

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. 7 December 2016
Date of Report
2. SEC Identification Number PW0000115A 3. BIR Tax Identification No. 000-154-572
4. ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION
Exact name of issuer as specified in its charter
5. Philippines 6.
Province, country or other jurisdiction of (SEC Use Only)
incorporation or organization Industry Classification Code.
7. 503-P 5F FiveE-Com Center, Palm Coast cor. Pacific Drive, Mall Of Asia, Pasay City1300
Address of principal office Postal Code
8. (632) 83180000 local 25001
Issuer's telephone number, including area code
9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
- | <u>Title of Each Class</u> | <u>Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding</u> |
|--|--|
| <u>Common Stock, Php1.00 par value</u> | <u>2,087,032,774</u> |
11. Indicate the item numbers reported herein: 9

Item 9.

The Board of Directors (“BOD”) of Atlas Consolidated Mining and Development Corporation (“AT” or the “Corporation”), in a special board meeting held today, approved the following:

- (i) Special Shareholders’ Meeting (SSM) to be held on 21 February 2017 2:00 PM, at Coral B, One Esplanade Building, Seaside corner J.W. Diokno Boulevard, Mall of Asia Complex, Pasay City for the approval of (a) Increase in the Authorized Capital Stock (“ACS”); (b) Amendment to Article VII of the Corporation’s Articles of Incorporation (“AOP”); (c) Share Issue, Warrant Issue and the Issuance of the Underlying Common Shares as a result of the exercise of Warrants among others. Record Date: 27 December 2016.
- (ii) Amend the previous BOD resolution dated 16 November 2016 by raising the increase in the ACS from Php2B to Php2.5B, consequently increasing the ACS from Php6B to Php8.5B divided 8.5B common shares of stock with a par value of Php1.00 per share of stock.
- (iii) Issuance of its Shares of Stock out of the increase in the Corporation’s ACS, to the following major Shareholders (the “Share Issue”), for an aggregate subscription price of Php1,375,000,000.00 at Php4.3842 per share (the “Subscription Price”):

Subscriber	Percentage	Subscription Price	Number of Shares Subscribed
SM Investments Corporation (SMIC)	90	Php1,237,500,000.00	282,263,583
Anglo Philippines Holdings Corporation (Anglo)	8	Php110,000,000.00	25,090,096
Alakor Corporation (Alakor)	2	Php27,500,000.00	6,272,524
Total	100	Php1,375,000,000.00	313,626,203

The Subscription Price of Php4.3842/share is the 90-day Volume Weighted Average Price (“VWAP”) preceding the Pricing Date of 16 November 2016. AT will recognize as additional paid-in capital (“APIC”) the difference between the total par value of the shares to be issued and the total Subscription Price; and

The Corporation will seek a waiver of the conduct of a rights or public offer for the Shares subscribed by a majority vote representing the outstanding shares held by the minority stockholders present or represented at the SSM.

- (iv) As part of the Corporation’s debt refinancing plan duly approved on 16 Nov.2016, the revision of the total number of Warrants/Underlying Common Shares to be allotted and issued from 5.1 Billion Warrants/Underlying Common Shares to approximately 5.6 Billion Warrants/Underlying Common Shares as a result of the exercise of the Warrants.

The Warrants will be issued by the Corporation to its major Shareholders or their assigns among others as set out below, at the Exercise Price of Php4.3842, the 90-day Volume Weighted Average Price (VWAP) preceding the Pricing Date of 16 November 2016.

The final number of Warrants to be issued shall be subject to change or revision based on the foreign exchange rate as of 21 March 2017 or the date all regulatory approval and legal compliance for the issuance of Warrants are secured and complied with respectively, whichever is later :

Name	Number of Warrants	Number of Underlying Shares
SM Investments Corporation (SMIC)	5,349,908,307	5,349,908,307
Anglo Philippines Holdings Corporation (Anglo)	153,026,778	153,026,778
Alakor Corporation (Alakor)	38,256,695	38,256,695
Total	5,541,191,780	5,541,191,780

Please see enclosed Annex "A" for further relevant information and features of the Warrants Issue.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION

Issuer

By:


Maria Eleonor A. Santiago
Compliance Officer

7 December 2016

Date

Annex A. Issuance of Warrants

- I. Number of warrants to be issued: Approximately 5.6 Billion Warrants, subject to the exchange rate on 21 March 2017 or the date all regulatory approval are secured and full compliance with all legal laws, rules and regulations for the issuance of Warrants whichever is later.*
- II. Entitlement ratio: 1:1*
- III. Corresponding number of underlying securities: Approximately 5.6 Billion Common Shares of AT subject to the same condition stated in Clause I above.*
- IV. Exercise period: The period from and including the date of issue of the Warrants up to 5:00 p.m. on the day immediately preceding the date of the seventh (7th) anniversary of the date of issue of the Warrants.*
- V. Exercise price: Php4.3842*
- VI. Expiry date: The seventh (7th) anniversary of the date of the issue of the Warrants.*
- VII. Timetable for issuance and the related regulatory approvals if any: Upon obtaining the following: (i) Shareholders' approval to the increase in the authorized capital stock (ACS) and amendment to Article VII of AT's Articles of Incorporation (AOI), and (ii) SEC approval of the increase in ACS and amendment to AOI and other regulatory approvals.*
- VIII. Basis upon which the Exercise Price is determined: the 90-day Volume Weighted Average Price (VWAP) preceding the pricing date, 16 November 2016.*
- IX. Other salient feature of the warrants: The Warrants constitute direct, unsecured and unsubordinated obligations of AT and will at all times rank pari passu without preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Corporation, past and future.*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant exercise date.
- X. The arrangements for transfer of the warrants: All transactions (including transfers of Warrants) must be effected through an account at a Clearing System subject to the rules and procedures of such Clearing System. Title will pass upon registration in the books of such Clearing System, as the case may be. Transfers of Warrants may not be effected after the exercise of such Warrants.*
- XI. The rights of the holders on the liquidation of the issuer, if any: In case of insolvency, the right of Warrant holders is only to the extent permitted by applicable laws relating to creditors' rights.*

XII. The arrangement/s or adjustment/s resulting from changes in the subscription, purchase or exercise price or the number of securities to take account alterations to share capital of the Issuer

The following are the Potential Adjustment Events:

(1) Capital Increase from Conversion of the Capital Reserve or Retained Earnings, Share Split or Combining of Shares and Capital Decrease.

- (i) *Capital Increase from Conversion of the Capital Reserve or Retained Earnings.* Where the Corporation declares increases of its share capital from the capital reserve or from retained earnings, Exercise Price shall be adjusted in accordance with the following formula:

$$E' = E \times \frac{N_o}{N_n}$$

where:

E' = the adjusted Exercise Price,

E = the Exercise Price on the Record Date,

N_n = number of Shares outstanding after the capital increase, and

N_o = number of Shares outstanding before the capital increase.

If the share capital increase from the capital reserve or from retained earnings is not effected by means of the issuance of new shares but by means of an increase of the portion of the share capital allotted to each share, the Exercise Price will remain unchanged upon exercise of the Warrants. In this case the relevant Shares will be delivered with the increased portion of the share capital allotted to them.

- (ii) *Share Split/Reverse Share Split or Combining of Shares.* Where there is :

a) either there is a share split or reverse share split, or

b) the Corporation reduces its capital by combining its Shares,

the Exercise Price shall be adjusted in accordance with Condition (1)(i) to the extent not otherwise provided for in the following provisions.

- (iii) *Capital Decrease.* In the event of a decrease in the share capital, as the result of a reduction of the interest in the share capital represented by each Share without a change in the number of shares outstanding, the Exercise Price shall, subject to Condition (4), remain unchanged provided that Shares to be delivered after the occurrence of such an event shall be delivered with their respective new portion of the share capital allotted to them. No adjustment of the Exercise Price shall be made in case of a capital decrease by cancelling treasury shares.

- (2) Rights Issues of Shares or Options over Shares. If the Corporation, issues Shares to all or substantially all of its shareholders as a class by way of rights, or issues or grants to all or substantially all of its shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, (i) the Corporation shall issue or grant each Warrant holder such rights, options, warrants or other rights, as the case may be, or (ii) the Exercise Price shall be adjusted in accordance with the following formula:

$$E' = E \times \left(\frac{N + B}{N + C} \right)$$

where:

E' = the adjusted Exercise Price,

E = the Exercise Price on the Record Date,

N = the number of Shares outstanding before the issue or grant,

B = the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at the Average Market Price, and

C = the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

There shall be no adjustment of the Exercise Price if E' would, by applying the above formula, be greater than E.

- (3) Issue of Securities with Preemptive Rights. Where the Corporation grants to its shareholders subscription rights for Other Securities, at the election of the Corporation, (i) the Corporation shall grant each Warrant holder the number of subscription rights for Other Securities, or (ii) the Exercise Price shall be adjusted in accordance with the following formula:

$$E' = E \times \frac{M + B}{M}$$

where:

E' = the adjusted Exercise Price,

E = the Exercise Price on the Record Date,

M = the Average Market Price, and

B = the Subscription Value, if B > 0.

There shall be no adjustment of the Exercise Price if B equals or is < 0.

- (4) Adjustment for Distributions.

- (i) If the Corporation allots or grants to all its shareholders (a) assets (also in the form of a dividend in kind) except for Cash Dividends, (b) put options in connection with a repurchase of shares, (c) cash upon a capital decrease for the purpose of repaying parts of the share capital (in which case the repayment of cash shall constitute assets for purposes of this Condition (4)), or (d) debt securities or option or conversion rights (with the exception of the rights mentioned above in Condition (3) (each of the cases in (a) through (d) a "Distribution"), then the Exercise Price shall be adjusted in accordance with the following formula:

$$E' = E \times \frac{M + F}{M}$$

where:

E' = the adjusted Exercise Price,

E = the Exercise Price on the Record Date,

M = the Average Market Price on a per Share basis, and

F = in case of (a) and (d), the Fair Market Value, calculated on a per share basis; in the case of (b), the Put Option Value, and in the case of (c), the amount of cash repaid on a per share basis.

- (ii) If the Corporation distributes to its shareholders a Total Cash Dividend, the Exercise Price will be adjusted in accordance with the following formula:

$$E' = E \times \frac{M + TD}{M}$$

where:

E' = the adjusted Exercise Price;

E = the Exercise Price on the Record Date;

M = the Average Market Price;

TD = the Total Cash Dividend paid in the Financial Year (calculated on a per share basis);

Adjustments pursuant to (i) and (ii) shall, also in cases of a resolution and/or Distribution on the same day, be made and calculated independently and separately of each other.

XIII. The rights of the holders to participate in any distribution and/or offer of further securities made by the issuer if any – Please see above discussion specifically Conditions 3 & 4, Paragraph XII above

XIV. Other relevant information:

- 1. Each Warrant entitles to subscribe to one (1) common share of stock of the Corporation.*
- 2. Warrants are exercisable on any business day during the Exercise Period.*
- 3. The Corporation may, but is not obligated, at any time to purchase the Warrants at any price.*
- 4. Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date.*
- 5. The Corporation may modify the terms and conditions without the consent of the Warrant Holders which the Corporation may deem necessary or desirable provided the modification is not materially prejudicial to the interests of the Warrant Holders.*
- 6. If any other Event occurs which would reasonably be expected to have an effect on the Exercise Price, upon written opinion of an Independent Investment Bank, adjustments shall be made as appropriate on account of such Event.*