Atlatsa
RESOURCES CORPORATION

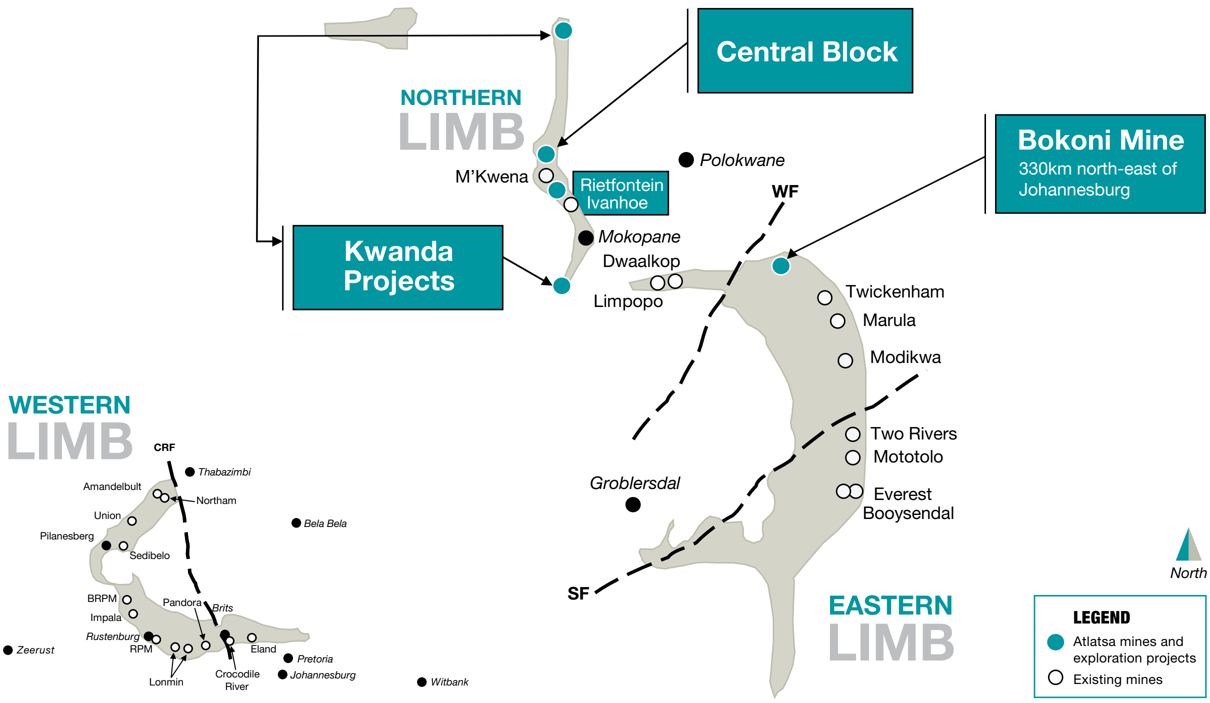
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the three and nine months ended September 30 2016, and 2015

(Unaudited)

EMPOWERED TO PRODUCE

WHERE WE ARE:
OUR ASSETS



Disclaimer

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: open cast mining and accelerated development of underground shaft systems at Bokoni Mine; 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; 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 and opencast mining operations; uncertainties related to the termination of the Klipfontein Merensky Opencast Mine operation; uncertainties related to the timing of the implementation of the Bokoni Mine deferred expansion plans; fluctuations in market prices, levels of exploitation and exploration successes; changes in and the effect of government policies with respect to mining and natural resource exploration and exploitation; continued availability of capital and financing; general economic, market or business conditions; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, industrial unrest and strikes; political instability; suspension of operations and damage to mining property as a result of community unrest and safety incidents; insurrection or war; the effect of HIV/AIDS on labour force availability and turnover; delays in obtaining government approvals; and the Company's ability to satisfy the terms and conditions of the Term Loan Facility and the SFA, as described in "Liquidity" and under "Going Concern" in note 2 of the unaudited condensed consolidated interim financial statements for Q3 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 Item 3D "Risk Factors" in Atlatsa's Annual Report on Form 20 F for Fiscal 2015, which is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Atlatsa advises investors that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to Atlatsa or persons acting on its behalf. Atlatsa assumes no obligation to update its forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such statements, except as required by law. Investors should carefully review the cautionary notes and risk factors contained in this 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.

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REPORT PROFILE

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

This report covers the financial performance for the three and nine months ended September 30, 2016 and 2015.

CONDENSED CONSOLIDATED
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2016

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

	Note	September 30 2016	(Audited) December 31 2015
ASSETS			
Non-current assets			
Property, plant and equipment	7	311,040,941	294,924,626
Capital work-in-progress	8	15,270,976	9,197,977
Other intangible assets		217,930	226,995
Mineral property interests	9	7,060,694	6,958,857
Bokoni Environmental Rehabilitation Trust		4,264,230	3,685,645
Total non-current assets		337,854,771	314,994,100
Current assets			
Inventories		2,181,067	1,553,872
Trade and other receivables		31,264,487	6,298,336
Cash and cash equivalents		1,940,881	3,495,531
Restricted cash		50,734	45,683
Total current assets		35,437,169	11,393,422
Total assets		373,291,940	326,387,522
EQUITY AND LIABILITIES			
Equity			
Share capital	10	309,691,439	309,691,439
Treasury shares	10	(4,991,726)	(4,991,726)
Fair value reserve	14	56,787,283	–
Foreign currency translation reserve		(11,719,817)	(13,587,314)
Share-based payment reserve		29,559,425	28,058,038
Accumulated loss		(281,256,466)	(256,352,015)
Total equity attributable to equity holders of the Company		98,070,139	62,818,422
Non-controlling interests		(21,732,610)	(10,267,725)
Total equity		76,337,529	52,550,697
Non-current liabilities			
Long-term portion of loans and borrowings	11	192,580,622	136,837,718
Deferred tax liability		60,050,577	40,811,920
Provisions		17,684,120	13,769,756
Total non-current liabilities		270,315,319	191,419,394
Current liabilities			
Trade and other payables		25,048,558	36,558,488
Restructuring provision	13	1,497,644	9,506,434
Short-term portion of loans and borrowings	11	69,200	36,048,074
Short-term portion of finance lease liability	12	23,690	304,435
Total current liabilities		26,639,092	82,417,431
Total liabilities		296,954,411	273,836,825
Total equity and liabilities		373,291,940	326,387,522

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

Approved by the Board of Directors on November 14, 2016

Harold Motaung
Director

Fikile De Buck
Director

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

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

	Note	Three months ended September 30 2016	Three months ended September 30 2015	Nine months ended September 30 2016	Nine months ended September 30 2015
Revenue		48,877,041	57,208,184	125,168,141	161,180,072
Cost of sales		(54,001,958)	(65,036,910)	(144,256,606)	(194,480,791)
Gross loss		(5,124,917)	(7,828,726)	(19,088,465)	(33,300,719)
General and administrative expenses		(2,000,847)	(2,318,487)	(6,306,119)	(8,009,420)
Fair value adjustments on loans	14	103,608	(145,373)	1,013,538	107,536
Restructuring (costs)/reversals	13	(1,208,995)	(21,938,801)	6,183,858	(21,938,801)
Other expenses including impairment loss		(71,488)	–	(192,787)	(337,064,465)
Other income		3,857	2,591	11,627	17,006
Operating loss		(8,298,782)	(32,228,796)	(18,378,348)	(400,188,863)
Finance income		64,562	44,808	193,814	193,435
Finance costs		(8,018,827)	(6,187,749)	(21,908,693)	(17,198,593)
Net finance costs		(7,954,265)	(6,142,941)	(21,714,879)	(17,005,158)
Loss before income tax		(16,253,047)	(38,371,737)	(40,093,227)	(417,194,021)
Income tax		4,857,091	995,704	5,211,580	65,917,262
Loss for the period		(11,395,956)	(37,376,033)	(34,881,647)	(351,276,759)
Other comprehensive income					
Foreign currency translation differences for foreign operations		1,556,099	(3,749,819)	533,019	4,938,502
Other comprehensive income for the period, net of income tax		1,556,099	(3,749,819)	533,019	4,938,502
Total comprehensive income for the period		(9,839,857)	(41,125,852)	(34,348,628)	(346,338,257)
Loss attributable to:					
Owners of the parent		(7,185,907)	(21,452,293)	(24,904,450)	(157,873,703)
Non-controlling interests		(4,210,049)	(15,923,740)	(9,977,197)	(193,403,056)
Loss for the period		(11,395,956)	(37,376,033)	(34,881,647)	(351,276,759)
Total comprehensive income attributable to:					
Owners of the parent		(4,086,339)	(25,202,356)	(22,883,743)	(157,127,395)
Non-controlling interests		(5,753,517)	(15,923,496)	(11,464,884)	(189,210,862)
Total comprehensive income for the period		(9,839,857)	(41,125,852)	(34,348,628)	(346,338,257)
Basic loss per share	14	(1 cent)	(4 cent)	(4 cent)	(25 cents)
Diluted loss per share	14	(1 cent)	(4 cent)	(4 cent)	(25 cents)

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

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

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

	Share capital		Treasury shares								
	Number of shares	Amount	Number of shares	Amount	Fair value reserve	Foreign currency translation reserve	Share-based payment reserve	Accumulated loss	Total shareholders' equity	Non-controlling interests	Total equity
For the period ended September 30, 2015											
Balance at January 1, 2015	554,288,473	309,659,583	4,497,062	(4,991,726)	–	(10,558,030)	26,245,459	(89,283,115)	231,072,171	184,133,904	415,206,075
Acquisition of shares in Bokoni Platinum Holdings Proprietary Limited	–	–	–	–	–	–	–	–	–	2,833,641	2,833,641
Total comprehensive income for the period											
Loss for the period	–	–	–	–	–	–	–	(157,873,703)	(157,873,703)	(193,403,056)	(351,276,759)
Other comprehensive income for the period, net of tax	–	–	–	–	–	890,108	(143,800)	–	746,308	4,192,194	4,938,502
Total comprehensive income for the period	–	–	–	–	–	890,108	(143,800)	(157,873,703)	(157,127,395)	(189,210,862)	(346,338,257)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Share-based payments expense	–	–	–	–	–	–	1,662,417	–	1,662,417	–	1,662,417
Common shares issued	133,333	31,856	–	–	–	–	(31,856)	–	–	–	–
Total contributions by and distributions to owners	133,333	31,856	–	–	–	–	1,630,561	–	1,662,417	–	1,662,417
Balance at September 30, 2015	554,421,806	309,691,439	4,497,062	(4,991,726)	–	(9,667,922)	27,732,220	(247,156,818)	75,607,193	(2,243,317)	73,363,876
For the period ended September 30, 2016 **Balance at January 1, 2016**	554,421,806	309,691,439	4,497,062	(4,991,726)	–	(13,587,314)	28,058,038	(256,352,015)	62,818,422	(10,267,725)	52,550,697
Total comprehensive income for the period											
Loss for the period	–	–	–	–	–	–	–	(24,904,450)	(24,904,450)	(9,977,197)	(34,881,647)
Other comprehensive income for the period, net of tax	–	–	–	–	–	1,867,497	153,210	–	2,020,707	(1,487,688)	533,019
Total comprehensive income for the period	–	–	–	–	–	1,867,497	153,210	(24,904,450)	(22,883,743)	(11,464,884)	(34,348,628)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Modification of loan terms with shareholders accounted for in equity	–	–	–	–	56,787,283	–	–	–	56,787,283	–	56,787,283
Share-based payments expense	–	–	–	–	–	–	1,348,177	–	1,348,177	–	1,348,177
Total contributions by and distributions to owners	–	–	–	–	56,787,283	–	1,348,177	–	58,135,461	–	58,135,461
Balance at September 30, 2016	554,421,806	309,691,439	4,497,062	(4,991,726)	56,787,283	(11,719,817)	29,559,425	(281,256,466)	98,070,139	(21,732,610)	76,337,529

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

CONDENSED CONSOLIDATED

INTERIM STATEMENT OF CASH FLOWS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

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

	Note	Three months ended September 30 2016	Three months ended September 30 2015	Nine months ended September 30 2016	Nine months ended September 30 2015
Cash flows from operating activities					
Cash (utilised by)/generated from operations	16	(31,929,803)	10,714,981	(44,941,441)	7,929,663
Interest received		25,036	14,140	87,453	103,654
Interest paid		(795,901)	(792,311)	(2,875,131)	(2,224,917)
Income tax paid		–	–	–	(548)
Net cash flows (used in)/from operating activities		(32,700,667)	9,936,810	(47,729,119)	5,807,852
Cash flows from investing activities					
Increase in investments held by Bokoni Environmental Rehabilitation Trust		(69,625)	(75,479)	(199,117)	(230,935)
Acquisition of property, plant and equipment	7	–	(4,184)	–	(6,136)
Expenditures on capital work-in-progress	8	(8,875,249)	(8,273,036)	(16,891,426)	(16,494,239)
Net cash flows used in investing activities		(8,944,874)	(8,352,699)	(17,090,543)	(16,731,310)
Cash flows from financing activities					
Proceeds from loans and borrowings		43,988,105	104,900	100,430,636	6,302,782
Repayment of loans and borrowings		(872,091)	–	(35,586,927)	–
Finance lease liability repayments		(39,830)	(1,331,035)	(293,080)	(2,821,034)
Other loans repaid		(637)	–	(26,013)	(168,192)
Net cash flows (used in)/from financing activities		43,075,547	(1,226,135)	64,524,615	3,313,556
Effect of foreign currency translation		(1,590,564)	(190,741)	1,259,604	164,273
Net decrease in cash and cash equivalents		(160,558)	167,235	(1,554,650)	(7,445,629)
Cash and cash equivalents at beginning of period		2,101,439	535,694	3,495,531	8,148,558
Cash and cash equivalents at end of period		1,940,881	702,929	1,940,881	702,929

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

NOTES

TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

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

1. CORPORATE AND GROUP INFORMATION

Atlatsa Resources Corporation ("the Company" or "Atlatsa") is incorporated in the Province of British Columbia, Canada. The Company has a primary listing on the Toronto Stock Exchange ("TSX") and has a secondary listing on the JSE Limited ("JSE"). On July 10, 2015, the Company announced its intention to file a Form 25 (Notification of Removal from Listing and/or Registration under Section 12(b) of the Securities Exchange Act of 1934) with the U.S. Securities and Exchange Commission (the "SEC") to voluntarily withdraw its common shares from listing on the NYSE MKT. The Company filed the Form 25 on July 20, 2015 and the delisting was effective 10 days following the filing of the Form 25. On July 8, 2016, the company announced its intention to file a Form 15 with the SEC to terminate the registration of its common shares under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and its reporting obligations under Section 13(a) of the Exchange Act. The termination will become effective 90 days after the filing of the Form 15 and upon filing; the company's reporting obligations under the Exchange Act were suspended immediately. On October 8, 2016 the deregistration of the Company's common shares was effected.

The condensed consolidated interim financial statements comprise of the Company and its subsidiaries (together referred to as "the Group" and individually as "Group entities"). The Group's principal business activity is the mining and exploration of Platinum Group Metals ("PGM") through its mineral property interests. The Company focuses on mineral property interests located in the Republic of South Africa in the Bushveld Complex. Atlatsa operates in South Africa through its wholly-owned subsidiary, Plateau Resources Proprietary Limited ("Plateau") which owns the Group's various mineral property interests and conducts the Group's business in South Africa.

2. GOING CONCERN

The Group incurred a net loss of $34.9 million for the nine months period (2015: $351.3 million). The loss for the period is primarily as a result of the decrease in production volumes and the impact this had on the profitability of the Group's subsidiary, Bokoni Platinum Mines Proprietary Limited ("Bokoni" or "Bokoni Mine"). 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 Group.

As at September 30, 2016, the Group's current assets exceeded its current liabilities by $8.8 million.

Bokoni Mine operations and restructure plan

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

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

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

The Restructure Plan at Bokoni was completed by June 30, 2016 and resulted in:

1. The UM2 and Vertical Merensky shaft operations have been placed on care and maintenance (in August and December 2015 respectively).
2. The ramp up of the Middelpunt Hill UG2 and Brakfontein Merensky development shafts will be delayed by six to twelve months from the planned targets. This is due to certain operational challenges that include delays in re-training of own mine employees and challenges associated with skills mix within the labour force after implementation of the first phase of the Restructure Plan. This has had a negative impact on planned development and resulted in a delay in primary development during Fiscal 2016 relative to plan at Bokoni Mine. Management are still investigating further alternatives to minimise any further delays in capital projects build up at the operations.

3. Rather than continuing mining at the Klipfontein Merensky Opencast operation as a mill-gap filler during ramp up of the underground operations, a decision has been made to terminate the Opencast operations by the end of 2016. 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.
4. Significant reduction in labour overheads have been achieved whereby Bokoni Mine's labour complement reduced by 29.6% from 5,657 as at September 30, 2015 to 3,985 as at September 30,2016. The reduction is made up of a 47.3% decrease in contractors and a 18.6% decrease in own mine employees.
5. Bokoni Mine's cash operating costs were reduced by 12% from September 30, 2015 to September 30, 2016, which was achieved mainly by the substantial reduction in Bokoni Mine's labour force.

The costs of implementing the Restructure Plan were financed from 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 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

Term Loan Facility Agreement

On December 9, 2015, the Term Loan Facility Agreement ("the Facility"), was entered into with RPM providing a $31.9 million (ZAR334.0 million) facility to enable Plateau to advance its share of the shareholder loans to Bokoni Holdings Platinum Mine Proprietary Limited for the sole purpose of enabling Bokoni Mine to fund operating expenses, working capital expenditure and capital expenditure costs in the event that these costs cannot be funded from Bokoni Mine cash flows. RPM will fund its 49% share of cash calls made by Bokoni Mine in accordance with the joint venture shareholders' agreement between the parties. The Facility bears no interest; however, if any amount which is due and payable in accordance with the facility is unpaid, the unpaid amount shall accrue interest at the prime rate plus 2%. The Facility is repayable at the earlier of an event of default and December 31, 2018. There will be a mandatory repayment upon the occurrence of a change of control or a sale of all or substantially all the assets of Bokoni whether in a single transaction or a series of related transactions.

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

A full draw-down of $31.9 million (ZAR334.0 million) was made on March 22, 2016, to enable Plateau to fund its 51% pro-rata share towards the repayment of advances by RPM (not supported by physical metal deliveries) of $51.8 million (ZAR541.7 million) to Bokoni outstanding at March 31, 2016. The balance, $10.8 million (ZAR113.2 million), was utilised to repay a portion of the Advance as at that date. RPM was obliged to meet its 49% share of the cash call ($30.7 million (ZAR320.9 million)) in accordance with the joint venture shareholders' agreement between the parties.

First amendment and restatement

On August 15, 2016 the Facility was amended and restated to allow for an additional $18.4 million (ZAR193.0 million) to be made available 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.

The amended facility divided the available funding into three tranches:

1. Tranche A – the original $31.9 million (ZAR334.0 million) facility already fully utilised as indicated above;
2. Tranche B – an additional facility of $12.4 million (ZAR130.0 million); and
3. Tranche C – an additional facility of $6.0 million (ZAR63.0 million).

2. GOING CONCERN continued

Term Loan Facility Agreement continued

Utilisation of Tranche B

There were no conditions attached to the utilisation of Tranche B and this facility was available to the Group as of August 15, 2016.

A full drawdown on Tranche B took place during the period and there is no available facility on this Tranche as of the reporting date.

Utilisation of Tranche C

The conditions to utilisation of Tranche C are as follows:

1. In relation to the Central Block prospecting rights held by Plateau:
   a) All renewal applications being granted by the Department of Mineral Resources ("DMR") and the duly completed deeds of renewal being executed and lodged with the Mineral and Petroleum Titles Registration Office ("MPTRO").
2. In relation to the Kwanda prospecting right held by Kwanda:
   a) The renewal application being granted by the DMR and the duly completed deed of renewal being executed and lodged with the MPTRO.
   b) The "Regulation 60 Application" for a certified copy of the right being processed.
   c) The Ministerial consent granted under section 11 of the MPRD Act which relates to the right being rectified to refer to the correct reference number of the right.
   d) The duly completed deed of cession under which the right is transferred to Kwanda being executed and lodged with the MPTRO.

These conditions to utilisation were waived by Anglo Platinum and drawdowns were permitted during the period.

Drawdowns amounting to $2.9 million (ZAR29.9 million) took place during the period resulting in only $3.2 million (ZAR33.1 million) available on Tranche C as at September 30, 2016, which was utilised during October 2016. There is no available facility on this Tranche as of the reporting date.

Second amendment and restatement

On September 7, 2016 Anglo Platinum advised that they would prefer not to in future fund Bokoni Mine through POC pre-payments, i.e. the Advance, and that all cash operating shortfalls would be funded through drawdowns on the Facility. This facilitated the rapid utilisation of Tranche B and C above.

As at the reporting date, a second amendment and restatement of the Facility was still being finalised with Anglo Platinum to allow for additional funds to be made available, namely Tranche D. The facility provided under Tranche D will cover the cash operating shortfalls to and including March 31, 2017.

Until the second amendment and restatement is concluded, the cash operating shortfalls have in the interim been funded through the Advance after full utilisation of Tranche B and C occurred during the period (discussed above). It is expected that the agreement will be concluded prior to November 30, 2016.

By mutual agreement with Anglo Platinum, the funding requirements for Bokoni Mine's 2017 business plan (for the period April 1, 2017 through to December 31, 2017) would be funded through additional tranches by way of further amendments to the Facility when required.

Utilisation of Tranche D

The conditions precedent to the utilisation of Tranche D 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.

Senior Facilities Agreement

First amendment and restatement

The Senior Facilities Agreement ("SFA") was amended and restated on December 10, 2015 to increase the funds available under the facility by $6.8 million (ZAR71.4 million) to enable a backlog of trade and other payables relating to RPM of approximately $13.4 million (ZAR140.0 million) to be repaid.

The conditions precedent were met and fulfilled on September 30, 2016 and repayment of the backlog of trade and other payables took place on this date.

Second amendment and restatement

A second amendment and restatement of the SFA was entered into on September 13, 2016 to allow for interest charges on the facility to stop with effect from September 30, 2016.

Going concern conclusion

Atlatsa remains in discussion with Anglo Platinum surrounding the future optimisation of Bokoni Mine as well as potential alternative financial support for the Company having regard to current challenges within the South African platinum industry.

Management is continuously investigating areas to preserve cash in the short term including the possibility of a further reduction in capital projects where appropriate. In addition, the Board of Atlatsa is considering the disposal of non-core assets and alternative sources of funding are being explored with third parties.

The condensed consolidated interim financial statements are prepared on the basis of accounting policies applicable to a going concern.

This basis presumes that the funding of the operational cash shortfall requirements of the Bokoni Mine 2017 business plan by way of further amendments to the Term Loan Facility will timeously be made available as mutually agreed with Anglo Platinum.

This condition gives rise to a material uncertainty which may cast substantial doubt on the ability of the Company and its subsidiaries to continue as going concerns and therefore may be unable to realise their assets and discharge their liabilities in the normal course of business.

3. BASIS OF ACCOUNTING

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for complete set of International Financial Reporting Standards annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated financial statements at and for the year ended December 31, 2015. The consolidated financial statements of the Group as at and for the year ended December 31, 2015 are available upon request from the Company's registered office at 82 Grayston Drive, Sandton, South Africa or at www.sedar.com and www.sec.gov.

The condensed consolidated interim financial statements have been prepared on a historical cost basis. Certain items are stated at fair value, refer to note 11 and 14. The condensed consolidated interim financial statements are presented in Canadian dollars ("$"), and all values are rounded to the nearest dollar, except where otherwise stated.

4. USE OF JUDGEMENTS AND ESTIMATES

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

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2015.

NOTES

TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015 continued

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

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2015.

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

Effective January 1, 2017:

- Disclosure initiative (Amendments to IAS7)
- Recognition of Deferred tax assets for unrealised losses (Amendments to IAS 12)

Effective January 1, 2018:

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial instruments
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Effective January 1, 2019:

- IFRS 16 Leases

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

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

6. FINANCIAL RISK MANAGEMENT

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

At June 30, 2016	**Loans and receivables**	**Financial liabilities at amortised cost**
Bokoni Environmental Rehabilitation Trust**	4,264,230	–
Trade and other receivables*	30,139,598	–
Cash and cash equivalents**	1,940,881	–
Restricted cash*	50,734	–
Loans and borrowings***	–	192,649,822
Finance lease liability*	–	23,690
Trade and other payables*	–	17,433,969
At December 31, 2015		
Bokoni Environmental Rehabilitation Trust**	3,685,645	–
Trade and other receivables*	4,926,455	–
Cash and cash equivalents**	3,495,531	–
Restricted cash*	45,683	–
Loans and borrowings***	–	172,885,792
Finance lease liability*	–	304,435
Trade and other payables*	–	28,268,321

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

The contractual value of the loans and borrowings (financial liabilities at amortised cost) at September 30, 2016 was $285,100,436 (ZAR2,983,782,688) (December 31, 2015 $157,445,158 (ZAR1,759,950,347)).

(a) Valuation techniques and unobservable inputs:

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

Type	Valuation technique
Loans and borrowings	Discounted cash flows

(b) Key assumptions:

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

7. PROPERTY, PLANT AND EQUIPMENT

Summary of property, plant and equipment	Nine months ended September 30 2016	Year ended December 31 2015
Cost		
Balance at beginning of the period	**758,438,496**	808,038,782
Additions	**4,270**	6,005
Transferred from capital work-in-progress	**11,837,068**	45,392,534
Disposals	**(3,023,356)**	(14,510)
Adjustments to rehabilitation assets	**848,470**	(1,387,613)
Effect of translation	**52,394,936**	(93,596,702)
Closing balance	**820,499,883**	758,438,496
Accumulated depreciation and impairment losses		
Balance at beginning of year	**463,513,870**	161,793,446
Depreciation for the period	**16,316,144**	37,867,916
Impairment loss	**–**	328,096,271
Disposals	**(2,979,139)**	(14,510)
Effect of translation	**32,608,070**	(64,229,253)
Closing balance	**509,458,940**	463,513,870
Carrying value	**311,040,491**	294,924,626

7. PROPERTY, PLANT AND EQUIPMENT continued

The economic climate over the last year (although the Rand platinum price has improved considerably in recent months), together with the fact that Bokoni Mine remains loss making at an operating profit level, indicates to management that there may be assets that require impairment. Also of significance is the relatively poor production performance which the mine has endured in the first nine months of the 2016 financial year culminating in a 16% reduction in the 4E ounce production relative to the 2016 Business Plan.

Management has assessed its cash-generating unit (CGU) as being Bokoni Mine, which is the lowest level for which cash flows are largely independent of other assets. All mining assets and goodwill are allocated to one CGU.

For purposes of impairment testing, a fair value less cost of disposal approach was used. This approach involved a discounted cash flow ("DCF") valuation for all mineable resources (i.e. reserves) and for the unmined resources a detailed resource valuation was performed.

DCF valuation:

Key assumptions used in the DCF valuation were the following:

- Life-of-mine – 37 years (2015: 37 years).
- Real weighted average cost of capital – 11.83% (2015: 12.55%).
- Average price deck for PGM prices was used. Initial price of US$940/oz (2015: US$995/oz) for platinum in 2016 and long-term US$1,252/oz (2015: US$1,154/oz) used in 2020.
- Range of ZAR/US$ real exchange rates – based on market expectations. Initial exchange rate of ZAR15.96/US$ (2015: ZAR13.91/US$) used in 2016 and long-term ZAR16.77/US$ (2015: ZAR13.42/US$) used in 2020.
- South African inflation – based on market expectations. Long term inflation rate of 5.50% (2015: 5.50%).
- Production of 4E ounces starts at 178,222 (2015: 201,868) ounces in 2016, building up to 351,339 (2015: 364,379) ounces in 2037 and gradually scales down towards the end of the life of mine.

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.

Resource valuation:

A transaction based valuation method was considered to value the unmined resources at Bokoni Mine.

The following was taken into consideration:

- Resource acquisition transactions between 2007 and 2016 were assessed to calculate a value per resource ounce for each transaction in USD
- Transactions were rebased to the current platinum price
- All resource categories (measured, indicated and inferred) were weighted for valuation purposes
- Transactions were grouped between "Eastern Limb transactions" and "Other"

Upon consideration of the all of the above, management were of the opinion that no impairment was necessary.

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.

	Nine months ended September 30 2016	Year ended December 31 2015
Balance at beginning of the period	9,197,977	29,272,118
Additions	16,887,156	25,684,322
Transfer to property, plant and equipment	(11,837,068)	(45,392,534)
Capitalisation of borrowing costs	–	766,579
Effect of translation	1,022,910	(1,132,508)
Balance at end of the period	15,270,976	9,197,977

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

9. MINERAL PROPERTY INTERESTS

	Nine months ended September 30 2016	Year ended December 31 2015
Balance at beginning of the period	6,958,857	7,339,706
Amortisation	(56,772)	(117,527)
Effect of translation	158,609	(263,322)
Balance at end of the period	7,060,694	6,958,857

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

Mineral property interests are carried at cost less amortisation and impairment losses.

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

10. SHARE CAPITAL

	Number of shares	
Authorised and issued	**Nine months ended September 30 2016**	**Year ended December 31 2015**
Common shares with no par value	**554,421,806**	554,421,806

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

	Nine months ended September 30 2016	Year ended December 31 2015
Share capital		
Share capital	**311,874,472**	311,874,472
Share issue costs	**(2,183,033)**	(2,183,033)
	309,691,439	309,691,439
Treasury shares	**(4,991,726)**	(4,991,726)

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

11. LOANS AND BORROWINGS

	Nine months ended September 30 2016	Year ended December 31 2015
RPM – Working Capital Facility (related party)	**11,517,499**	9,092,256
RPM – Senior Facilities Agreement (related party)	**95,028,211**	127,745,462
RPM – Term Loan Facility (related party)	**34,140,086**	–
RPM – Shareholder loan (related party)	**51,894,826**	–
RPM – POC Advance (related party)	**–**	35,952,642
Other	**69,200**	95,432
Total loans and borrowings	**192,649,822**	172,885,792
Short-term portion of loans and borrowings		
RPM – POC Advance	**–**	(35,952,642)
Other	**(69,200)**	(95,432)
Long-term portion of loans and borrowings	**192,580,622**	136,837,718

	Nine months ended September 30 2016	Year ended December 31 2015
The carrying value of the Group's loans and borrowings changed during the period as follows:		
Balance at beginning of the period	172,885,792	130,927,146
Loans repaid – Other	(26,013)	(498,229)
Loan from RPM – Working Capital Facility	969,140	3,477,500
Loan from RPM – Shareholder loan	48,736,133	2,825,282
Loan from RPM – Term Loan Facility	43,903,093	–
Loan from RPM – Senior Facilities Agreement	6,822,270	–
Loan from RPM (repaid)/advanced – POC Advance	(35,586,927)	40,389,454
Shareholder loan capitalised	–	(2,833,641)
Finance expenses accrued	18,010,024	19,646,355
AG8 adjustment on Senior Facilities Agreement	(1,013,538)	314,840
Gain on modification of terms on Term Loan Facility	(14,134,017)	–
Gain on modification of terms on Senior Facilities Agreement	(58,959,098)	–
Effect of translation	11,042,964	(21,362,915)
Balance at end of the period	192,649,822	172,885,792

Term Loan Facility Agreement

This facility was amended and restated on August 15, 2016 to increase the size of the facility by $18.4 million (ZAR193.0 million), available in two tranches. On August 18, 2016, an amount of $6.3 million (ZAR66.3 million) of Tranche B was drawn down and between September 1, and September 30, 2016, drawdowns to the value of $8.9 million (ZAR93.6 million) were made; all used for working capital at Bokoni Mine.

As at the reporting date, a second amendment and restatement of the Facility was still being finalised with Anglo Platinum to allow for additional funds to be made available, namely Tranche D.

Senior Facilities Agreement

A second amendment and restatement of the Senior Facilities Agreement was entered into on September 13, 2016 to allow for interest charges on the facility to stop with effect from the September 30, 2016. With regards to the amendments as discussed above, the amendments to the terms and conditions triggered the derecognition of the carrying value of the loan as calculated to date. The contractual amount as at September 30, 2016, was recognised at fair value as a new interest free loan, and the difference between the original loan and the new loan recognised as equity, which represents a contribution from RPM.

Working Capital Facility

By way of agreement with Anglo Platinum, on September 1, 2016 this facility ceased to carry any additional interest.

Shareholder loan

RPM was obliged to meet its 49% share of the cash call ($51.9 million (ZAR543.1 million)) in accordance with the joint venture shareholders' agreement between the parties. As at the date hereof, a shareholders loan of $51.9 million (ZAR543.1 million) exits. This loan bears no interest and has no repayment terms.

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

12. FINANCE LEASE LIABILITY

	Nine months ended September 30 2016	Year ended December 31 2015
Finance lease – Fermel	23,690	304,435
Total finance lease liability	23,690	304,435
Short-term portion of finance lease liability		
Finance lease – Fermel	(23,690)	(304,435)
	(23,690)	(304,435)
Long-term portion of finance lease liability	–	–
The carrying value of the Group's finance lease liability changed during the period as follows:		
Balance at beginning of the period	304,435	2,918,431
Lease repayment	(293,080)	(2,922,491)
Finance expenses accrued	13,696	346,064
Effect of translation	(1,361)	(37,569)
Balance at end of the period	23,690	304,435

The terms of the lease are as follows:

Interest rate	2% – 22.1%	2% – 22.1%
Lease term	**13 months – 2 years**	**13 months – 2 years**
Carrying amount of leased assets included in property, plant and equipment	58,344	955,685

Bokoni entered into instalment sale agreements with Fermel Proprietary Limited ("Fermel") in previous financial periods for the lease of equipment.

Ownership of the equipment leased from Fermel will be transferred to Bokoni when all amounts due in terms of the agreements have been paid.

30 September 2016	**Less than one year**	**Between two and five years**
Future minimum lease payments	24,076	–
Interest	386	–
Present value of minimum lease payments	23,690	–

31 December 2015	**Less than one year**	**Between two and five years**
Future minimum lease payments	318,634	–
Interest	14,199	–
Present value of minimum lease payments	**304,435**	–

13. RESTRUCTURING PROVISION

	Nine months ended September 30 2016	Year ended December 31 2015
Balance at the beginning of the period	9,506,434	–
Restructuring provision	1,387,926	10,679,595
Provision expensed	(1,786,286)	–
Provision reversal	(7,392,853)	–
Effect of translation	13,017	(1,173,161)
Balance at end of period	1,497,644	9,506,434

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

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

14. FAIR VALUE GAIN

The Term Loan Facility Agreement entered into with RPM provides a $50.4 million (ZAR527.0 million) facility to enable Plateau to advance its 51% pro rate share of the shareholder loans to Bokoni Holdco for the sole purpose of enabling Bokoni Mine to fund operating expenses, working capital expenditure and capital expenditure costs in the event that these costs cannot be funded from Bokoni Mine cash flows (refer note 2).

Management has applied judgment in 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 (full facility), repayment of the loan and a synthesised market related interest rate. Based on the aforementioned, an effective interest rate was established on initial recognition that would be used to build the loan back up to contractual value by date of payment.

There was no fair value or AG8 adjustment attributable to non-controlling interests as their portion of the loan was capitalised.

Nine months ended September 30, 2016	Through profit/ loss (owners of the company)	Through profit/ loss (non-controlling interest)	Total – through profit/loss	Directly in equity
Day 1 fair value adjustment on Term Loan Facility	–	–	–	14,134,017
Day 1 fair value adjustment on Senior Facilities Agreement	–	–	–	58,959,098
Fair value adjustments on Senior Facilities Agreement	1,013,538	–	1,013,538	–
	1,013,538	–	1,013,538	73,093,115

The fair value adjustment relates to revised estimates of payments and receipts (cash flows) by the end of September 30, 2016 as compared to cash flows used in computing the fair value at December 31, 2015. In regards to the amendments as discussed and documented in note 11, the amendments to the terms and conditions of the Senior Facilities Agreement triggered the derecognition of the carrying value of the loan as calculated to date. The contractual amount as at September 30, 2016, was recognised at fair value as a new interest free loan, and the difference between the original loan and the new loan recognised as equity, which represents a contribution from RPM.

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

14. FAIR VALUE GAIN continued

Nine months ended September 30, 2015	Through profit/ loss (owners of the company)	Through profit/ loss (non-controlling interest)	Total – through profit/loss	Directly in equity
Fair value adjustment on Senior Facilities Agreement	107,536	–	107,536	–
	107,536	–	107,536	–

The fair value adjustment relates to revised estimates of payments and receipts (cash flows) by the end of September 30, 2015 as compared to cash flows used in computing the fair value at December 13, 2014.

15. EARNINGS PER SHARE

The calculation of basic loss per share for the nine months ended September 30, 2016 of 4 cent (2015: (29 cent)) is based on the loss attributable to owners of the Company of $24,904,450 (2015: ($157,873,703)) and a weighted average number of shares of 554,421,806 (2015: 553,402,144).

The calculation of basic loss per share for the three months ended September 30, 2016 of 1 cent (2015: (4 cent)) is based on the loss attributable to owners of the Company of $7,185,907 (2015: ($21,452,293)) and a weighted average number of shares of 554,421,806 (2015: 553,402,144).

The calculation of diluted loss per share for the nine months ended September 30, 2016 of 4 cent (2015: (28 cent)) is based on the loss attributable to owners of the Company of $24,904,450 (2015: ($157,873,703)) and a weighted average number of shares of 554,421,806 (2015: 554,338,519).

The calculation of diluted loss per share for the three months ended September 30, 2016 of 1 cent (2015: (4 cent)) is based on the loss attributable to owners of the Company of $7,185,907 (2015: ($21,452,293)) and a weighted average number of shares of 554,421,806 (2015: 554,338,519).

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

16. CASH UTILISED BY OPERATIONS

	Three months ended September 30 2016	Three months ended September 30 2015	Nine months ended September 30 2016	Nine months ended September 30 2015
Loss before income tax	(16,253,049)	(38,371,737)	(40,093,227)	(417,194,021)
Adjusted for:				
Finance costs	8,018,827	6,187,749	21,908,693	17,198,593
Finance income	(64,562)	(44,808)	(193,814)	(193,435)
Non-cash items:				
Depreciation and amortisation	5,825,158	5,621,859	16,395,637	26,053,953
Impairment loss	–	–	–	337,064,465
Share-based compensation	459,920	571,448	1,348,177	1,662,417
Rehabilitation adjustment	22,070	–	900,581	692,098
Fair value on drawdowns and AG8 Adjustments	(103,608)	145,373	(1,013,538)	(107,536)
Profit on disposal of property, plant and equipment	40,142	–	44,217	–
Restructure costs	1,157,332	21,938,801	(8,021,807)	21,938,801
Cash utilised by operations before ESOP transactions	(897,771)	(3,951,315)	(8,725,081)	(12,884,665)
ESOP cash transactions (restricted cash)	16,528	32,856	47,268	68,393
Cash utilised by operations before working capital changes	(881,242)	(3,918,459)	(8,677,812)	(12,816,272)
Working capital changes				
(Increase)/decrease in trade and other receivables	(21,655,405)	2,558,399	(22,816,773)	9,093,440
(Decrease)/increase in trade and other payables	(9,018,442)	13,204,127	(12,963,640)	14,489,563
(Increase)/decrease in inventories	(374,714)	(1,129,086)	(483,216)	(2,837,068)
Cash utilised by operations	(31,929,803)	10,714,981	(44,941,441)	7,929,663

17. SEGMENT INFORMATION

The Group has two reportable segments as described below. These segments are managed separately based on the nature of operations. For each of the segments, the Group's Chief Executive Officer ("CEO") (the Group's chief operating decision maker) reviews internal management reports monthly. The following summary describes the operations in each of the Group's reportable segments:

- Bokoni Mine – Mining of PGM's.
- Projects – Mining exploration in Kwanda.

The majority of operations and functions are performed in South Africa. An insignificant portion of administrative functions are performed in the Company's country of domicile.

The CEO considers earnings before net finance costs, income tax expense, depreciation and amortization ("EBITDA") to be an appropriate measure of each segment's performance. Accordingly, the EBITDA for each segment has been included. All external revenue is generated by the Bokoni Mine segment.

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

17. SEGMENT INFORMATION continued

	Nine months ended September 30, 2016			Nine months ended September 30, 2015			
	Bokoni Mine	Projects	Total	Bokoni Mine	Projects	Total	Note
EBITDA	**(843,035)**	**–**	**(843,035)**	(394,719,300)	–	(394,719,300)	(i)
Total assets	**370,175,256**	**3,830**	**370,179,086**	349,442,148	3,885	349,446,033	(iii)
Total Liabilities	**(149,746,221)**	**(34,041)**	**(149,780,262)**	(78,665,151)	(34,533)	(78,699,684)	(iv)

	Three months ended September 30, 2016			Three months ended September 30, 2015			
	Bokoni Mine	Projects	Total	Bokoni Mine	Projects	Total	Note
EBITDA	**(1,972,058)**	**–**	**(1,972,058)**	(25,956,373)	–	(25,956,373)	(ii)

	2016	2015
(i) EBITDA – Nine months ended September 30		
EBITDA for reportable segments	**(843,035)**	(368,762,927)
Net finance expense	**(3,898,806)**	(10,862,217)
Depreciation and amortisation	**(13,838,160)**	(20,432,094)
Corporate and consolidation adjustments	**(21,513,226)**	21,234,954
Consolidated loss before income tax	**(40,093,227)**	(378,822,284)
(ii) EBITDA – Three months ended September 30		
EBITDA for reportable segments	**(1,972,058)**	(365,344,357)
Net finance expense	**(1,293,673)**	(6,000,492)
Depreciation and amortisation	**(4,996,763)**	(11,370,593)
Corporate and consolidation adjustments	**(7,990,553)**	22,142,031
Consolidated loss before income tax	**(16,253,047)**	(360,573,411)
(iii) Total assets at September 30/December 31		
Assets for reportable segments	**370,179,086**	320,865,851
Corporate and consolidation adjustments	**3,112,853**	5,521,671
Consolidated total assets	**373,291,940**	326,587,522
(iv) Total liabilities at September 30/December 31		
Liabilities for reportable segments	**(149,780,262)**	(95,743,483)
Corporate and consolidation adjustments	**(147,174,147)**	(178,093,343)
Consolidated total liabilities	**(296,954,410)**	(273,836,825)

18. 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

		Nine months ended September 30 2016	Year ended December 31 2015
RPM	Loans and borrowings *(refer note 11)*	**(192,580,621)**	(172,790,360)
	Trade and other payables	**(4,530,046)**	(14,536,337)
	Trade and other receivables	**2,771,153**	2,594,530

Related party transactions

		Nine months ended September 30 2016	Nine months ended September 30 2015
RPM	Revenue	**(125,168,141)**	(161,180,072)
	Finance expense (before interest capitalised)	**20,885,741**	16,767,225
	Administration expenses	**5,818,086**	6,594,357
	Cost of sales	**21,180,416**	29,019,033
	Costs capitalised to capital work-in-progress	**–**	4,600,603

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

19. HEADLINE AND DILUTED HEADLINE EARNINGS/(LOSS) PER SHARE

Headline earnings/(loss) per share is calculated by dividing headline earnings/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. Diluted headline earnings/(loss) per share is determined by adjusting the headline earnings/(loss) attributable to shareholders of the Company and the weighted average number of ordinary shares in issue during the period, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Headline earnings/(loss) per share

The calculation of headline loss per share for the three months ended September 30, 2016 of 1 cents (2015: 4 cent) is based on headline loss of $7,226,049 (2015: $21,452,293) and a weighted average number of shares of 554,421,806 (2014: 554,338,519).

The calculation of headline loss per share for the nine months ended September 30, 2016 of 5 cents (2015: 8 cents) is based on headline loss of $24,948,667 (2015: $41,852,718) and a weighted average number of shares of 554,421,806 (2014: 553,402,144).

The following adjustments to loss attributable to owners of the Company were taken into account in the calculation of headline loss attributable to owners of the Company:

	Three months ended September 30		Nine months ended September 30	
	2016	2015	2016	2015
Loss attributable to shareholders of the Company	(7,185,907)	(21,452,293)	(24,904,450)	(157,873,703)
– Impairment loss	–	–	–	116,020,848
– Profit on disposal of property, plant and equipment	(40,142)	–	(44,217)	–
Headline loss attributable to owners of the Company	(7,226,049)	(21,452,293)	(24,948,667)	(41,852,718)

Diluted headline earnings/(loss) per share

The calculation of diluted headline loss per share for the three months ended September 30, 2016 of 1 cents (2015: 4 cent) is based on headline loss of $7,226,049 (2015: $21,452,293) and a weighted average number of shares of 554,421,806 (2014: 554,338,519).

The calculation of diluted headline loss per share for the nine months ended September 30, 2016 of 5 cents (2015: 8 cents) is based on headline loss of $24,948,667 (2015: $41,852,718) and a weighted average number of shares of 554,421,806 (2014: 553,402,144).

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

20. COMMITMENTS

	2016	2015
Contracted for	7,602,776	5,811,870
Not yet contracted for	5,684,402	4,755,473
Authorised capital expenditure	13,287,177	10,567,343

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

21. EVENTS AFTER THE REPORTING DATE

All events after the reporting date have been disclosed in Note 2.

Atlatsa
RESOURCES CORPORATION

Corporate information and administration

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

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