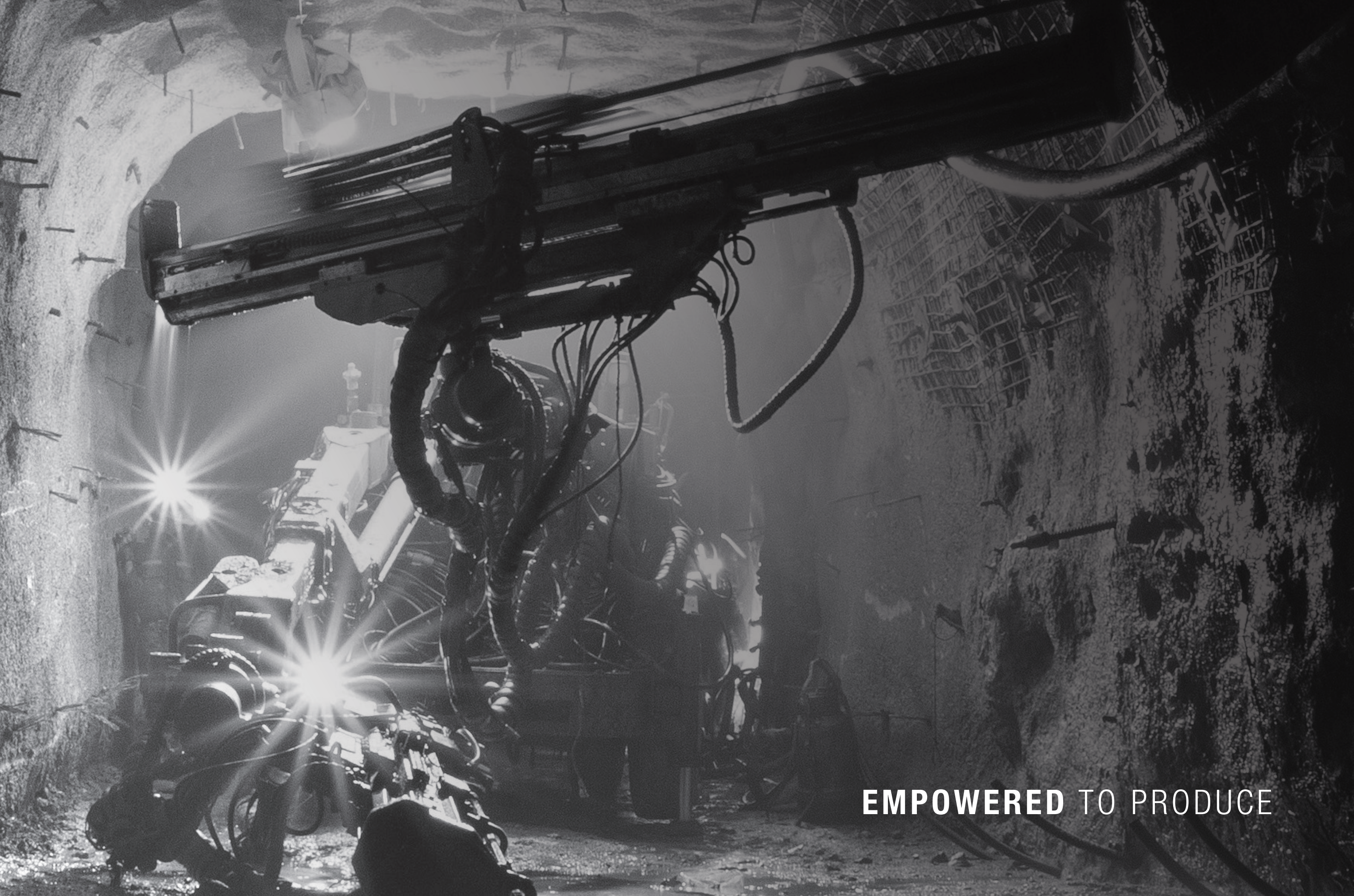
Atlatsa
RESOURCES CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the three and six months ended June 30, 2019 and 2018



EMPOWERED TO PRODUCE

ATLATSA RESOURCES CORPORATION

Condensed Consolidated Interim Statement of Financial Position
As at June 30, 2019
(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

	Notes	June 30, 2019	December 31, 2018 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	6	**125,170,785**	128,035,412
Intangible assets		**124,188**	143,245
Mineral property interests	7	**2,813,954**	2,839,155
Bokoni Environmental Rehabilitation Trust funds	8	**4,880,277**	4,906,571
Total non-current assets		**132,989,204**	135,924,383
Current assets			
Trade and other receivables	9	**780,165**	1,936,868
Cash and cash equivalents		**727,585**	1,247,768
Restricted cash		**66,954**	64,644
Asset held for sale	10	**4,200,000**	4,200,000
Total current assets		**5,774,704**	7,449,280
Total assets		**138,763,908**	143,373,663
Equity and Liabilities			
Equity			
Share capital	11	**309,691,439**	309,691,439
Treasury shares	11	**(4,991,726)**	(4,991,726)
Fair value reserve		**177,705,848**	177,180,672
Foreign currency translation reserve		**(3,746,045)**	(6,828,307)
Share based payment reserve		**30,339,760**	30,393,061
Accumulated loss		**(629,506,740)**	(595,502,259)
Total equity attributable to equity holders of the Company		**(120,507,464)**	(90,057,120)
Non-controlling interests		**(187,133,699)**	(182,370,218)
Total equity		**(307,641,163)**	(272,427,338)
Non-current liabilities			
Loans and borrowings	12	**46,340,000**	47,400,000
Deferred tax liability		**34,068,275**	34,847,567
Rehabilitation provision		**12,313,385**	12,058,446
Total non-current liabilities		**92,721,660**	94,306,013
Current liabilities			
Trade and other payables		**2,818,752**	2,509,866
Short-term portion of loans and borrowings	12	**350,864,659**	318,985,122
Total current liabilities		**353,683,411**	321,494,988
Total liabilities		**446,405,071**	415,801,001
Total equity and liabilities		**138,763,908**	143,373,663

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

Approved by the Board of Directors on August 14, 2019

Harold Motaung
(Director)

Fikile De Buck
(Director)

ATLATSA RESOURCES CORPORATION

Condensed Consolidated Interim Statement of Comprehensive Income
For the three and six months ended June 30, 2019 and 2018
(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

	Note	**Three months ended June 30, 2019**	Three months ended June 30, 2018	**Six months ended June 30, 2019**	Six months ended June 30, 2018
Revenue		**-**	1,494,687	**-**	5,526,889
Cost of sales		**-**	(5,541,971)	**-**	(9,561,612)
Gross loss		**-**	(4,047,284)	**-**	(4,034,723)
General and administrative expenses		**(879,589)**	(801,998)	**(2,186,278)**	(2,864,601)
Care and maintenance costs		**(4,086,937)**	(10,977,872)	**(7,777,375)**	(27,571,826)
Other income		**(5,873)**	1,725	**739,397**	3,510
Operating loss		**(4,972,399)**	(15,825,429)	**(9,224,256)**	(34,467,640)
Finance income		**49,619**	53,157	**99,513**	119,374
Finance costs		**(16,930,386)**	(17,810,164)	**(33,838,445)**	(35,781,588)
Net finance costs		**(16,880,767)**	(17,757,007)	**(33,738,932)**	(35,662,214)
Loss before income tax		**(21,853,166)**	(33,582,436)	**(42,963,188)**	(70,129,854)
Income tax		**-**	-	**-**	-
Loss for the period		**(21,853,166)**	(33,582,436)	**(42,963,188)**	(70,129,854)
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**(73,708)**	27,288,516	**7,224,187**	14,565,549
Other comprehensive income for the period, net of income tax		**(73,708)**	27,288,516	**7,224,187**	14,565,549
Total comprehensive income for the period		**(21,926,874)**	(6,293,920)	**(35,739,001)**	(55,564,305)
Loss attributable to:					
Owners of the parent		**(17,170,441)**	(23,374,664)	**(34,004,481)**	(49,611,665)
Non-controlling interests		**(4,682,725)**	(10,207,772)	**(8,958,707)**	(20,518,189)
Loss for the period		**(21,853,166)**	(33,582,436)	**(42,963,188)**	(70,129,854)
Total comprehensive income attributable to:					
Owners of the parent		**(16,892,698)**	(17,739,229)	**(30,975,520)**	(45,350,511)
Non-controlling interests		**(5,034,176)**	11,445,309	**(4,763,481)**	(10,213,794)
Total comprehensive income for the period		**(21,926,874)**	(6,293,920)	**(35,739,001)**	(55,564,305)
Basic loss per share – cents	13	**3**	4	**6**	9
Diluted loss per share- cents	13	**3**	4	**6**	9

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

ATLATSA RESOURCES CORPORATION

Condensed Consolidated Interim Statement of Changes in Equity
For the six months ended June 30, 2019 and 2018
(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

	Share capital		Treasury shares								
	Number of shares	**Amount**	**Number of shares**	**Amount**	**Foreign currency translation reserve**	**Fair value reserve**	**Share- based payment reserve**	**Accumulated Loss**	**Total shareholders' equity**	**Non-controlling interests**	**Total equity**
For the period ended June 30, 2018											
Balance at January 1, 2018	554,421,806	309,691,439	4,497,062	(4,991,726)	(10,393,921)	171,832,738	30,561,762	(501,451,058)	(4,750,766)	(153,485,221)	(158,235,987)
Loss for the period	-	-	-	-	-	-	-	(49,611,665)	(49,611,665)	(20,518,189)	(70,129,854)
Other comprehensive income for the period, net of tax	-	-	-	-	4,405,719	-	(144,565)	-	4,261,154	10,304,395	14,565,549
Total comprehensive income for the period	-	-	-	-	4,405,719	-	(144,565)	(49,611,665)	(45,350,511)	(10,213,793)	(55,564,305)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Fair value adjustment on loan facility with shareholders accounted for in equity	-	-	-	-	-	3,341,167	-	-	3,341,167	-	3,341,167
Total contributions by and distributions to owners	-	-	-	-	-	3,341,167	-	-	3,341,167	-	3,341,167
Transactions with owners, recognised directly in equity											
Balance at June 30, 2018	**554,421,806**	**309,691,439**	**4,497,062**	**(4,991,726)**	**(5,988,202)**	**175,173,905**	**30,417,197**	**(551,062,723)**	**(46,760,110)**	**(163,699,015)**	**(210,459,125)**
For the period ended June 30, 2019											
Balance at January 1, 2019	**554,421,806**	**309,691,439**	**4,497,062**	**(4,991,726)**	**(6,828,307)**	**177,180,672**	**30,393,061**	**(595,502,259)**	**(90,057,120)**	**(182,370,218)**	**(272,427,338)**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(34,004,481)**	**(34,004,481)**	**(8,958,707)**	**(42,963,188)**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**-**	**3,082,262**	**-**	**(53,301)**	**-**	**3,028,961**	**4,195,226**	**7,224,187**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**3,082,262**	**-**	**(53,301)**	**(34,004,481)**	**(30,975,520)**	**(4,763,481)**	**(35,739,001)**
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Fair value adjustment on loan facility with shareholders accounted for in equity	**-**	**-**	**-**	**-**	**-**	**525,176**	**-**	**-**	**525,176**	**-**	**525,176**
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**-**	**525,176**	**-**	**-**	**525,176**	**-**	**525,176**
Transactions with owners, recognised directly in equity											
Balance at June 30, 2019	**554,421,806**	**309,691,439**	**4,497,062**	**(4,991,726)**	**(3,746,045)**	**177,705,848**	**30,339,760**	**(629,506,740)**	**(120,507,464)**	**(187,133,699)**	**(307,641,163)**

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

ATLATSA RESOURCES CORPORATION

Condensed Consolidated Interim Statement of Cash Flows
For the three and six months ended June 30, 2019 and 2018
(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

	Three months ended June 30, 2019	Three months ended June 30, 2018	**Six months ended June 30, 2019**	Six months ended June 30, 2018
Cash Flows from operating activities				
Loss before income tax	**(21,853,166)**	(33,582,436)	**(42,963,188)**	(70,129,854)
Adjustments to reconcile profit before tax to net cash flows:				
Finance costs	**16,930,386**	17,810,164	**33,838,445**	35,781,588
Finance income	**(49,619)**	(53,157)	**(99,513)**	(119,374)
Depreciation and amortisation	**8,454**	9,926,922	**17,480**	21,239,644
Cash utilised by operations before ESOP transactions	**(4,963,945)**	(5,898,507)	**(9,206,776)**	(13,227,996)
ESOP cash transactions (restricted cash)	**1,906**	-	**3,809**	-
Cash utilised by operations before working capital changes	**(4,962,039)**	(5,898,507)	**(9,202,967)**	(13,227,996)
Working capital changes				
Decrease in trade and other receivables	**696,038**	2,395,737	**1,134,642**	3,071,762
Increase/(decrease) in trade and other payables	**50,107**	(3,946,299)	**349,197**	(2,754,658)
Decrease in inventories	**-**	266,965	**-**	409,983
Cash utilised by operations	**(4,215,894)**	(7,182,104)	**(7,719,128)**	(12,500,909)
Interest received	**5,219**	6,987	**11,112**	24,275
Interest paid	**(4,533)**	(97)	**(4,543)**	(598)
Income tax paid	**-**	-	**-**	-
Net cash flows used in operating activities	**(4,215,208)**	(7,175,214)	**(7,712,559)**	(12,477,232)
Cash flows from investing activities				
Net cash flows used in investing activities	**-**	-	**-**	-
Cash flows from financing activities				
Proceeds from loans and borrowings	**3,803,121**	6,632,613	**7,316,109**	11,889,261
Payments of loans and borrowings	**(48,814)**	(123,373)	**(136,136)**	(123,373)
Net cash flows from financing activities	**3,754,307**	6,509,240	**7,179,973**	11,765,888
Net decrease in cash and cash equivalents	**(460,901)**	(665,974)	**(532,586)**	(711,344)
Cash and cash equivalents at beginning of period	**1,166,692**	1,706,224	**1,247,768**	2,140,380
Effect of foreign currency translation	**21,794**	278,390	**12,403**	(110,396)
Cash and cash equivalents at end of period	**727,585**	1,318,640	**727,585**	1,318,640

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

1. CORPORATE AND GROUP INFORMATION

Atlatsa Resources Corporation ("Atlatsa" or "the Company") is incorporated in the Province of British Columbia, Canada. The Company has a primary listing on the Toronto Stock Exchange ("TSX") and a secondary listing on the securities exchange operated by the JSE Limited ("JSE").

The condensed consolidated interim financial statements, as at and for the three and six months ended June 30, 2019 and June 30, 2018, comprise of the Company and its subsidiaries (together referred to as "the Group"). The Group's principal business activity is the mining and exploration of Platinum Group Metals 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 for the six months ended June 30, 2019 of $43.0 million (2018: $70.1 million) and an operating cash flow shortfall of $7.7 million (2018: $12.5 million) and as of that date, the Group's total liabilities exceeded its total assets by $307.6 million (December 31, 2018: $272.4 million). The current liabilities exceeded current assets by $348.0 million (December 2018: $314.0 million). As a result of these factors, management considered whether the going concern assumption continued to be appropriate at June 30, 2019.

The loss for the period is primarily as a result of the Group's operating mine ("Bokoni Mine") being placed on care and maintenance as of October 1, 2017 and the resulting impact this had on profitability. Revenue generated by Bokoni Mine during 2018 was as a result of treating ore on behalf of Rustenburg Platinum Mines Limited ("RPM"), based on the Mototolo Ore Sale Agreement and the sale of the final concentrate to RPM. The Mototolo Ore Sale Agreement expired in May 2018 and no further revenue was generated pursuant to the tolling agreement. Following the impairment of property, plant and equipment during quarter four of 2018, there was no significant depreciation and amortization expense during 2019 (2018: $21.2million).

The Restructuring Plan

On July 21, 2017, the Group announced that it had entered into an agreement with Anglo American Platinum Limited ("AAP" or "Anglo American Platinum"), a related party, which outlined key terms agreed in relation to a two-phased restructuring plan for the Group (the "Restructuring Plan"), comprising:

- a care and maintenance strategy for Bokoni Mine ("Phase 1") which includes, *inter alia*:
    - Atlatsa to place the Bokoni Mine on care and maintenance;
    - Anglo American Platinum to fund all costs associated with the care and maintenance process up until December 31, 2019; and
    - Anglo American Platinum to suspend servicing and repayment of all current and future debt owing by the Group until December 31, 2019 ("Debt Standstill"); and
- a financial restructuring plan ("Phase 2") for the Group pursuant to which, *inter alia*:
    - RPM, a related party and significant shareholder of Atlatsa and a wholly-owned subsidiary of AAP, will acquire and include into its adjacent Northern Limb mining rights, the resources specified in the Group's Kwanda North and Central Block prospecting rights, for a cash consideration of $27.8 million (ZAR300 million) ("Prospecting Rights Disposition") (refer note 10);
    - subject to implementation of the Prospecting Rights Disposition, RPM will capitalise and/or write-off all debt owing by the Group, directly or indirectly, to RPM, including any current and further debt that may be incurred during the care and maintenance period of Bokoni Mine until December 31, 2019 ("RPM Debt Write-Off"); and
    - Atlatsa and RPM will retain their 51% and 49% respective shareholdings in the Bokoni Mine joint venture.

Following the announcement of December 12, 2018, Phase 2 has been incorporated into the Composite Transaction discussed below.

Bokoni Mine care and maintenance and Debt Standstill

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

- ceasing all mining and concentrating activities;
- conclusion of a Section 189A retrenchment process, including all staff and personnel on the mine; and
- care and maintenance team established to execute the care and maintenance strategy at the mine until December 31, 2019.

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

Anglo American Platinum has agreed to suspend servicing and repayment of all current and future debt incurred by the Group and owing to Anglo American Platinum and its related entities until December 31, 2019 ("Debt Standstill Period").

Atlatsa has also, consequently, restructured its corporate head office and associated overhead costs ("Overhead Costs"), in order to maintain a business which will hold a single asset on care and maintenance, including reviewing the sustainability of its listings on various stock exchanges (refer to the Composite Transaction section below). These Overhead Costs will also be funded by Anglo American Platinum until December 31, 2019.

The care and maintenance, as well as the Overhead Costs budgets have been approved by Anglo American Platinum; a care and maintenance term loan facility was signed between the relevant parties on October 12, 2017, in order to fund these budgeted costs.

The Composite Transaction

On December 12, 2018 , the Company announced a comprehensive restructuring and going private transaction whereby it entered into a suite of transaction agreements dated December 11, 2018 with, *inter alia*, RPM and Atlatsa Holdings Proprietary Limited ("ATH"), Atlatsa's majority shareholder, outlining the terms and conditions of a Composite Transaction (as defined below) to be implemented by way of a Canadian court-approved plan of arrangement ("Plan of Arrangement") under section 288 of the *Business Corporations Act* (British Columbia).

Atlatsa is seeking to implement the following inter-conditional transactions (collectively, the "Composite Transaction") by way of a Plan of Arrangement, comprising:

- the Prospecting Rights Disposition (as discussed under the Restructuring Plan above);
- the Buy-Back: the privatisation of Atlatsa through a compulsory repurchase, by the Company, for cancellation of all common shares held by: (a) the Company's minority shareholders, being all of the shareholders, excluding ATH, RPM, the trustees for the time being of the Anooraq Community Participation Trust ("Community Trust") and the trustees for the time being of the Bokoni Platinum Mine ESOP Trust ("ESOP Trust"), for a cash consideration of R1.00 ($0.09) per common share ("Share Cash-Out Consideration"); and (b) RPM for an aggregate nominal cash consideration of R1.00 (C$0.09) (collectively, the "Buy-Back");
- the Tender Option: Atlatsa will make a tender offer to purchase for cancellation any or all of the common shares held by the Community Trust in exchange for the Share Cash-Out Consideration for each common share so tendered ("Tender Option");
- the RPM Debt Write-Off (as discussed under the Restructuring Plan above); and
- the ATH Debt Write-Off: RPM will write-off all debt owing by ATH to it in exchange for ATH remaining as Atlatsa's controlling shareholder immediately after the Composite Transaction ("ATH Debt Write-Off").

Subject to and following completion of the Composite Transaction, and in view of the costs and onerous administration of maintaining a listing on two international exchanges, the Company intends to apply to the applicable securities authorities to have its common shares delisted from the TSX and the exchange operated by the JSE and to cease to be a reporting issuer in each of the provinces of Canada in which it is currently a reporting issuer. Atlatsa will become a private company with ATH continuing to hold a controlling interest in Atlatsa. The Buy-Back provides minority shareholders with a liquidity event and an opportunity to realise value for their common shares.

Conditions precedent to the Composite Transaction

On December 12, 2018 the Department of Mineral Resources of South Africa granted approval and consent for the Prospecting Rights Disposition in terms of sections 11 and 102 of the South African Mineral and Petroleum Resources Development Act, No. 28 of 2002.

On June 12, 2019, the exchange control authorities of the South African Reserve Bank granted approval for the transactions contemplated in the Plan of Arrangement, which approval contains certain requirements to be completed with six months of the delisting from the TSX and the exchange operated by the JSE.

On August 2, 2019, at a special meeting of the Company, the required shareholder approval for the Plan of Arrangement through which the Composite Transaction will be implemented, was obtained.

On August 8, 2019, the final order of the Supreme Court of British Columbia with respect to the Plan of Arrangement was granted.

The Company is proceeding towards implementing the remaining steps to complete the Composite Transaction, with an effective date for the Plan of Arrangement and delisting from the TSX and the exchange operated by the JSE targeted for the third quarter of 2019.

Management believes that any remaining conditions to effectiveness for a transaction of this nature will be fulfilled during the third quarter of 2019.

Facilities with Anglo American Platinum

As at June 30, 2019, the Group has contractual loans repayable to Anglo American Platinum and its related entities of $437.3 million (ZAR4,718.5 million) (December 31, 2018: $440.2 million (ZAR4,643.3 million)). In order to facilitate the implementation and execution of the Restructuring Plan and the Composite Transaction, Anglo American Platinum made the following facilities available:

Care and Maintenance Term Loan Facility

The Care and Maintenance Term Loan Facility of $48.3 million (ZAR521 million) was entered on October 12, 2017, to allow the Group to fund its share of all costs associated with the care and maintenance process as mentioned in Phase 1. As at the reporting date, drawdowns of $45.4 million (ZAR490.3 million) have been made against the facility, the majority of which were used to fund the section 189A retrenchment costs. The remaining facility may not be sufficient to cover the budgeted care and maintenance costs and the Overhead Costs for 2019. As a result, management has started a process to negotiate an extension of the facility, given Anglo American Platinum’s agreement to fund such costs up until December 31, 2019.

Transaction Cost Facility

The Transaction Cost Facility of $4.6 million (ZAR50.0 million) was entered into on April 16, 2018 to allow the Group to fund the costs of implementing Phase 2. As at June 30, 2019 drawdowns of $3.2 million (ZAR34.0 million) have been made against the facility. Repayment relating to value added tax (“VAT”) refunds on the transaction costs of $0.3 million (ZAR3.3 million) have been made in terms of the Transaction Cost Facility as at June 30, 2019.

Debt Standstill

As described under Phase 1 above, all debt facilities currently in use and to be used in future are included in the Debt Standstill, and all repayment terms and conditions connected to these facilities have been suspended until December 31, 2019.

Funding beyond December 31, 2019

Following the successful completion of the Composite Transaction, Atlatsa will fund its 51% share of the care and maintenance costs from the net proceeds from the Prospecting Rights Disposition while the Bokoni Mine shareholders will continue to review various alternatives in respect of the mine’s future sustainability and revisit its care and maintenance status, depending on future circumstances. Based on current forecasts, the Group expects that it will have sufficient cash flows to fund its share of the costs during 2020.

Going concern conclusion

The directors of the Group believe that with the Debt Standstill and Anglo American Platinum's undertaking (Phase 1) to fund all one-off and ongoing costs associated with placing Bokoni Mine on care and maintenance until December 31, 2019 and the Overhead Costs together with the Group's expectation that the Composite Transaction will be concluded with the Group receiving proceeds of $27.8 million (ZAR300 million), the Group will be able to settle its liabilities as and when they fall due.

Although Anglo American Platinum has agreed to fund the care and maintenance costs through 2019, the debt facility has not been increased as yet. In addition, management believes that any remaining conditions precedent to implementing Phase 2 of the Restructure Plan would be met during the third quarter of 2019, all Anglo American Platinum debt will be forgiven/written off and Atlatsa would have sufficient cash available to fund care and maintenance costs for more than 12 months from the reporting date.

In the event that the Composite Transaction is not implemented by December 31, 2019 or Anglo American Platinum decides not to fund the care and maintenance costs and the Overhead Costs, the Group may not have the ability to discharge its liabilities as and when they fall due during 2019 and beyond December 31, 2019. This condition gives rise to a material uncertainty that may cast significant doubt about the ability to continue as a going concern.

Atlatsa and Anglo American Platinum are proactively pursuing the fulfilment of the remaining conditions precedent to the Composite Transaction which have not yet been fulfilled as at the date of approval of these financial statements.

Accordingly, the financial statements have been prepared on a going concern basis.

3. BASIS OF PREPARATION

3.1 Overview

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 a 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, 2018.

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 as at and for the year ended December 31, 2018. The consolidated financial statements of the Group as at and for the year ended December 31, 2018 are available upon request from the Company's registered office at 90 Rivonia Road, The Business Exchange, Sandton, South Africa or at www.sedar.com.

The condensed consolidated interim financial statements have been prepared on a historical cost basis. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2018. Certain items are stated at fair value and indicated where applicable. The condensed consolidated interim financial statements are presented in Canadian dollars ("$"), and all values are rounded to the nearest dollar, except where otherwise stated.

These interim financial statements were authorised for issue by the Company's board of directors on August 14, 2019.

The unaudited condensed consolidated interim financial information for the three months ended June 30, 2019 and 2018 have not been reviewed by the Group's auditor.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

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 Group's unaudited condensed consolidated interim financial statements are disclosed below:

Effective for the financial year commencing January 1, 2019:

• IFRS 16 Leases

Management has assessed the impact of the above-mentioned standard and concluded that the adoption did not have an impact to the financial statements given the current care and maintenance phase of Bokoni Mine.

(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

Effective for the financial year commencing January 1, 2020:

• Amendments to References to Conceptual Framework in IFRS Standards

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

Management has assessed the impact of the above-mentioned standard, and do not believe that there will be a significant impact to the financial statements given the current care and maintenance phase of Bokoni Mine.

5. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage short-term cash flow. The Group's principal financial assets comprise trade and other receivables; cash and cash equivalents and the environmental rehabilitation trust fund that arise directly from its operations.

The Group manages its exposure to key financial risks in accordance with its financial risk management policy. The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

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

At June 30, 2019	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**
Bokoni Environmental Rehabilitation Trust funds	**4,880,277**	**-**
Trade and other receivables	**25,298**	**-**
Cash and cash equivalents	**727,585**	**-**
Restricted cash	**66,954**	**-**
Loans and borrowings	**-**	**397,204,659**
Trade and other payables	**-**	**538,100**

At December 31, 2018	Financial assets at amortised cost	Financial liabilities at amortised cost
Bokoni Environmental Rehabilitation Trust funds	4,906,571	-
Trade and other receivables	17,303	-
Cash and cash equivalents	1,247,768	-
Restricted cash	64,644	-
Loans and borrowings	-	366,385,122
Trade and other payables	-	301,671

The fair value of financial assets and liabilities approximate their carrying value due to the short-term maturity date, except for loans and borrowings:

	Six months ended June 30, 2019		Year ended December 31, 2018	
	Carrying value	**Fair value (level 3)**	Carrying value	Fair value (level 3)
Loans and borrowings	**397,204,659**	**370,429,993**	366,385,122	338,339,389

(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

The contractual value of the loans and borrowings at June 30, 2019 was $437,318,113 (ZAR4,718,581,282) (December 31, 2018: $440,182,743 (ZAR4,643,277,884)).

(a) Valuation techniques and unobservable inputs:

The following table shows the valuation techniques used in measuring level 3 fair values:

Type	Valuation technique
Loans and borrowings	Discounted cash flows - The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

The estimate fair value would increase (decrease) if the risk adjusted discount rate were lower (higher).

(b) Key assumptions:

- JIBAR rates changing per quarter
- Cash flow assumption changes per quarter
- Drawdowns made in the quarter
- Risk based interest adjustments

6. PROPERTY, PLANT AND EQUIPMENT

Summary of property, plant and equipment	Six months ended June 30, 2019	Year ended December 31, 2018
Cost		
Balance at beginning of period	**869,174,874**	930,695,585
Effect of translation	**(19,437,244)**	(61,520,711)
Balance at end of period	**849,737,630**	869,174,874
Accumulated depreciation and impairment losses		
Balance at beginning of period	**741,139,462**	749,342,260
Depreciation for the period	**1,405**	29,446,899
Impairment loss	**-**	12,505,502
Effect of translation	**(16,574,022)**	(50,155,199)
Balance at end of period	**724,566,845**	741,139,462
Carrying value	**125,170,785**	128,035,412

7. MINERAL PROPERTY INTERESTS

Cost	Six months ended June 30, 2019	Year ended December 31, 2018
Balance at beginning of period	**3,184,428**	3,418,046
Effect of translation	**(32,922)**	(233,618)
Balance at end of period	**3,151,506**	3,184,428
Accumulated amortisation and impairment losses		
Balance at beginning of period	**345,273**	486,662
Effect of translation	**(7,721)**	(141,389)
Balance at end of period	**337,552**	345,273
Carrying value	**2,813,954**	2,839,155

(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

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

(i) Ga-Phasha

The mineral title relating to the Ga-Phasha Project was held by Ga-Pasha Platinum Mines Proprietary Limited ("Ga-Phasha"). On December 13, 2013, the Company sold two (Paschaskraal and De Kamp) of the four farms in Ga-Phasha to RPM as part of the refinancing and restructuring plan of the Group, at the time, and Klipfontein and Avoca farms were incorporated into Bokoni Mine.

8. BOKONI ENVIRONMENTAL REHABILITATION TRUST FUNDS

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

	Six months ended June 30, 2019	Year ended December 31, 2018
Balance at beginning of period	**4,906,571**	5,078,658
Growth in environmental trust	**84,593**	169,905
Effect of translation	**(110,887)**	(341,992)
Balance at end of period	**4,880,277**	4,906,571

The non-current cash deposits are restricted in use as it is to be used exclusively for pollution control, rehabilitation and mine closure at the end of lives of the Group's mines. Any shortfall is covered by guarantees issued by RPM. Total value of guarantees issued by RPM is $21.4 million at June 30, 2019 (December 31, 2018: $26.1million).

9. TRADE AND OTHER RECEIVABLES

	Six months ended June 30, 2019	Year ended December 31, 2018
Financial assets		
Other receivables	**25,298**	17,303
	25,298	17,303
Non-financial assets		
Prepayments	**328,747**	887,619
Sundry debtor	**410,566**	88,557
Value added tax	**15,554**	943,389
Total trade and other receivables	**780,165**	1,936,868

(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

10. ASSET HELD FOR SALE

	Six months ended June 30, 2019	Year ended December 31, 2018
Kwanda North and Central Block Prospecting Rights	**4,200,000**	**4,200,000**

As described more fully in note 2, Atlatsa is seeking to implement the Composite Transaction by way of a plan of arrangement. Included in the Composite Transaction is the Prospecting Rights Disposition whereby Anglo American Platinum is to acquire the Central Block and Kwanda North prospecting rights for a cash purchase consideration of $27.8 million (ZAR300.0 million). Management expect the disposal to conclude during the third quarter of 2019.

11. SHARE CAPITAL

Authorised and issued

	Number of shares	
	Six months ended June 30, 2019	Year ended December 31, 2018
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.

Share capital

	Six months ended June 30, 2019	Year ended December 31, 2018
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 4,497,062 shares held by the ESOP Trust in Atlatsa, which is consolidated by the Group.

12. LOANS AND BORROWINGS

	Six months ended June 30, 2019	Year ended December 31, 2018
RPM – Senior Facilities Agreement (related party) (i)	**150,014,771**	140,632,323
RPM – Working Capital Facility (related party) (ii)	**7,830,606**	7,352,454
RPM – Term Loan Facility (related party) (iii)	**76,134,127**	71,485,219
RPM – Shareholder Loan (related party) (iv)	**118,785,187**	108,697,084
RPM – Care and Maintenance Term Loan Facility (v)	**41,773,285**	36,268,429
RPM – Transaction Cost Facility (vi)	**2,597,483**	1,880,413
	397,135,459	366,315,922
Other	**69,200**	69,200
Total loans and borrowings	**397,204,659**	366,385,122
RPM – Senior Facilities Agreement (related party) (i)	**(46,340,000)**	(47,400,000)
Short-term portion of loans and borrowings	**350,864,659**	318,985,122
Long-term portion of loans and borrowings	**46,340,000**	47,400,000

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

	Six months ended June 30, 2019	Year ended December 31, 2018
Balance at beginning of the period	**366,385,122**	306,528,824
Loan from RPM – Shareholder Loan Drawdowns (iv)	**3,194,131**	9,985,787
Loan from RPM – Care and Maintenance Drawdowns (v)	**3,324,503**	10,804,445
Loan from RPM – Transaction Cost Facility Drawdowns (vi)	**796,739**	2,522,064
Repayment of loan from RPM – Transaction Cost Facility (vi)	**(136,136)**	(194,504)
Repayment of loan from RPM – Working Capital Facility (ii)	**-**	(2,697,870)
Finance expenses accrued	**33,301,999**	68,221,985
Fair value on Working Capital Facility (ii)	**-**	378,123
Fair value on Shareholder Loan (iv)	**(413,928)**	(2,496,347)
Fair value on Care and Maintenance Facility (v)	**(430,823)**	(2,691,080)
Fair value on Transaction Cost Facility (vi)	**(109,784)**	(538,630)
Effect of translation	**(8,707,164)**	(23,437,675)
Balance at end of period	**397,204,659**	366,385,122

The Group's debt is denominated in ZAR.

Following the Debt Standstill (refer note 2), the servicing and repayment of all loans and borrowings owing to RPM, a related party, have been suspended until December 31, 2019. The Debt Standstill triggered the derecognition of all loans and borrowings to RPM.

The contractual amount as at July 21, 2017 was fair valued as a new interest free loan with a repayment date of December 31, 2019, and a new day 1 fair value was recorded in equity for all loans owing to RPM during 2017. For all new drawdowns a day 1 fair value is calculated using a discounted cash flow model. The day 1 fair value is recorded in the fair value reserve in equity. The implicit interest on all loans outstanding is unwound and recognised as finance costs in the statement of comprehensive income.

(i) RPM – Senior Facilities Agreement

As at June 30, 2019, the facility under the Senior Facilities Agreement and the total contractual balance outstanding was $169.2 million (ZAR1,826 million) (December 31, 2018: $173.1 million (ZAR1,826 million)).

$122.9 million of this facility is repayable as per the “Debt Standstill” with the remaining $46.3 million (ZAR500 million) payable by December 31, 2020.

(ii) RPM – Working Capital Facility

As at June 30, 2019, the outstanding contractual balance was $8.5 million (ZAR91.5 million) (December 31, 2018: $8.7 million (ZAR91.5 million)).

This facility is repayable in full by December 31, 2019 in accordance with the terms of the “Debt Standstill”.

(iii) RPM – Term Loan Facility Agreement

As at June 30, 2019, the outstanding contractual balance was $82.5 million (ZAR890 million) (December 31, 2018: $84.4 million (ZAR890 million)).

This facility is repayable in full by December 31, 2019 in accordance with the terms of the “Debt Standstill”.

(iv) RPM – Shareholder loan

RPM is obliged to meet its 49% share of the cash call in accordance with the joint venture shareholders’ agreement between the parties. As at June 30, 2019, the outstanding contractual balance on the loan was $128.9 million (ZAR1,390.5 million) (December 31, 2018: $128.6 million (ZAR1,356.0 million)).

This facility is repayable in full by December 31, 2019 in accordance with the terms of the “Debt Standstill”.

(v) RPM – Care and Maintenance Term Loan Facility

The Care and Maintenance Term Loan Facility was entered into on October 12, 2017 between Plateau and RPM for $48.3 million (ZAR521 million) to enable the Group to fund its share of all costs associated with the care and maintenance process described in Phase 1. As at June 30, 2019, drawdowns of $45.4 million (ZAR490.3 million) have been made against the facility (December 31, 2018: $43.1 million (ZAR445.8 million)) and this also represents the outstanding contractual balance on the loan.

This facility is repayable in full by December 31, 2019 in accordance with the terms of the “Debt Standstill”.

(vi) RPM – Transaction Cost Facility

The Transaction Cost Facility of $4.6 million (ZAR50.0 million) was entered on April 16, 2018 to allow the Group to fund the costs of implementing Phase 2. As at June 30, 2019, drawdowns of $3.2 million (ZAR34.0 million) have been made against this facility. Repayments relating to VAT refunds on transaction costs of $0.3 million (ZAR 3.3 million) have been made in terms of the Transaction Cost Facility as at June 30, 2019. As at June 30, 2019, the outstanding contractual balance on the loan is $2.8 million (ZAR30.6 million) (December 31, 2018: $2.2 million (ZAR23.6 million))

This facility is repayable in full by December 31, 2019 in accordance with the terms of the “Debt Standstill”.

Security

The Senior Facilities Agreement was secured through various security instruments, guarantees and undertakings provided by the Group against 51% of the cash flows generated by the Bokoni Mine, together with 51% of the Bokoni Mine asset base.

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

(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

13. EARNINGS PER SHARE

The basic and diluted loss per share for the three and six months ended June 30, 2019 was 3 cents and 6 cents (2018: 4 cents and 9 cents), respectively.

The calculation of basic loss per share for the six months ended June 30, 2019 of 6 cents (2018: 9 cents) was based on the loss attributable to owners of the Company of $34,004,481 (2018: $49,611,665) and a weighted average number of common shares of 549,924,744 (2018: 549,924,744).

The calculation of basic loss per share for the three months ended June 30, 2019 of 3 cents (2018: 4 cents) was based on the loss attributable to owners of the Company of $17,170,441 (2018: $23,374,664) and a weighted average number of common shares of 549,924,744 (2018: 549,924,744).

The calculation of diluted loss per share for the six months ended June 30, 2019 of 6 cents (2018: 9 cents) was based on the loss attributable to owners of the Company of $34,004,481 (2018: $49,611,665) and a weighted average number of common shares of 549,924,744 (2018: 549,924,744).

The calculation of diluted loss per share for the three months ended June 30, 2019 of 3 cents (2018: 4 cents) was based on the loss attributable to owners of the Company of $17,170,441 (2018: $23,374,664) and a weighted average number of common shares of 549,924,744 (2018: 549,924,744).

At June 30, 2019 and 2018 share options were excluded in determining diluted weighted average number of common shares as all the options were anti-dilutive.

	Six months ended June 30, 2019	Six months ended June 30, 2018
Issued common shares net of treasury shares at January 1	**549,924,744**	549,924,744
Weighted average number of common shares at June 30	**549,924,744**	549,924,744

14. SEGMENT INFORMATION

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

- Bokoni Mine – Mine on care and maintenance (refer note 2)
- Projects - Mining exploration in Kwanda exploration projects. Refer to note 10 for the sale of mineral rights.

During quarter four of 2018, management reevaluated the appropriate measures of operating performance of the Group's two reporting segments given the changes in operations during the last 12 months, as discussed in note 2, and concluded:

- Bokoni Mine has been placed on care and maintenance and the CODM's focus now, is on the costs incurred related to care and maintenance activities and the funding thereof, as discussed in note 2, which is reflected in the statement of comprehensive income and the statement of cash flows, respectively. The revenues generated by the mine and related costs of sales (refer below) were previously some of the key operating performance measures while the mine was still in operation but are no longer considered appropriate given the current state of activity at the mine. In addition, Bokoni Mine has fully impaired its property, plant and equipment, other than for the mineral right where mining operations previously took place (refer note 6).
- There are currently no revenues or expenses incurred by the Projects and the only assets relate to the assets held for sale (refer note 10).

(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

The general and administrative expenses below per the statement of comprehensive income relate to the Overhead Costs for Bokoni Mine.

	Three months ended June 30, 2019	Three months ended June 30, 2018	**Six months ended June 30, 2019**	Six months ended June 30, 2018
Cost of sales				
Bokoni Mine	**-**	(1,359,022)	**-**	(4,197,095)
Corporate and consolidation adjustments	**-**	(4,182,950)	**-**	(5,364,517)
Consolidated	**-**	(5,541,971)	**-**	(9,561,612)
Care and maintenance costs				
Costs excluding depreciation	**(4,086,937)**	10,977,872	**(7,777,375)**	(27,571,826)
Consolidated	**(4,086,937)**	10,977,872	**(7,777,375)**	(27,571,826)

The comparatives have been restated to conform with the current period presentation.

15. RELATED PARTIES

Relationships

Related party	**Nature of relationship**
RPM	The Group concluded a number of shared services agreements between Bokoni Mine and RPM, a wholly owned subsidiary of Anglo American Platinum and a 49% shareholder in Bokoni Holdco. Pursuant to the terms of various shared services agreements, the Anglo American Platinum group of companies will continue to provide certain services to Bokoni Mine at a cost that is no greater than the costs charged to any other Anglo American Platinum group company for the same or similar services. RPM also provides debt funding to the Group. RPM also has a 22.5% shareholding in Atlatsa.
ATH	ATH is the Company's controlling shareholder.
Key management	All directors directly involved in the Group and certain members of top management at Bokoni and Plateau.
Gara Valley Investments Tomahawk Investments Preyeso Trading Pty Ltd (Collectively "Key Management Companies")	At the completion of Phase 1, three executive directors were engaged as consultants to ensure that Phase 2 is successfully implemented. These services are being performed through these companies which are seen as related parties.

Refer note 2 for the going concern assessment and the involvement of RPM and Anglo American Platinum in the Composite Transaction and the funding of the Group.

(Unaudited - Presented in Canadian Dollars, unless otherwise stated)

Related party balances

		Six months ended June 30, 2019	Year ended December 31, 2018
RPM	Loans and borrowings (refer note 12)	**(397,135,459)**	(366,315,922)
	Trade and other payables	**(67,436)**	(48,027)

Related party transactions

		Three months ended June 30, 2019	Three months ended June 30, 2018	**Six months ended June 30, 2019**	Six months ended June 30, 2018
RPM	Revenue	**-**	1,494,687	**-**	5,526,889
	Purchases	**39,966**	807,997	**90,755**	1,294,722
	Other income	**-**	-	**547,477**	-
Key Management Companies	Consulting fees	**213,068**	49,920	**341,968**	49,920

16. HEADLINE AND DILUTED HEADLINE EARNINGS PER SHARE

Headline earnings per share is calculated by dividing headline earnings attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. Diluted headline earnings per share is determined by adjusting the headline earnings attributable to owners 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 loss per share

The calculation of headline loss per share for the six months ended June 30, 2019 of 6 cents (2018: 9 cents) is based on headline loss of $34,004,481 (2018: $49,611,665) and a weighted average number of shares of 549,924,744 (2018: 549,924,744).

The calculation of headline loss per share for the three months ended June 30, 2019 of 3 cents (2018: 4 cents) is based on headline loss of $17,170,441 (2018: $23,374,664) and a weighted average number of shares of 549,924,744 (2018: 549,924,744).

Diluted headline loss per share

The calculation of diluted headline loss per share for the six months ended June 30, 2019 of 6 cents (2018: 9 cents) is based on headline loss of $ 34,004,481 (2018: $49,611,665) and a weighted average number of shares of 549,924,744 (2018: 549,924,744).

The calculation of diluted headline loss per share for the three months ended June 30, 2019 of 3 cents (2018: 4 cents) is based on headline loss of $17,170,441 (2018: $23,374,664) and a weighted average number of shares of 549,924,744 (2018: 549,924,744).

At June 30, 2019 share options were excluded in determining diluted weighted average number of common shares as all the options were anti-dilutive.

17 EVENTS AFTER THE REPORTING DATE

There were no events of a material nature that have occurred between the reporting date and June 30, 2019, except for those mentioned in note 2.