

Key events for the first quarter of 2017:

- Production results at Bokoni Platinum Mines (Proprietary) Limited ("Bokoni") negatively impacted by a workplace fatality and Section 54 safety stoppages
- Focus remains on development at Bokoni ramp-up shaft projects
- Completion of the second labour restructure
- Amendment to the term loan facility agreement entered into with [Anglo American Platinum Ltd.](#) ("Anglo Platinum")
- Bokoni joint venture ("Bokoni JV") parties assessing establishment of a UG2 Chrome Recovery Plant
- Atlatsa's non-core project assets earmarked for disposal to Anglo Platinum
- On-going discussions with stakeholders regarding Anglo Platinum's exit from Bokoni JV

JOHANNESBURG, May 15, 2017 /CNW/ - [Atlatsa Resources Corp.](#) ("Atlatsa" or the "Company") (TSX: ATL; JSE: ATL) announces its operating and financial results for the three months ended March 31, 2017. This release should be read together with the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2017 (the "Consolidated Financial Statements") and the related Management's Discussion and Analysis of Financial Condition and Results of Operations (the "MD&A") filed on <http://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\$).

New operational plan

Resource extraction strategy

Bokoni holds one of the largest undeveloped PGM* resources on the Bushveld Complex. In addition to its existing ramp-up operations, it has a number of brownfield opportunities to expand mining operations.

The Bokoni mine has well-established infrastructure and ore is processed on site at the concentrator plant with an installed design capacity of 160 kilo tonnes per month ("ktpm").

The initial phase of the new operational plan at Bokoni is targeting a steady state operation of approximately 145 ktpm throughput being achieved by Q2 2019.

Production

Bokoni operates two underground shafts, both of which remain in ramp-up phases towards becoming steady state operations.

The Middelpunt Hill UG2 shaft is currently operating at 80% of its targeted steady state volumes of 60 ktpm and it is estimated that it will achieve its steady state by Q2 2018.

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

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

As part of the new operational plan a second labour restructure has been completed at Bokoni in accordance with Section 189A of the South African Labour Relations Act. As at March 31, 2017, Bokoni's labour force comprised 2,685 own employees and 1,082 contractors.

Chrome Recovery Plant

In addition to PGM mineralisation, the UG2 Ore at Bokoni contains between 25-30% Cr₂O₃ (chromite) minerals.

Bokoni is in the process of finalising a feasibility study to assess the viability of extracting chrome from its UG2 tailings. Preliminary studies indicate that approximately 10-12 ktpm of UG2 chrome concentrate could be produced on a monthly basis from Bokoni's current UG2 production levels.

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

New term loan facilities and operational funding

A term loan facility agreement ("Term Loan") was originally entered into between Anglo Platinum and Atlatsa¹ on December 9, 2015 and provided for a ZAR 334 million (\$33.1 million) facility to enable Atlatsa to advance certain shareholder loans to fund its 51% share of operational and capital expenditure cash calls at Bokoni.

Although the Term Loan does not bear interest, if any amount which is due and payable is unpaid, such unpaid amount shall accrue interest at the South African prime rate plus 2% from the due date to the actual date of payment.

On August 15, 2016, an amendment was entered into which increased the size of the facility by ZAR 193 million (\$19.2 million), available in two tranches, to ZAR 527.0 million (\$52.3 million).

On March 9, 2017, a second amendment was entered into which increased the size of the facility by an additional ZAR 214.2 million (\$21.3 million), available in one tranche, to ZAR 741.2 million (\$73.6 million).

The total contractual amount outstanding on this facility as at March 31, 2017 was ZAR 607.8 million (\$60.3 million). As at the date hereof, this facility has been fully drawn.

In addition to the Term Loan, Atlatsa and Anglo Platinum have agreed that Bokoni's operational funding requirements going forward may be financed by utilising a Purchase Of Concentrate facility ("POC"). The POC facility amount is equal to the lower of 95% of an advance on revenue for the preceding two months of concentrate sales at Bokoni or the actual cash funding requirements for the month in which the financing is required.

The Term Loan and the POC continue to bear no interest and the rate of payment for overdue amounts remains unchanged.

Anglo Platinum remains committed to fund its 49% share of cash calls at Bokoni.

Northern Limb Project Assets¹

As part of the terms and conditions of the Term Loan facility, Atlatsa has agreed to co-operate with Anglo Platinum in relation to, inter alia, its intended acquisition of Atlatsa's non-core Northern Limb project assets, comprising (i) the prospecting right held by Kwanda Platinum Mines Proprietary Limited and (ii) the prospecting rights in respect of Central Block mineral properties held by Atlatsa (through its South African subsidiary, Plateau).

Discussions with Anglo Platinum

Discussions continue between Anglo Platinum, Atlatsa and relevant stakeholders surrounding an appropriate exit for Anglo Platinum from the Bokoni JV.

These discussions recognise that execution of the new operational plan at Bokoni is critical to ensure the future sustainability of the Bokoni operations, having regard to any potential future corporate activity surrounding Bokoni going forward.

¹ Through their subsidiaries, Rustenburg Platinum Mines Ltd ("RPM") and Plateau Resources (Pty) Ltd ("Plateau") respectively.

Bokoni operating and financial performance

Set out below are summaries of the key operating and financial results for Bokoni for the quarter ended March 31, 2017.

Operating results		Q1 2017	Q1 2016	% change
Tonnes delivered	t	313,856	306,483	2.4%
Tonnes milled	t	296,366	319,205	(7.2%)
Recovered grade	g/t milled, PGM	3.7	3.6	2.8%
PGM oz produced	oz	35,338	36,609	(3.5%)
Primary development	metres	1,239	1,210	2.4%
Re-development	metres	1,636	1,622	0.9%
Capital expenditure	\$m	11.6	3.5	(231.4%)
Operating cost/tonne milled	ZAR/t	1,620	1,389	(16.6%)
Operating cost/PGM oz	ZAR/PGM oz	13,587	12,107	(12.2%)
Lost-time injury frequency rate ("LTIFR")	Per 200,000 hours worked	0.79	1.43	44.8%

Financial results – Bokoni			
Expressed in Canadian Dollars (000's)			
	Q1 2017	Q1 2016	% change
Revenue	33,424	35,589	(6.1%)
Cash operating costs	(48,145)	(37,968)	(26.8%)
Cash operating loss	(14,721)	(2,379)	(518.8%)
Cash operating margin (%)	(44.0%)	(6.7%)	(556.7%)
Earnings/Loss before interest, taxation, depreciation and amortisation ("EBITDA")*	(20,136)	4,017	(601.3%)
Loss for the period	(25,457)	(1,988)	(1,180%)

* 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

The quarter was marred by a fatality associated with a fall of ground incident that occurred on February 7, 2017. Bokoni's LTIFR in Q1 2017 of 0.79 improved by 44.8% compared to the Q1 2016 LTIFR of 1.43. Three Section 54 safety stoppages were imposed by the South African Department of Mineral Resources during Q1 2017 compared to four Section 54 safety stoppages in Q1 2016, resulting in an estimated 933 platinum ounces that were not extracted as planned in Q1 2017.

Operational results

Tonnes milled at Bokoni decreased by 7.2% quarter-on-quarter to 296,366 tonnes and the PGM ounces produced decreased to 35,338 4E PGM ounces compared to 36,609 4E PGM ounces produced during Q1 2016.

Primary development increased by 2.4% quarter-on-quarter to 1,239 metres and re-development by 0.9% to 1,636 metres.

Recoveries at the concentrator plant increased by 3.2% to 90.3% for the Merensky concentrate and 86.3% for the UG2 concentrate, respectively, primarily as a result of increased ore throughput from underground operations and processing less lower-grade ore from the opencast operation.

Financial results

Revenue decreased by 6.1% quarter-on-quarter to \$33.4 million as a result of a decrease of 3.5% in PGM ounces produced and a 1.5% decrease in the ZAR PGM basket price (ZAR 11,130 in Q1 2017 compared to ZAR 11,305 in Q1 2016), partially offset by a 7.3% increase in the average US\$ platinum price per ounce from US\$914 in Q1 2016 to US\$981 in Q1 2017.

Total cash operating costs were 26.8% higher than in Q1 2016. This increase is primarily attributable to an increase in environmental rehabilitation costs incurred following the closure of the opencast mining operations, and increased inventory store costs as a result of additional trackless machinery fleet and conveyor belt maintenance at the operations.

Cost per tonne milled for Q1 2017 increased to \$162 (ZAR 1,620) compared to \$119 (ZAR 1,389) in Q1 2016 with costs per 4E ounce increasing to \$1,361 (ZAR 13,587) compared to \$1,041 (ZAR 12,107) in Q1 2016.

Total capital expenditure for Q1 2017 was \$11.6 million, compared to \$3.5 million for Q1 2016, comprising 27% sustaining capital and 73% project expansion capital associated with the two ramp-up shaft operations.

Financial results – Atlatsa			
Expressed in Canadian Dollars (000's)	Q1 2017	Q1 2016	% change
Revenue	33,424	35,589	(6.1%)
Cost of sales	(54,058)	(43,244)	(25.0%)
Gross loss	(20,634)	(7,656)	(169.5%)
General, administrative and other expenses	(5,626)	(1,968)	(185.9%)
Other income	3	18,300	(100.0%)
Operating (loss) / profit	(26,257)	8,676	(402.6%)
Net finance costs	(6,795)	(6,708)	(1.3%)
Income tax	427	(1,403)	130.4%
(Loss) / profit for the period	(32,625)	565	(5,874.3%)
(Loss) / profit attributable to Atlatsa shareholders	(20,022)	1,981	(1,110.7%)
Basic (loss) / profit per share – cents	(4)	(-)	(400.0%)
Headline loss per share – cents*	(4)	(-)	(400.0%)

* Headline loss per share is not a recognised measure under IFRS and should not be construed as an alternative to basic earnings or loss determined in accordance with IFRS as an indicator of the financial performance of Atlatsa. It is an additional earnings number used as a way of dividing the IFRS reported profit between re-measurements that are more closely aligned to the operating / trading activities of the entity, and the platform used to create those results. The starting point is basic earnings excluding "separately identifiable re-measurements" (as defined in Circular 2/2015 issued by the South African Institute of Chartered Accountants), net of related tax (both current and deferred) and related non-controlling interest other than re-measurements specifically included in headline earnings ("included re-measurements", as defined). Please refer to the Consolidated Financial Statements for a detailed reconciliation between the headline loss per share and the earnings used in the calculation.

Earnings

The basic and diluted loss per share was (\$0.04) for Q1 2017 compared to (\$0.00) in Q1 2016. The basic and diluted loss per

share is based on the loss attributable to the shareholders of the Company of \$20.0 million compared to the gain attributable to the shareholders of the Company of \$2.0 million in Q1 2016.

Issued share capital

As at March 31, 2017 Atlatsa had 554,421,806 issued and outstanding common shares.

Queries:

On behalf of Atlatsa
Joel Kesler
Chief Commercial Officer
Office: +27 11 779 6800
Email: Joel@atlatsa.com

Cautionary note regarding forward-looking information

This document contains "forward-looking statements" within the meaning of the applicable Canadian 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 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 document and can be identified by words such as "anticipate", "estimate", "project", "expect", "intend", "believe", "plan", "forecasts", "predicts", "schedule", "forecast", "predict", "will", "could", "may", or their negatives or other comparable words. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Atlatsa's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Atlatsa believes that such forward-looking statements are based on material factors and reasonable assumptions, including the following assumptions: maintaining production levels at Bokoni in accordance with mine operating plan; anticipated financial and operational improvements expected as a result of the Restructure Plan; the Company's ability to refinance its debts as and when due; the provision of goods and/or services by contracted parties on the agreed timeframes; availability of equipment available as scheduled; absence of material labour slowdowns, strikes or community unrest; proper functioning of plant and equipment functions; absence of mine plan changes resulting from a change in geological or financial parameters; 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 operating plan; uncertainties related to the termination and rehabilitation of the Klipfontein Merensky Opencast Mine operation; uncertainties related to the timing of the implementation of the Bokoni deferred expansion plans which includes the accelerated development of the Brakfontein and Middelpunt Hill shafts; fluctuations in market prices, levels of exploitation and exploration successes; changes in and the effect of government policies with respect to mining and natural resource exploration and exploitation; continued availability of capital and financing; general economic, market or business conditions; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, industrial unrest and strikes; political instability; suspension of operations and damage to mining property as a result of community unrest and safety incidents; insurrection or war; the effect of HIV/AIDS on labour force availability and turnover; delays in obtaining government approvals; and the Company's ability to satisfy the terms and conditions of the loans and borrowings, MD&A – Section 2 – "Liquidity", a copy of which can be found on SEDAR at www.sedar.com and under "Going Concern" in note 2 of the condensed consolidated interim financial statements. 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 "Risk Factors" in Atlatsa's Annual Information Form for Fiscal 2016, which is available on SEDAR at www.sedar.com.

Atlatsa advises investors that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to Atlatsa or persons acting on its behalf. Atlatsa assumes no obligation to update its forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such statements, except as required by law. Investors should carefully review the cautionary notes and risk factors contained in this document 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.

SOURCE [Atlatsa Resources Corp.](http://AtlatsaResourcesCorp.com)

Contact

On behalf of Atlatsa Resources, Joel Kesler, Chief Commercial Officer, Office: +27 11 779 6800, Email: joel@atlatsa.com;
Russell and Associates, Pam McLeod, Office: +27 11 880 3924, Email: pam@rair.co.za; One Capital Sponsor Services
Proprietary Limited, Kathy Saunders / Taryn Carter, Office: +27 11 550 5010, Email: kathy@onecapital.co.za