Atlatsa Resources Corp. Announces Comprehensive Restructuring and Going Private Transaction

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Atlatsa Resources Corp. ("Atlatsa" or the "Company") (TSX: ATL; JSE: ATL) announces that it has entered into a suite of transaction agreements dated December 11, 2018 ("Transaction Agreements") with, inter alia, Rustenburg Platinum Mines Limited ("RPM"), a significant shareholder of Atlatsa and a wholly-owned subsidiary of Anglo American Platinum Ltd. ("AAP"), 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) (the "Arrangement").

1. BACKGROUND TO THE COMPOSITE TRANSACTION

On July 21, 2017, the Company announced ("Previous Announcement") that it had entered into an agreement with AAP outlining key terms agreed in relation to a two-phased restructuring plan (the "Restructuring Plan"), comprising:

- Phase 1: a care and maintenance strategy for Bokoni Mine; and
- Phase 2: a financial restructuring plan for Atlatsa and its subsidiaries ("Atlatsa Group") pursuant to which, inter alia:
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  - RPM will acquire and include into its adjacent Northern Limb mining rights, the resources specified in Atlatsa Group's Kwanda North and Central Block prospecting rights, for a cash consideration of R300 million (C$28 million) ("Prospecting Rights Purchase Consideration") ("Prospecting Rights Disposition");
  - subject to implementation of the Prospecting Rights Disposition, RPM will capitalise and/or write-off all debt owing by Atlatsa 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"). As at the date of this announcement, debt owing by Atlatsa Group to RPM which will be subject to the RPM Debt Write-Off amounted to c. R4.6 billion (C$0.4 billion); and
  - Atlatsa and RPM will retain their 51% and 49% respective shareholdings in the Bokoni Mine joint venture.

Shareholders of the Company (the "Shareholders") are referred to the Previous Announcement for further background information on, and the rationale for, the Restructuring Plan.

Subject to and following completion of the Arrangement, 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 (the "Common Shares") delisted from the Toronto Stock Exchange (the "TSX") and the exchange operated by the JSE Limited (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. Furthermore, Atlatsa will become a private company with ATH continuing to hold a controlling interest in the Company.

In view of the above considerations, the Company is seeking to provide its Minority Shareholders (as defined below) with a liquidity event and an opportunity to realise value for their Common Shares. The Company therefore intends to implement a Composite Transaction (as defined below), which incorporates a share repurchase from certain of the Minority Shareholders, as further detailed below.

2. MATERIAL TERMS OF THE COMPOSITE TRANSACTION

2.1 Components of the Composite Transaction

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

- the Prospecting Rights Disposition;
- 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 (collectively, the "Minority Shareholders"), for a cash consideration of R1.00 (C$0.09) ("Share Cash-Out Consideration") per Common Share; 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; and
- the ATH Debt Write-Off: RPM will write-off all debt owing by ATH (Atlatsa's majority Shareholder) to it in exchange for ATH remaining as Atlatsa's controlling Shareholder immediately after the Composite Transaction ("ATH Debt Write-Off"). As at the date of this announcement, the amount of the debt subject to the ATH Debt Write-Off amounted to c. R528 million (C$49 million).

2.2 Tender Option

The Tender Option is being made in respect of the Community Trust only. The Minority Shareholders and RPM will have their Common Shares acquired pursuant to the Buy-Back. The Company wishes to maintain a constructive relationship with the community surrounding the Bokoni Mine and has elected to provide the Community Trust with the option to pursue a liquidity event through a voluntary participation in the Tender Option. The Community Trust will have the flexibility of tendering all, some or none of its Common Shares as part of the Tender Option, which Common Shares so tendered are to be acquired by the Company and immediately cancelled. The Tender Option is not conditional upon any minimum number of Common Shares being deposited by the Community Trust.

2.3 Share Cash-Out Consideration payable in respect of the Buy-Back and the Tender Option

The Buy-Back of the Common Shares of the Minority Shareholders and the Tender Option are priced at R1.00 (C$0.09) per Common Share. The Share Cash-Out Consideration represents the following premiums to the price of the Common Shares on the TSX and JSE:

- approximately 63.6% and 56.3% to the closing price of the Common Shares on the TSX and the JSE, respectively, on July 20, 2017, being the date immediately prior to the date of the Previous Announcement; and
- approximately 108% and 100% to the closing price of the Common Shares on the TSX and the JSE, respectively, on December 11, 2018, being the date immediately prior to the date of this announcement.

3. REQUIRED SHAREHOLDER APPROVALS

The resolution required to be passed by the Shareholders in respect of the Arrangement ("Arrangement Resolution") must be passed by not less than:

- three-quarters (¾) of the votes cast on the Arrangement Resolution by or on behalf of the Shareholders present in person or represented by proxy at the meeting of Shareholders; and

- a simple majority of the votes cast on the Arrangement Resolution by or on behalf of the Minority Shareholders present in person or represented by proxy at the meeting of Shareholders, (collectively, the "Required Shareholder Approvals").

4. CONDITIONS TO EFFECTIVENESS OF THE ARRANGEMENT

The effectiveness of the Arrangement will be conditional upon the fulfilment, satisfaction or waiver (to the extent permitted by the Plan of Arrangement) of, inter alia, the following conditions:

- to the extent required, the exchange control authorities of the South African Reserve Bank shall have granted approval for the transactions contemplated in the Plan of Arrangement, either unconditionally or subject to such conditions as Atlatsa confirms to RPM in writing to be acceptable to Atlatsa;
- the Required Shareholder Approvals being obtained;
- the Supreme Court of British Columbia shall have granted the final order, and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;
- the satisfaction or waiver of each of the conditions precedent in the Transaction Agreements (save for any condition requiring that the Arrangement become unconditional), including in particular, the approval and consent by the Department of Mineral Resources of South Africa in terms of sections 11 and 102 of the South African Mineral and Petroleum Resources Development Act, No. 28 of 2002; and
- other conditions to effectiveness typical for a transaction of this nature.

5. SPECIAL COMMITTEE FORMAL VALUATION AND FAIRNESS OPINION

A committee comprising of independent non-executive directors of the Company (the "Special Committee") was established to consider the Arrangement and, if thought advisable, to recommend to the board of directors of Atlatsa ("Board") the approval of the Arrangement.

The Special Committee retained Duff & Phelps Canada Limited ("Financial Advisor") to prepare a formal valuation and fairness opinion ("Formal Valuation and Fairness Opinion") in connection with the Arrangement. Subject to the qualifications and assumptions contained in the Formal Valuation and Fairness Opinion, and based upon certain representations made to it by and on behalf of the Company, the Financial Advisor concluded that:

- the Share Cash-Out Consideration payable to the Minority Shareholders pursuant to the Buy-Back is fair from a financial point of view to such Minority Shareholders; and
- the Prospecting Rights Purchase Consideration payable to the Company in connection with the Prospecting Rights Disposition is fair from a financial point of view to the Company.

The Board, after consulting with its advisors, and after careful consideration of, among other things, the Formal Valuation and Fairness Opinion and the recommendation of the Special Committee, has: (a) (with directors of the Company who have interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement ("Conflicted Directors") abstaining) determined that the Arrangement is in the best interests of the Company and is fair to the Shareholders; and (b) recommends (with Conflicted Directors abstaining) that the Shareholders vote IN FAVOUR OF the Arrangement Resolution. A copy of the Formal Valuation and Fairness Opinion will be included in the circular to be mailed to Shareholders in relation to the Arrangement ("Circular").

6. SHAREHOLDER SUPPORT FOR THE COMPOSITE TRANSACTION

Holders of approximately 89.6% of the Common Shares have entered into voting support agreements with Atlatsa, pursuant to which they have agreed to vote (or procure that their intermediary or broker votes) all of their Common Shares in favour of the Arrangement Resolution.

7. FURTHER INFORMATION

Further details regarding the Arrangement, the mailing of the Circular and the related salient dates and times pertaining to the Arrangement will be published in due course. Copies of the Circular, the Plan of Arrangement, the Transaction Agreements and certain related documents will be made available under the Company's profile on SEDAR at www.sedar.com.

8. ADVISORS

The Special Committee retained Duff & Phelps Canada Limited as its Financial Advisor. One Capital Advisory Proprietary Limited is acting as Atlatsa's exclusive corporate advisor and One Capital Sponsor Services Proprietary Limited is acting as JSE transaction sponsor and JSE sponsor to Atlatsa. Stikeman Elliott LLP, Cliffe Dekker Hofmeyr Inc. and Skadden, Arps, Slate, Meagher & Flom LLP are acting as the Company's Canadian, South African and U.S. legal counsel, respectively. Koikanyang Inc. is acting as ATH's legal counsel.

9. QUERIES

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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 the Arrangement, the completion and effective date of the Arrangement, the receipt of necessary approvals, including applicable court, shareholder, governmental entity, TSX, JSE and regulatory and other third-party approvals and consents, the statements made based upon the Formal Valuation and Fairness Opinion, the perceived benefits and completion of the Arrangement, the proposed delisting from the TSX and the JSE and the business, financial and operational performance of the Company. Generally, these forward-looking statements can be identified by the use of forward-looking terminology 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 and forward-looking information are based, in part, on factors and assumptions that may change, thus causing actual results to differ from those expressed by the forward-looking statements or forward-looking information. Such factors and assumptions include the approval of the Plan of Arrangement by the court, shareholder, governmental entities, TSX, JSE and regulatory and other third-party approvals and consents, and the implementation of the terms of the Plan of Arrangement, the agreement relating to the Prospecting Rights Disposition and the agreement relating to the RPM Debt Write-Off and the ATH Debt Write-Off.

Such forward-looking statements and forward-looking information 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 or forward-looking information. Such risks and factors include, but are not limited to, the failure to satisfy the conditions to closing of the Arrangement, including the receipt of the required court, shareholder, governmental entities, TSX, JSE and other regulatory and other third-party approvals and consents, the occurrence of any event, change or other circumstance that could give rise to the termination of, or failure to complete, the Arrangement, or a material adverse effect with respect to the Company, uncertainties related to the implementation of the Arrangement; uncertainties related to satisfying the conditions precedent of the Arrangement; changes in and the effect of government policies with respect to mining and natural resource exploration, development and exploitation; continuing availability of capital and financing; general economic, market or business conditions; failure of plant, equipment or processes to maintain the Bokoni Mine on care and maintenance; 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; delays in obtaining government approvals; and the Company's ability to satisfy the terms and conditions of the loans and borrowings, as described under "Going Concern" in Note 2 to the 2018 Q3 Interim Financial Statements, which are available under the Company's profile on SEDAR at www.sedar.com and the risk factors set forth under "Description of Business – Risk Factors" in the 2017 AIF.

Atlatsa advises shareholders that these cautionary remarks expressly qualify in their entirety all forward-looking statements and forward-looking information attributable to Atlatsa or persons acting on its behalf. Atlatsa assumes no obligation to update any forward-looking statements or forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting such statements or information, except as required by law. Shareholders 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, the Canadian securities regulators and which are also available under the Company's profile on SEDAR at www.sedar.com.

SOURCE Atlatsa Resources Corp.

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