

Key features for the second quarter of 2016:

- Cost per tonne milled decreased 17% quarter-on-quarter from \$145 to \$120
- Cost per 4E ounce decreased 20% quarter-on-quarter from \$1,238 to \$991
- Total tonnes milled decreased 12% quarter-on-quarter to 344,895
- 4E PGM* ounces produced decreased 9% quarter-on-quarter to 41,698
- Revenue decreased 21% quarter-on-quarter to \$40.7 million
- Average ZAR 4E PGM* basket price realised for the quarter was ZAR11,256
- Lost-time injury frequency rate ("LTIFR") at 0.81 per 200,000 hours worked – a meaningful improvement

* PGM means platinum group metals ("4E"), comprising platinum, palladium, rhodium and gold.

JOHANNESBURG, Aug. 15, 2016 /CNW/ - [Atlatsa Resources Corp.](http://www.atlatsa.com) ("Atlatsa" or the "Company") (TSX: ATL; JSE: ATL) announces its operating and financial results for the three and six months ended June 30, 2016. This release should be read with the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations filed on www.sedar.com, which are also available at www.atlatsa.com. Currency values are presented in South African Rand (ZAR), Canadian Dollars (\$) and United States Dollars (US\$).

Harold Motaung, Chief Executive Officer of Atlatsa, commented, "Bokoni Mine remains an operation in development with its key Brakfontein Merensky and Middelpunt Hill UG2 underground development shafts in their ramp-up phase. The effects of our Restructure Plan are starting to yield positive results with a much improved cost performance at the operation, coupled with an improved safety performance. The implementation of the Restructure Plan remains a work in progress, resulting in certain operational challenges that include skills mix and re-training requirements amongst our labour force, all of which has had a negative impact on planned development at our ramp-up projects. Given a number of challenges experienced at our Klipfontein Merensky opencast operation, a decision has been taken to terminate the opencast operation by the end of 2016.

Minimising cash losses and containing costs remains a key performance area for the Company. An effective operational cost management as part of the Restructure Plan has resulted in a 13% average reduction in operational costs per month since the start of the restructuring process. As a Company, we continue to focus on various initiatives to improve operational efficiencies, disciplined capital allocation and cost management, without compromising Bokoni Mine's existing ramp-up plan of underground development shafts."

BOKONI MINE OPERATING AND FINANCIAL PERFORMANCE

Set out below are summaries of the key operating and financial results for Bokoni Mine for the three and six months ended June 30, 2016.

Operating results		Q2 2016	Q2 2015	% change	H1 2016	H1 2015	% change
Tonnes milled	t	344 895	391 363	(11.9)	664 100	764 259	(13.1)
Tonnes delivered	t	340 758	406 205	(16.1)	647 241	778 866	(16.9)
Recovered grade	g/t milled, PGM	3.8	3.6	5.6	3.7	3.6	2.8
PGM oz produced	oz	41 698	45 675	(8.7)	78 307	88 550	(11.6)
UG2 milled to underground output	%	41.3	30.3	36.3	42.7	30.2	41.4
Primary development	metres	1 258	1 862	(32.4)	2 468	4 057	(39.2)
Capital expenditure	\$m	4.5	4.4	2.3	8.0	8.2	(2.4)
Operating cost/tonne milled	ZAR/t	1 386	1 394	0.6	1 387	1 387	0
Operating cost/PGM oz	ZAR/PGM oz	11 467	11 942	4.0	11 766	11 973	1.7
LTIFR	per 200,000 hours worked	0.81	0.80	(1.3)	1.07	0.92	(16.3)

Financial summary						
Expressed in Canadian Dollars (000's)	Q2 2016	Q2 2015	% change	H1 2016	H1 2015	% c
Revenue	40 702	51 661	(21.2)	76 291	103 972	(26
Cash operating costs	41 717	54 705	(23.7)	79 684	109 012	(26
Cash operating loss	(1 015)	(3 044)	66.7	(3 393)	(5 040)	32.
Cash operating margin	(2.5%)	(5.9%)	57.6	(4.4%)	(4.8%)	8.3
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")*	(13 462)	(343 202)	96.1	491	(347 528)	100
Profit / (loss) for the period	(24 051)	(297 111)	91.9	(23 486)	(313 901)	92.
Profit / (loss) attributable to Atlatsa shareholders	(19 700)	(127 553)	84.6	(17 719)	(136 421)	87.
Basic and diluted loss per share – cents	(4)	(23)	82.6	(3)	(25)	88.

*EBITDA means earnings before net finance costs, income tax, depreciation and amortisation. EBITDA is not a recognised measure under International Financial Reporting Standards ("IFRS") and should not be construed as an alternative to net earnings or loss determined in accordance with IFRS as an indicator of the financial performance of Atlatsa or as a measure of Atlatsa's liquidity and cash flows. While EBITDA is a useful supplemental measure of cash flow prior to debt service, changes in working capital, capital expenditures and taxes, Atlatsa's method of calculating EBITDA may differ from other issuers and, accordingly, EBITDA may not be comparable to similar measures presented by other issuers. See the section entitled "Segment Information" of the Consolidated Financial Statements for a reconciliation of EBITDA to net income / (loss).

Safety and health

Bokoni Mine's LTIFR was 0.81 per 200,000 hours worked during the quarter compared to 0.80 in Q2 2015, a deterioration of 1.3%. There were no Section 54 safety stoppages imposed by the South African Department of Mineral Resources ("DMR") at the operations during the quarter; however, ten days of production were lost due to community unrest. This resulted in a loss of 2,748 platinum ounces, compared to four Section 54 safety stoppages in Q2 2015 that resulted in 1,741 platinum ounces lost. The continued focus on safety is beginning to yield some meaningful improvements.

Operational and financial restructure plan at Bokoni Mine

To ensure the future sustainability of Bokoni Mine, on September 16, 2015 the Company announced implementation of an operational and financial restructure plan ("Restructure Plan") at its Bokoni Mine. The primary objective of the Restructure Plan is to enable Bokoni Mine to endure a prolonged period of depressed PGM commodity prices by reducing its existing cost structure and increasing production volumes of higher grade ore from underground operations.

Bokoni Mine had issued a Section 189 (3) notice to relevant parties pursuant to Section 189A of the South African Labour Relations Act, No 66 of 1995 and a retrenchment agreement was signed by all recognised labour unions on February 8, 2016. Bokoni Mine labour complement was reduced by 35.8% from 6,342 as at June 30, 2015 to 4,074 as at June 30, 2016. The reduction is made up of a 57.6% decrease in contractors and an 18.6% decrease in own mine employees.

To date, on a base cost calculated from August 2015, operational costs have reduced by 13% on average per month, which was achieved by a significant reduction in the labour force.

The older, high cost UM2 and Vertical Merensky shaft operations were placed on care and maintenance in August and December 2015, respectively. Although overall tonnes delivered and 4E ounces produced at Bokoni Mine decreased, underground tonnes delivered and 4E ounces produced increased by 20% and 24%, respectively. This highlights the positive trajectory from the two remaining new generation shafts that are still in development.

Impact of placing the Vertical and UM2 shafts (both on the Merensky reef) on care and maintenance

	Q2 2016	Q2 2015	% change	H1 2016	H1 2015	% change
Tonnes delivered	340 758	406 205	(16%)	647 241	770 165	(16%)
Underground tonnes	310 347	257 665	20%	566 803	489 159	16%
Brakfontein Merensky	167 741	139 807	20%	290 894	254 104	14%
Middelpunt Hill UG2	142 606	117 858	21%	275 908	235 055	17%
Under care and Maintenance -		106 774	(100%)	-	197 667	(100%)
Klipfontein Opencast	30 411	41 766	(27%)	80 438	83 339	(3%)
Tonnes milled	344 895	391 363	(12%)	664 100	757 808	(12%)
Underground tonnes	311 342	253 816	23%	573 386	480 357	19%
Brakfontein Merensky	168 826	135 312	25%	289 896	249 579	16%
Middelpunt Hill UG2	142 516	118 504	20%	283 490	230 778	23%
Under care and Maintenance -		105 812	(100%)	-	194 112	(100%)
Klipfontein Opencast	33 553	31 735	6%	90 714	83 339	9%

Impact of placing the Vertical and UM2 shafts (both on the Merensky reef) on care and maintenance

	Q2 2016	Q2 2015	% change	H1 2016	H1 2015	% change
4E Ounces (ounces)	41 698	45 675	(9%)	78 307	87 784	(11%)
Underground tonnes	39 334	31 642	24%	72 026	59 435	21%
Brakfontein Merensky	18 554	15 581	19%	31 027	28 372	9%
Middelpunt Hill UG2	20 780	16 061	29%	40 999	31 063	32%
Under care and Maintenance -		11 896	(100%)	-	22 143	(100%)
Klipfontein Opencast	2 363	2 137	11%	6 281	6 206	1%

Termination of the Klipfontein opencast operation

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. Due to these issues preventing the opencast operation from reaching planned production levels, a review of the operation was undertaken during H1 2016. The result of this review was that on June 28, 2016 a decision was made to terminate the Klipfontein Merensky opencast operation by the end of 2016.

Delays in ramp-up of expansion projects

Delays in re-training of own mine employees and challenges associated with skills mix within our labour force after implementation of the first phase of the Restructure Plan has had a negative impact on planned development and resulted in a delay in primary development during H1 2016 relative to plan at Bokoni Mine. As a result thereof, planned production ramp up at Brakfontein Merensky and Middelpunt Hill UG2 shaft operations will be delayed by six to twelve months. Management will, in the course of the next six months, investigate alternatives to minimise any further delays in capital projects build up at the operations.

Operational results

Bokoni Mine tonnes delivered to the concentrator for Q2 2016 decreased by 16.1% to 340,758 with tonnes milled decreasing by 11.9% to 344,895 tonnes, resulting in production of 41,698 4E PGM ounces compared to 45,675 4E PGM ounces produced during Q2 2015.

Primary development decreased by 32.4% quarter-on-quarter to 1,258 metres as a result of the Restructure Plan. More emphasis has been placed on secondary development to increase face length available for mining. Primary development at Bokoni Mine is expected to be sufficient to meet the requirements of the approved Restructure Plan.

Recoveries at the concentrator plant remained relatively flat at 87.5% for the Merensky concentrate and 86.3% for the UG2 concentrate. The opencast concentrate recoveries increased by 7.6% to 70.5% for Q2 2016.

Financial results

Revenue decreased by 21.2% quarter-on-quarter to \$40.7 million as a result of the 8.7% decrease in 4E PGM ounces production. The ZAR PGM basket price increased by 1.3% from ZAR11,116 in Q2 2015 to ZAR11,256 in Q2 2016; whilst the average US\$ platinum price decreased by 10.9% from US\$1,127 in Q2 2015 to US\$1,004 in Q2 2016. The average realised ZAR/US\$ exchange rate for Q2 2016 was ZAR15.01 compared to the average exchange rate of ZAR12.09 realised in Q2 2015.

Total cash operating costs were 23.7% lower, reflecting the decrease in tonnes milled and cost saving measures put in place by management. Although overall tonnes milled decreased, underground tonnes from the two remaining shafts were up by 22.7%, which offsets the decrease in cash operation costs. The cost profile is attributable to:

- 33.9% decrease in labour costs due to the Restructure Plan with a number of employees taking voluntary severance packages in Q4 2015 and continued retrenchments in H1 2016;
- 50.6% decrease in contractor costs due to the Restructure Plan, which led to the exiting of a significant number of contractor employees and the 27.2% decrease in opencast tonnes delivered as the opencast contractor is paid per tonne delivered;
- 28.0% decrease in utility costs mainly due to the UM2 & Vertical shaft operations being placed on care and maintenance; and
- 8.4% decrease in sundries due to foreign currency translation offset by an increase in costs to third party suppliers associated with the transfer of tonnes to the concentrator and waste areas, in-line with a corresponding increase in underground production.

Cost per tonne milled for Q2 2016 was \$120 (ZAR1,386) compared to \$145 (ZAR1,394) in Q2 2015 with cost per 4E ounce at \$991 (ZAR11,467) compared to \$1,238 (ZAR11,942) in Q2 2015.

Total capital expenditure for the three months ended June 30, 2016 was \$4.5 million, compared to \$4.4 million for Q2 2015, comprising 36% sustaining capital and 64% project expansion capital associated with the two key ramp-up shaft operations.

Financial summary for Atlatsa						
Expressed in Canadian Dollars (000's)	Q2 2016	Q2 2015	% change	H1 2016	H1 2015	% change
Revenue	40 702	51 661	(21.2)	76 291	103 972	(26.6)
Cost of sales	(47 010)	(66 076)	28.9	(90 255)	(129 444)	30.3
Gross loss	(6 308)	(14 414)	56.2	(13 964)	(25 472)	45.2
General, administrative and other expenses	(2 809)	(340 109)	99.2	2 974	(342 741)	100.9
Fair value adjustments on loans	(9 939)	(49)	nm	910	253	259.8
Operating loss	(18 756)	(354 573)	94.7	(10 080)	(367 960)	97.3
Net finance costs	(7 052)	(6 000)	(17.5)	(13 761)	(10 862)	(26.7)
Income tax	1 758	63 462	(97.2)	354	64 922	(99.5)
Profit / (loss) for the period	(24 051)	(297 111)	91.9	(23 486)	(313 901)	92.5
Profit / (loss) attributable to Atlatsa shareholders	(19 700)	(127 553)	84.6	(17 719)	(136 421)	87.0
Basic (loss) per share – cents	(4)	(23)	82.6	(3)	(25)	87.5

nm: not meaningful

Amendment to Term Loan Facility Agreement with [Anglo American Platinum Ltd.](#)

On August 15, 2016, the Term Loan Facility Agreement (the "Term Loan Facility") entered into with [Anglo American Platinum Ltd.](#) ("Anglo Platinum") on December 9, 2015 was amended and restated to allow Anglo Platinum to advance an additional \$17.0 million (ZAR193.0 million) to Atlatsa to enable the Company to fund its share of operating expenses, working capital expenditure and capital expenditure costs at the mine in the event that these costs cannot be funded from Bokoni Mine cash flows.

The terms and conditions to utilisation of the additional \$17.0 million (ZAR193.0 million) Term Loan Facility include Atlatsa co-operating with Anglo Platinum in relation to Anglo Platinum's acquisition of (i) the prospecting rights held by Kwanda Platinum Mines (Proprietary) Limited and (ii) the prospecting rights in respect of the Central Block mineral properties held by Plateau Resources (Proprietary) Limited, and renewal applications applicable to the prospecting rights being granted by the DMR.

The Term Loan Facility is repayable at the earlier of an event of default and December 31, 2018. There will be a mandatory repayment by Atlatsa upon the occurrence of a change of control in the Company or a sale of all or substantially all the assets of Bokoni Mine whether in a single transaction or a series of related transactions.

Outlook

Bokoni Mine's focus areas remain the ramping-up of the Brakfontein Merensky and Middelpunt Hill UG2 underground development shafts; instilling the principle of zero harm to all employees at the mine; maintaining a disciplined operational and capital cost management; enhancing stakeholder relations to limit community disruptions at the mine; and constructive engagement with organised labour unions during wage negotiations.

Queries:

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On July 20, 2015, the Company filed a Form 25 (Notification of Removal from Listing and/or Registration under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) with the U.S. Securities and Exchange Commission (the "SEC") to voluntarily withdraw its shares from listing on the NYSE MKT. The delisting was effective 10 days following the filing of Form 25.

On July 8, 2016, the Company filed a Form 15 with the SEC to terminate the registration of its common shares under Section 12(g) of the Exchange Act, and its reporting obligations under Section 13(a) of the Exchange Act. The termination of the Company's registration will become effective 90 days after the date of filing of Form 15 with the SEC, or within such shorter period as the SEC may determine. Upon filing of Form 15, the Company's reporting obligations under the Exchange Act were suspended. While the Company's prior filings with the SEC, including its Annual Report on Form 20-F, continue to be available on the SEC's Electronic Document Gathering and Retrieval System at www.sec.gov, the Company no longer files information with, or furnishes information to, the SEC.

The Company's common shares continue to trade on the Toronto Stock Exchange and the Johannesburg Stock Exchange, and the Company will continue to meet its Canadian and South African continuous disclosure obligations through filings with the applicable Canadian and South African securities regulators. All of the Company's filings can be found on the System for Electronic Document Analysis and Retrieval at www.sedar.com and also on www.atlatsa.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This document contains "forward-looking statements" within the meaning of applicable securities laws that are based on Atlatsa's expectations, estimates and projections as of the dates as of which those statements are made, including statements relating to anticipated financial or operational performance. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "outlook", "anticipate", "project", "target", "believe", "estimate", "expect", "intend", "should", "plan", "forecasts", "predicts", "schedule", "forecast" and similar expressions.

Atlatsa believes that such forward-looking statements are based on material factors and reasonable assumptions, including the following assumptions: opencast mining and accelerated development of underground shaft systems at Bokoni Mine will have anticipated positive impacts on operations and production; Bokoni Mine will maintain production levels in accordance with the mine operating plan; the anticipated financial and operational improvements expected as a result of the Restructure Plan; Bokoni Mine will be better positioned from both a unit cost and cash flow perspective by the Restructure Plan; underground development shafts will remain in their ramp-up phase; the Platreef Projects will continue to be positive; safety will continue to be a major focus for the Company; contracted parties provide goods and/or services on the agreed timeframes; equipment necessary for construction and development is available as scheduled and does not incur unforeseen breakdowns; no material labour slowdowns, strikes or community unrest are incurred; plant and equipment functions as specified; geological or financial parameters do not necessitate future mine plan changes; and no geological or technical problems occur.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These include but are not limited to:

- uncertainties related to achievement of the financial and operational improvements expected as a result of the Restructure Plan
- uncertainties related to continued implementation of the Bokoni Mine operating plan and opencast mining;
- uncertainties related to the timing of the implementation of the Bokoni Mine deferred expansion plans;
- uncertainties related to feasibility studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project;
- uncertainties related to expected production rates, timing of production and cash and total costs of production and milling;
- uncertainties related to continued availability of capital and financing;
- uncertainties related to the ability to obtain necessary licences, permits, electricity, surface rights and titles for development projects;
- uncertainties related to the accuracy of our mineral reserve and mineral resource estimates and our estimates of future production and future cash and total costs of production, and the geotechnical or hydrogeological nature of ore deposits, and diminishing quantities or grades of mineral reserves;
- uncertainties related to unexpected judicial or regulatory proceedings;
- changes in, and the effects of, the laws, regulations and government policies affecting our mining operations, particularly laws, regulations and policies relating to:
 - mine expansions, environmental protection and associated compliance costs arising from exploration, mine development, mine operations and mine closures;
 - expected effective future tax rates in jurisdictions in which our operations are located;
 - the protection of the health and safety of mine workers; and
 - mineral rights ownership in countries where our mineral deposits are located, including the effect of the Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002) (South Africa);
- changes in general economic conditions, the financial markets and in the demand and market price for gold, copper and other minerals and commodities, such as diesel fuel, coal, petroleum coke, steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. Dollar, Canadian Dollar and South African Rand;

- unusual or unexpected formations, cave-ins, flooding, pressures, and precious metals losses (and the risk of inadequate insurance or inability to obtain insurance to cover these risks);
- changes in accounting policies and methods used to report the financial condition, including uncertainties associated with critical accounting assumptions and estimates; environmental issues and liabilities associated with mining including processing and stock piling ore;
- geopolitical uncertainty and political and economic instability in countries where we operate;
- the effect of HIV/AIDS on labour force availability and turnover; and
- labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate mines, or environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt the production of minerals in our mines.

For further information on Atlatsa, investors should review the Company's Annual Report on Form 20-F for the year ended December 31, 2015 and other disclosure documents available at www.sedar.com and with the SEC, available at www.sec.gov.

SOURCE [Atlatsa Resources Corp.](#)

Contact

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