to preserve cash in the short term including the possibility of a further reduction in capital projects. In addition, the board of directors of Atlatsa (the "**Board**") is considering the disposal of its non-core assets and alternative sources of funding are being explored with third parties. Management is also in discussion with Anglo Platinum surrounding the repayment of all the loan facilities given that all facilities have a maturity date of December 31, 2018 which is imminent. Refer to Section *2 - SIGNIFICANT EVENTS* for additional information regarding the amendments to the facilities available to the Company.

Atlatsa's ratio of current assets (excluding restricted cash) to current liabilities was 0.2:1 in Fiscal 2016. The Company had unrestricted cash and equivalents of $5.7 million, with zero undrawn facilities under the SFA currently available. Refer to "*Term Loan Facility*" for details regarding the Term Loan Facility.

Atlatsa will finance its obligations until March 31, 2018 using available cash resources, the POC Advance, the Term Loan Facility and by deferring certain capital expansion costs (refer to the *Operating Plan* where details are documented regarding the deferral of capital expansion). It is also expected that RPM, as a 49% shareholder of Bokoni Holdco, will meet its 49% shareholder commitment to match any cash resources that Atlatsa contributes.

Atlatsa has the following long-term contractual obligations as at December 31, 2016:

Obligations due by Period ($ million)[1]					
	Total	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Capital Commitments	9.1	9.1	-	-	-
Long-term Debt [2]	242.4	-	193.4	49.0	-
Operating Leases [3]	0.2	0.2	-	-	-
Purchase Obligations [4]	5.9	5.9	-	-	-
Other Obligations [5]	56.3	56.3[6]	-	-	-
Total	313.9	71.5	193.4	49.0	-

Notes

1) Atlatsa's long-term debt obligations, which include scheduled interest payments, are denominated in ZAR. Payments and settlement on the obligation are denominated in ZAR. Long-term obligations have been presented at an exchange rate of $1 = ZAR10.21. Atlatsa's major cash commitments for the next year relate to its obligation to fund project expansion capital requirements at the Bokoni Mine as there are no significant obligations to repay interest and capital on long-term debt during the next 12 months.
2) The maturity profile of the contractual long term debt as at December 31, 2016. This includes the SFA, the Term Loan Facility and the Working Capital Facility.
3) Atlatsa has routine market-related leases on its office premises in Johannesburg, South Africa.
4) A "Purchase Obligation" is an enforceable and legally binding agreement to purchase goods or services that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.
5) This includes the shareholders loan between Bokoni Holdco and RPM.
6) No repayment terms are specified accordingly these obligations are classified as current.

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

Going Concern Assumption

Bokoni Mine has embarked on a process to restructure the cost base and improve production efficiencies in order to break-even, at an all in sustaining cost base, at a volume of 145 ktpm. This is being accomplished by restructuring the labour force, reducing operational costs and fast tracking development to increase mineable face length to enable an efficient production ramp up. This will form the base level for further increase in production volumes and the mine having the ability to return positive margins above 145 ktpm.

The 2017 Business Plan ("**BP17**") was approved with a cash operating loss (after capital expenditure) of $38.4 million (ZAR391.2 million) given an average Rand 4E basket price of ZAR11,501/oz. (current average Rand 4E basket price is ZAR11,455/oz.) at a volume of 118 ktpm.

To fund this cash operating loss (as discussed in Section *2 - Amended Loan Facilities*,) the Term Loan Facility Agreement was amended and restated on March 9, 2017 to allow for an additional $21.0 million (ZAR214.2 million) facility. The conditions precedent to the utilization of the additional borrowings under the Term Loan Facility include a resolution by the board of directors of Plateau, approving the terms of the amendment and restatement as well as a legal opinion from South African legal counsel as to the capacity and authority of Plateau to enter into the amendment and restatement agreement. These conditions were met as at the reporting date.

Furthermore, the fulfilment of the following conditions precedent to the utilization of the Term Loan Facility were extended to September 30, 2017 (the "**Extended CPs**"):

1. The renewal application in respect of the Central Block prospecting right being granted by the DMR and the duly completed deed of renewal executed and lodged with the Mineral and Petroleum Titles Registration Office ("**MPTRO**");
2. The renewal application in respect of the Kwanda prospecting right being granted by the DMR and the duly completed deed of renewal executed and lodged with the MPTRO;
3. The "Regulation 60 Application" for a certified copy of the prospecting right being processed; and
4. The duly completed deed of cession under which the prospecting right is transferred to Kwanda being executed and lodged with the MPTRO.

Failure to fulfil the Extended CPs by September 30, 2017, if not further extended, will result in an event of default as defined in the Term Loan Facility.

Whilst the amendment to the Term Loan Facility was being concluded during March 2017, Bokoni Mine was permitted to continue to make use of the POC facility (see note 20 for additional details of this POC facility) to enable Bokoni Mine to fund its operating cash losses during that period. As at February 28, 2017 the advance on the POC was $33.7 million (ZAR343.9 million) which was partially settled by the reporting date, March 31 2017. In future, any shortfall of operating cash that may not sufficiently be covered by the additional Term Loan Facility will be covered by the POC. Refer to Section *2 - Amended Loan Facilities* for additional detail regarding the amendments to the facilities with Anglo Platinum.

Going Concern Conclusion

The audited consolidated financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Extended CPs (discussed above) will be fulfilled prior to September 30, 2017, as failure to do so would result in an event of default. This condition gives rise to a material uncertainty which may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern and therefore may be unable to realize their assets and discharge their liabilities in the normal course of business.

7. CAPITAL RESOURCES

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

As at December 31, 2016, the Company was not in breach of the loan covenants under the SFA, the Concentrate Agreement, the Term Loan Facility or the Working Capital Facility.

Capital commitments already contracted for by the Company amount to $9.1 million as at December 31, 2016 (compared to $5.8 million as at December 31, 2015) and are comprised primarily of capital expenditure commitments for property, plant and equipment, and capital-work-in-progress relating to the Bokoni Mine. These capital commitments will be funded by cash available from operations and other available facilities. As at the end of Fiscal 2016, the Company expected $1.7 million of "authorized but not contracted expenditures" (compared to $4.8 million as at December 31, 2015). These are required to maintain the Company's operational capacity, to meet planned growth and to fund development activities.

Atlatsa's cash balance as at December 31, 2016 was $5.7 million compared to $3.5 million as at December 31, 2015.

A summary of Atlatsa's debt facilities as at December 31, 2016, is as follows:

	Balance as at December 31, 2016 ($ million)	Available Facility ($ million)	Unutilized portion of Facility ($ million)
SFA (1)(2)	178.9	178.9	-
Working Capital Facility(2)	11.8	12.0	0.2
Term Loan Facility (1) (2)	51.6	72..6	21.0
Other(3)	56.4	56.4	-
Total	298.7	319.9	21.2

Notes

1) This is disclosed at the contractual value outstanding, and will not agree to the face of the Statement of Financial Position which is shown at fair value.
2) These facilities were amended and restated as discussed in Section *2- Amended Loan Facilities.*
3) This relates to a shareholder's loan that support RPM's obligation to meet its 49% share of the cash call in accordance with the joint venture shareholders' agreement between the parties.

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

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

8. OFF-BALANCE SHEET ARRANGEMENTS

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

9. TRANSACTIONS WITH RELATED PARTIES

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

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

Transactions with RPM during Fiscal 2016 and Fiscal 2015 are summarized below:

	Fiscal 2016 ($ millions)	Fiscal 2015 ($ millions)
Concentrate Sales	162.7	205.7
Cost of Sales*	50.4	45.8
Finance Expense (before interest capitalized)	27.3	23.1
Fair Value Gain (Loss) on SFA and Term Loan Facility	1.0	(0.3)
Costs capitalized to Capital Work-in-Progress	-	4.8

* Included in Cost of Sales:	Fiscal 2016 ($ millions)	Fiscal 2015 ($ millions)
Metal Accounting Services	-	0.6
Supply Chain Services	42.2	33.8
Other	3.8	8.0

The following balances were outstanding to/from RPM as at December 31, 2016, and December 31, 2015:

	Fiscal 2016 ($ millions)	Fiscal 2015 ($ millions)
Loans and Borrowings	209.4	172.8
Trade and Other Payables	1.8	14.5
Trade and Other Receivables	2.8	2.6

Refer to Section 6 - *LIQUIDITY – Going Concern Conclusion* and Section 7 - *CAPITAL RESOURCES* for additional discussion of financing and debt arrangements with RPM.

10. FOURTH QUARTER

Financial Highlights for Q4 2016

- Atlatsa incurred an operating loss of $20.4 million and a loss before tax of $27.0 million in Q4 2016, compared to an operating loss of $16.0 million and a loss before tax of $22.7 million in Q4 2015.
- The net loss (after tax) was $31.4 million in Q4 2016, compared to a net loss (after tax) of $17.7 million in Q4 2015.
- The basic and diluted loss per share was $0.04 in Q4 2016, compared to the basic and diluted loss per share of $0.02 in Q4 2015. The basic and diluted loss per share is based on the loss attributable to the Company’s shareholders of $21.6 million in Q4 2016, compared to the loss attributable to the shareholders of $9.2 million in Q4 2015.

Operating Plan

The key production parameters for the Bokoni Mine for Q4 2016 and for Q4 2015 are depicted in the table below. The impact of closing down the Klipfontein Merensky Opencast Mine, and placing the Vertical and UM2 shafts (both on the Merensky reef) on care and maintenance, had the following effect on the production at Bokoni Mine:

	Unit		*YTD 2015*	*YTD 2016*	*%*	*Note*
Production Statistics						
Tonnes delivered	Tonnes		1,681,656	1,294,503	-23.0%	1
Underground	Tonnes		1,078,286	1,155,524	7.2%	
Care and Maintenance	Tonnes		379,417	-	-100.0%	
Opencast	Tonnes		223,953	138,979	-37.9%	
Tonnes milled	Tonnes		1,676,694	1,317,668	-21.4%	1
Underground	Tonnes		1,082,277	1,164,713	7.6%	
Care and Maintenance	Tonnes		374,922	-	-100.0%	
Opencast	Tonnes		219,495	152,954	-30.3%	
4E Ounces	oz		190,740	159,241	-16.5%	2
Underground	Tonnes		132,483	148,605	12.2%	
Care and Maintenance	Tonnes		42,490	-	-100.0%	
Opencast	Tonnes		15,766	10,637	-32.5%	
Recovered grade	4Eg/t		3.4	3.9	14.7%	
Primary Development meters	m		7,778	5,686	-26.9%	3
Cash Operating Costs/Tonne Milled	R/tonne		1,323	1,488	12.5%	
Cash Operating Costs/4E oz	R/4E		11,630	12,311	5.9%	
Total permanent labor (mine Operations)	number		3,477	2,941	-15.4%	
Total contractors (mine Operations)	number		2,134	1,049	-50.8%	

Notes

1) Tonnes delivered to the concentrator for Q4 2016 decreased by 29.7% compared to Q4 2015, tonnes milled decreased by 32.5% and closing stock at the concentrator decreased by 89.2% over the same comparative period. In the latter part of Fiscal 2015, the UM2 and Vertical Merensky shaft operations were placed on care and maintenance and only one of the three existing pits at the Klipfontein Merensky Opencast Mine was in production during Q4 2016.

2) 4E ounces production decreased by 21.9% in Q4 2016 when compared to Q4 2015. The decrease is mainly attributable to the decrease in production tonnes milled.

3) Primary development increased by 25.8% in Q4 2016 as compared to Q4 2015, based on the plans management have implemented to reduce the delay in development. Refer to point 2 noted under the "*Restructure Plan*" for detail regarding management's plans to remedy this delay.

In Q4 2016, recoveries at the concentrator increased by 3.5% to 90.7% for the Merensky concentrate and by 1.8% to 86.9% for the UG2 concentrate. The Klipfontein Merensky Opencast Mine concentrate recoveries increased by 20.9% to 79.2% for Q4 2016.

Inflows and Outflows

Revenue

The Company has two reportable segments: the Bokoni Mine and the Kwanda Project. All external revenue of the Company is generated by the Bokoni Mine. The Kwanda Project segment generated no revenue in Q4 2016. Revenue was $37.5 million (ZAR386.8 million) in Q4 2016 compared to $44.5 million (ZAR477.2 million) in Q4 2015 which represents a 15.7% decrease in $ terms and a 18.9% decrease in ZAR terms as a result of the following:

- 4E ounces produced decreased by 21.9% to 36,471 in Q4 2016 when compared to the 46,698 4E ounces produced in Q4 2015. The decrease is mainly attributable to the decrease in production tonnes milled. In the latter part of Fiscal 2015, the UM2 and Vertical Merensky shaft operations were placed on care and maintenance.

- Average 4E basket price for Q4 2016 was 3.8% higher at ZAR10,607 as compared to ZAR10,220 for Q4 2015;
- Average platinum price of US$944 during Q4 2016 was 4.0% higher as compared to the Q4 2015 average of US$908; and
- Average realized ZAR/US$ exchange rate for Q4 2016 was ZAR13.91 as compared to the average realized exchange rate of ZAR14.21 for Q4 2015 representing a 2.1% strengthening of the ZAR.

Cost of Sales and Other Significant Expenses

Consolidated cost of sales for Q4 2016 was $56.2 million (ZAR589.4 million) which is $9.9 million (ZAR122.8 million) less than Q4 2015 of $66.1 million (ZAR712.3 million). This represents a decrease of 14.9% in $ terms and 17.2% in ZAR terms.

	Q4 2015 ZAR million	*Q4 2016 ZAR million*	*%*	*Q4 2015 million*	*Q4 2016 million*	*%*
Financial Performance - outflows						
Consolidated Cash Operating Costs	554.1	512.6	7.5%	52.0	49.0	5.9%
Labour	256.9	219.2	14.7%	24.2	20.9	13.6%
Stores	108.6	117.3	-8.0%	10.2	11.2	-10.0%
Utilities	34.0	31.2	8.2%	3.1	3.0	4.1%
Contractors	72.8	52.6	27.8%	6.7	5.0	25.0%
Sundries	81.9	9234	-12.8%	7.8	8.8	-13.0%
Cash Operating Costs per Tonne Milled	1,288	1,766	-37.1%	129	160	-23.3%
Cash Operating Costs per 4E oz	11,866	14,055	-18.5%	1,193	1,270	-6.5%
Capital	94.5	88.3	6.6%	9.2	8.3	9.8%
Finance expenses	71.6	71.4	0.3%	6.7	6.3	5.5%

The main contributors to the cost variances were:

1. *Labour* - The decrease in labour costs was mainly due to the implementation of the Restructure Plan which resulted in a number of employees taking voluntary severance packages during Q4 2015, as well as Q3 2016 and Q4 2016 (respectively under the two separate Section 189A notices filed), and continued retrenchments in Q4 2016. This decrease was partially offset by the annual salary increases in January 2016 and the agreed wage increase in July 2016.
2. *Stores* - The increase in stores costs was due to the increase in the engineering fleet, resulting in higher maintenance cost thereof. Working cost development meters increased by 17.4% from Q4 2015 to Q4 2016 and in addition the increase in stoping activities resulted in an increase in mining material consumption.
3. *Utilities* - The decrease in utility costs was mainly due to the UM2 and Vertical Merensky shaft operations that were placed on care and maintenance in the latter part of Q4 2015. This decrease was partially offset by Eskom electricity rate increase of 9.4% (applicable from April 2016). Due to the megaflex paying system, Eskom's rate (Cost/kWh) changes depending on time of usage, i.e. during peak times, utilities will cost more.
4. *Contractors cost* - The decrease in contractor costs was due to the implementation of the Restructure Plan which led to the retrenchment of a significant number of contractor employees. The decrease was compounded by the 67.2% decrease in Klipfontein Merensky Opencast Mine tonnes delivered (the opencast contractor is paid on a ZAR per tonne delivered basis).

5. *Sundry costs* - The increase in sundry costs was mainly due to annual payments of rates and taxes; waste management and an increase training expenses.
6. *Capital* - Total capital expenditure for Q4 2016 comprised of 25% sustaining capital and 75% project expansion capital (compared to 48% sustaining capital and 52% project expansion capital in Q4 2015). The decrease in capital expenditure is attributed largely to a decrease in capital development as a result of the Restructure Plan.

Safety

Atlatsa's LTIFR in Q4 2016 of 0.92 has improved by 1.1% compared to the Q4 2015 LTIFR of 0.93. Five (5) Section 54 stoppages were imposed by the DMR during Q4 2016 as compared to three (3) stoppages in Q4 2015 and 53 days production (as compared to 14 days in Q4 2015) were lost due to these stoppages. As a result of these unscheduled breaks in production, an estimated 1,397 platinum ounces were lost in Q4 2016 and 334 platinum ounces were lost in Q4 2015.

During Q4 2016, a water-related incident led to one (1) fatality.

11. PROPOSED TRANSACTIONS

In connection with the entering into of the Term Loan Facility with RPM on December 9, 2015, Atlatsa agreed to support Anglo Platinum in connection with RPM's acquisition of: (i) the prospecting rights held by Kwanda; (ii) the prospecting rights in respect of Central Block mineral properties held by Plateau; and (iii) the disposal by RPM of all or any part of its shareholdings in Bokoni Holdco.

12. CRITICAL ACCOUNTING ESTIMATES

Atlatsa's accounting policies are presented in *Note 6* of the audited consolidated financial statements for year ended December 31, 2016, which have been filed on SEDAR at www.sedar.com.

The preparation of the Company's audited consolidated financial statements for the year ended December 31, 2016, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the audited consolidated financial statements.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the audited consolidated financial statements for the year ended December 31, 2016, is included in *Note 4* of the audited consolidated financial statements for the year ended December 31, 2016. Critical judgments that affect the application of accounting policies include: exploration and evaluation expenditure, recovery of deferred tax assets and functional currency.

Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploration or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a SAMREC resource is an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred).

Ore Reserve and Mineral Resource Estimates

The Company estimates and reports ore reserves and mineral resources in line with the principles contained in SAMREC. The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgments made in estimating the size and grade of the ore body.

Unit of Production Depreciation

Estimated economically recoverable reserves are used in determining the depreciation and/or amortization of mine-specific assets. This results in a depreciation/amortization charge proportional to the depletion of the anticipated remaining life-of-mine production. Units of production used to calculate depreciation includes proven and probable reserves only.

Mine Rehabilitation

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates (2016: 6.30% (2015: 5.50%)), and changes in discount rates (2016: 10.40% (2015: 9.63%)). These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation.

Recoverability/Impairment of Assets

The Company assesses each cash-generating unit ("**CGU**") annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair-value-less-costs-of-disposal and value in use. Management has assessed its CGU as being the Bokoni Mine, which is the lowest level for which cash flows are largely independent of other assets.

The determined value in use of the CGU is most sensitive to the platinum price, the U.S. dollar exchange rate and the discount rate. In assessing the value in use, key estimates and judgments were made by management, which are based on management's interpretation of market forecasts and future inflation rates. These include long term platinum prices and U.S. dollar exchange rates. Both these variables were determined based on market consensus forecast prices for the first five years after which the price for platinum was inflated using 2.22% (2016) (2015: 2.22%). The real weighted average cost of capital used to discount the future free cash flows was determined as 12.59% (2016) (2015: 10.55%).

Due to the economic climate and the significant rerate in forecasted metal prices, the Company tested the carrying value of its assets for impairment and recognized an impairment loss of $337.1 million with respect to property, plant and equipment and goodwill in Q2 2015 (converted at the June 30, 2015 ruling exchange rates).

Key assumptions used in the value-in-use calculation of the impairment assessment of mining assets are discussed in detail in *Note 9* of the audited consolidated financial statements for year ended December 31, 2016, for more details. The main indication and driver of the impairment loss recognized is the significant decline in the commodity price since April 2014. On this basis, management is satisfied that the impairment loss is recorded in the correct period when considering whether the impairment loss should have been recorded in the other quarters as reported.

Inventories

Net realizable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Fair Value Measurements

The Company measures financial instruments at fair value on initial recognition. Also, from time to time, the fair values of non-financial assets and liabilities are required to be determined, for example where an entity acquires a business, or where an entity measures the recoverable amount of an asset or CGU at fair-value-less-costs-of-disposal.

Share-Based Payments

The fair value of options granted is being determined using Black-Scholes and Monte-Carlo Simulation valuation models. Refer to *Note 39* of the audited consolidated financial statements for year ended December 31, 2016, for significant inputs into the models for the various share option schemes.

Senior Term Loan and Revolving Facility

Management of the Company has applied judgment when determining the fair value on initial recognition of the SFA. The fair value of the SFA is determined using a cash flow valuation model. The significant inputs into the model are the opening balances as contractually agreed to with the counterparty, set interest rates applicable to the Company, projected drawdowns and repayments on the loan and projected forward JIBAR rates plus a market related spread. Based on the aforementioned, an effective interest rate was established on initial recognition that would be used to unwind the fair value to arrive back at the contractual value by date of payment.

In regards to the amendments as discussed and documented under Section *2 - Amended Loan Facilities,* the amendments to the terms and conditions triggered the derecognition of the fair value as calculated to date. The contractual amount as at December 31, 2016, was fair valued as a new interest free loan, and a new fair value was recorded.

Term Loan Facility

Management of the Company has applied judgment when determining the fair value on initial recognition of the Term Loan Facility. The fair value of the Term Loan Facility is determined using a cash flow valuation model. The significant inputs into the model are the drawdown, repayment of the loan and a synthesized market related interest rate. The fair value of each drawdown will be based on its individual factors. Based on the aforementioned, an effective interest rate was established on initial recognition that would be used to unwind the fair value to arrive back at the contractual value by date of payment.

Contingencies

Contingencies will be realized only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

13. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied by Atlatsa in *Note 5* of the audited consolidated financial statements for the year ended December 31, 2016 are the same as those applied in the audited consolidated financial statements for the year ended December 31, 2015 (except for the following standards and interpretations which were adopted by the Company on January 1, 2016**,** or the date of implementation of the standard).

Standards Issued but not yet Effective

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

Effective January 1, 2017

- Disclosure initiative (Amendments to IAS 7)
- Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)

Effective January 1, 2018

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

Effective January 1, 2019

- IFRS 16 Leases

Standard available for Optional Adoption

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

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

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

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Atlatsa's financial instruments and risk management practices are presented in *notes 6.3 and 8,* respectively of the audited consolidated financial statements for the year ended December 31, 2016, which has been filed on SEDAR at www.sedar.com.

Financial Risk Management Activities

Atlatsa manages its exposure to key financial risks in accordance with its financial risk management policy. The risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Atlatsa, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Refer to *Note 8* of the audited consolidated financial statements for Fiscal 2016

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

Credit Risk

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

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

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

Liquidity Risk

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

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

Refer to Section *6 - LIQUIDITY* for details on the material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and the resulting inability to realize its assets and discharge its liabilities in the normal course of business.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company's long-term debt obligations are interest free and therefore the Company is not exposed to interest rate risk. Refer to *Note 20* of the audited consolidated financial statements for year ended December 31, 2016, for changes to interest rates.

Capital Risk Management

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

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

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

15. OTHER MD&A REQUIREMENTS

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

16. DISCLOSURE OF OUTSTANDING SHARE DATA

At the Company's Annual General Meeting on June 27, 2014, shareholders approved a new Share Option Plan, Share Appreciation Rights Plan and Conditional Share Unit Plan (collectively the "**Equity Incentive Plans**"). Refer to the Company's Management Information Circular dated May 30, 2016, which is available on SEDAR, for more information relating to the Equity Incentive Plans.

Share Appreciation Rights

On May 28, 2015, the Company awarded 2,887,070 share appreciation rights ("**SARs**") at a grant price of ZAR1.45, to certain eligible employees of Plateau entitling each such employee to one common share of the Company on the vesting date. Subsequently; 113,498 units that were originally awarded were cancelled. These SARs will vest on December 31, 2017.

The share-based payment expense recognized during the period was $75,213 (2015: $52,873).

Conditional Share Unit Plan

On August 20, 2014, the Company awarded 9,004,500 Conditional Share Units ("**CSUs**") to certain eligible employees of Plateau entitling each such employee to one common share of the Company on the vesting date. These CSUs will vest on March 31, 2017 upon the Company's average total shareholder return ("**TSR**") for the 2014, 2015 and 2016 Fiscal years.

On May 28, 2015, the Company awarded 26,274,800 CSUs to certain eligible employees of Plateau entitling each such employee to one common share of the Company on the vesting date. These CSUs will vest on December 31, 2017 upon the assessment of the Company's TSR for the 2014, 2015 and 2016 Fiscal years.

Subsequently; 2,256,500 units that were originally awarded were cancelled.

The share-based payment expense recognized during the period was $1,505,136 (2015: $1,653,341).

Options

5,110,000 options were issued under the pre-existing stock option plan, which are exercisable at a weighted average price of $1.29. Subsequently, 4,060,000 these options have expired with only 500,000 options still vested.

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

The share-based payments expense recognized during the year ended December 31, 2016 was $65,139 (2015: $310,132).

As of December 31, 2016, 4,952,047 options were outstanding with the following terms:

Expiry Date	Option Price	Number of Options Outstanding	Number of Options Vested	Weighted Average Life (years)
May 1, 2017	$ 1.61	500,000	500,000	0.33
August 19, 2024	$ 0.39	4,452,047	4,452,047	7.64
Total	-	4,952,047	4,952,047	-
Weighted Average Exercise Price	-	$0.51	$0.51	-

As of the date hereof, the issued share capital of Atlatsa is 554,421,806 common shares.

17. INTERNAL CONTROLS OVER FINANCIAL REPORTING PROCEDURES

Atlatsa's management, including its chief executive officer ("**CEO**") and chief financial officer ("**CFO**"), is responsible for establishing and maintaining adequate disclosure controls and procedures ("**DCP**"). Atlatsa's internal control system was designed to provide reasonable assurance to Atlatsa's management and the Board regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

DCP includes those controls and procedures that are designed to ensure that the information required to be disclosed in the filings under applicable securities regulations is recorded, processed, summarized and reported within the time periods specified in applicable securities regulations. Under the supervision of and with the participation of management of the Company, including the CEO and CFO, management evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2016. Based on this evaluation, the CEO and the CFO have concluded that, as of December 31, 2016, Atlatsa's disclosure controls and procedures were effective.

Management of the Company is also responsible for establishing and maintaining adequate internal control over financial reporting ("**ICFR**"). Internal control over financial reporting is defined as a process designed to provide reasonable assurance with respect to the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with IFRS. Under the supervision and with the participation of the CEO and CFO, management assessed the effectiveness of the Company's ICFR as of December 31, 2016. In making their assessment, management used criteria established in the framework on 1992 Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). Based upon that assessment, Management concluded that the Company's internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2016. During Fiscal 2016, the Company implemented the Committee of Sponsoring Organizations of the Treadway Commission framework that was issued on May 14, 2013.

18. RISK FACTORS

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

19. CAUTIONARIES

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

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

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

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws, including without limitation, statements relating to potential acquisitions and/or disposals, future production, reserve potential, exploration drilling, exploitation activities and events or developments that Atlatsa expects such statements appear in a number of different places in this MD&A and can be identified by words such as "anticipate", "estimate", "project", "expect", "intend", "believe", "plan", "forecasts", "predicts", "schedule", "forecast", "predict", "will", "could", "may", or their negatives or other comparable words. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Atlatsa's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Atlatsa believes that such forward-looking statements are based on material factors and reasonable assumptions, including the following assumptions: maintaining production levels at Bokoni Mine in accordance with mine operating plan; anticipated financial and operational improvements expected as a result of the Restructure Plan; the Company's ability to refinance its debts as and when due; contracted parties provide goods and/or services on the agreed timeframes; availability of equipment available as scheduled and does not incur unforeseen breakdowns; absence of material labour slowdowns, strikes or community unrest; proper functioning of plant and equipment functions; geological or financial parameters do not necessitate future mine plan changes; and absence of geological or technical problems.

Forward-looking statements, however, are not guarantees of future performance and actual results or developments may differ materially from those projected in forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include: uncertainties related to the achievement of the anticipated financial and operational improvements expected as a result of the Restructure Plan; uncertainties related to the continued implementation of the Bokoni Mine operating plan; uncertainties related to the termination and rehabilitation of the Klipfontein Merensky Opencast Mine operation; uncertainties related to the timing of the implementation of the Bokoni Mine deferred expansion plans which includes the accelerated development of the Brakfontein and Middelpunt Hill shafts; fluctuations in market prices, levels of exploitation and exploration successes; changes in and the effect of government policies with respect to mining and natural resource exploration and exploitation; continued availability of capital and financing; general economic, market or business conditions; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, industrial unrest and strikes; political instability; suspension of operations and damage to mining property as a result of community unrest and safety incidents; insurrection or war; the effect of HIV/AIDS on labour force availability and turnover; delays in obtaining government approvals; and the Company's ability to satisfy the terms and conditions of the loans and borrowings, as described in Section 6 -

"LIQUIDITY" and under "Going Concern" in *Note 2* of the audited consolidated financial statements for year ended December 31, 2016. These factors and other risk factors that could cause actual results to differ materially from those in forward-looking statements are described in further detail under "*Description of Business - Risk Factors"* in Atlatsa's Annual Information Form for Fiscal 2016, which is available on SEDAR at www.sedar.com.

Atlatsa advises investors that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to Atlatsa or persons acting on its behalf. Atlatsa assumes no obligation to update its forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such statements, except as required by law. Investors should carefully review the cautionary notes and risk factors contained in this MD&A and other documents that Atlatsa files from time to time with, or furnishes to; Canadian securities regulators and which are available on SEDAR at www.sedar.com.

Cautionary Note Regarding Non-IFRS Measures

EBITDA is not a recognized measure under IFRS and should not be construed as an alternative to net profit or loss determined in accordance with IFRS as an indicator of the financial performance of Atlatsa or as a measure of Atlatsa's liquidity and cash flows. While EBITDA is a useful supplemental measure of cash flow prior to debt service, changes in working capital, capital expenditures and taxes, Atlatsa's method of calculating EBITDA may differ from other issuers and, accordingly, EBITDA may not be comparable to similar measures presented by other issuers. Refer to *Note 38* of the audited consolidated financial statements for Fiscal 2016 and Fiscal 2015, for a reconciliation of EBITDA to net income (loss) which is available on SEDAR at www.sedar.com.

Cautionary Note to U.S. Investors Regarding Mining Disclosures

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

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

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

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

Cautionary Note to Investors Concerning Technical Review of the Bokoni Mine

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

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

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