



8 March 2018

*Securities and Exchange Commission*  
Secretariat Building, PICC Complex,  
Roxas Boulevard, Pasay City, 1307

*Attention: Mr. Vicente Graciano P. Felizmenio, Jr.*  
Director, Markets & Securities Regulation Department

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*Philippine Stock Exchange, Inc.*  
6<sup>th</sup> Floor PSE Tower  
28<sup>th</sup> Street corner 5<sup>th</sup> Avenue  
BGC, Taguig City

*Attention: Mr. Jose Valeriano B. Zuno III*  
OIC-Head, Disclosure Department

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*Subject: 2017 Financial and Operating Results*

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Gentlemen:

Please see attached press release on the financial and operations results of Atlas Consolidated Mining and Development Corporation (AT) for the year 2017.

Very truly yours,

  
*Maria Eleonor A. Santiago*  
Compliance Officer

## PRESS RELEASE

# Atlas Mining posted Php1.97 billion net loss; underlying earnings improved

8 March 2018  
Manila, Philippines

Atlas Consolidated Mining and Development Corporation (“Atlas Mining”) posted a consolidated net loss of PhP1.97 billion for the year 2017. Underlying earnings improved but provisions for mark to market losses for copper price hedges and for effective interest rates on certain loans affected the bottom line. Without these mark to market provisions, the underlying net loss would have been PhP745 million compared to PhP879 million for the same period last year.

Improvements in copper price in 2017 pushed the earnings before interest, tax, depreciation and amortization (EBITDA) to PhP3.81 billion, 20% higher than the PhP3.17 billion earnings for 2016.

Its wholly-owned subsidiary Carmen Copper Corporation milled 14.24 million tonnes of ore that produced 78.19 million pounds of copper metal and 21,979 ounces of gold for the year 2017, as compared to 16.72 million tonnes milled that produced 102.88 million pounds of copper metal and 33,958 ounces of gold during the same period in 2016. The lower tonnage of ore delivered to the processing plant in 2017 was caused mainly by the unusually high levels of rainfall experienced in the first quarter of 2017 which restricted mine operations. Production showed steady improvement in the second half with a total of 41.58 million pounds of copper metal produced or a 14% increase compared to 36.62 million pounds of copper metal in first half of 2017.

Metal prices year-on-year showed that average realized copper price continued to increase at USD2.78/lb, 26% higher than USD2.21/lb, while average realized gold price remained stable at USD1,259/oz from USD1,241/oz in 2016.

The provision for mark to market loss represents the accounting valuation of outstanding copper price hedges as copper price increased above the hedge price at the end of the current year. This provision changes as the copper price changes and the final variance is determined at the month of settlement. A mark to market accounting valuation was also recognized for the difference in the nominal interest rate and the effective interest rate of certain long term debts.

Cash costs were lower by 9% from PhP8.97 billion in 2016 to PhP8.15 billion in 2017. Average cost per pound however increased by 25% from USD1.39/lb to USD1.75/lb, due to higher waste charged to operations, lower by-product credits and lower volume shipped.

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION**  
**FINANCIAL AND OPERATING HIGHLIGHTS**  
**AS OF 31 DECEMBER 2017**

**ATLAS MINING SUMMARY OF FINANCIAL RESULTS**

<b>Year-on-Year (In Million Pesos)</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Change</b>
<b>Revenues</b>	12,080	11,964	-1%
<b>Total Cash Cost</b>	8,968	8,151	-9%
<b>EBITDA</b>	3,174	3,806	20%
<b>Core Income (Loss)</b>	(1,195)	(746)	-38%
<b>Net Income (Loss)</b>	(879)	(1,968)	124%

**CARMEN COPPER SUMMARY OF OPERATIONS**

<b>Year-on-Year</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Change</b>
<b>Production</b>			
Milling Tonnage ('000 dmt)	16,718	14,236	-15%
Daily Milling Average (dmt per day)	45,678	39,004	-15%
Ore Grade	0.321%	0.289%	-10%
Copper Concentrate ('000 dmt)	176	135	-23%
Copper Metal Gross (in million lbs)	102.9	78.2	-24%
Gold (ounces)	33,958	21,979	-35%
<b>Shipment</b>			
Number of Shipments	36.0	26.5	-26%
Copper Concentrate ('000 dmt)	176	130	-26%
Copper Metal Gross (in million lbs)	102.4	75.1	-27%
Gold (payable ounces)	32,211	19,112	-41%

**CARMEN COPPER SUMMARY OF COSTS**

<b>Year-on-Year (US\$/lb Cu)</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Change</b>
<b>C1</b>	1.39	1.75	25%
<b>C2</b>	1.90	2.48	30%
<b>C3</b>	2.28	3.00	32%

*C1 = Production cost, G&A, smelting and related charges less by-product credits, C2 = C1 + depreciation and depletion costs, C3 = C2 + mine product tax and royalties, financing charges net of interest income and other charges*

**METAL PRICES (AVERAGE INVOICED PRICE)**

<b>Year-on-Year</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Change</b>
<b>Copper (US\$/lb)</b>	2.21	2.78	26%
<b>Gold (US\$/ounce)</b>	1,241	1,259	1%

For further information, please contact:

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