



**ATLAS CONSOLIDATED MINING AND
DEVELOPMENT CORPORATION**

Notice & Agenda of Special Meeting of the Stockholders

Information Statement

SEC FORM 20-IS

Pursuant to Section 17.1(b) of the Securities Regulation Code



NOTICE OF SPECIAL STOCKHOLDERS MEETING

Notice is hereby given that **ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION** ("AT" or the "Corporation") will hold its Special Shareholders' Meeting (the "Meeting" or "SSM") on 21 February 2017, 2:00 p.m. at the Coral B Function Hall, One Esplanade Building, Seaside corner J.W. Diokno Boulevard, Mall of Asia Complex, Pasay City with the following

AGENDA

- I. Call to Order
- II. Proof of Notice of Meeting & Determination of Quorum
- III. Amendment to the Articles of Incorporation:
 - Article VII, increase the authorized capital stock by PhP2.5B, from PhP6B to PhP8.5B divided into 8.5B common shares with a par value of PhP1.00 per share of stock.
- IV. Approval /Authority
 - Issuance of Shares out of the increase in the authorized capital stock
 - Issuance of Warrants and the underlying common shares as a result of the exercise of the Warrants
 - Waiver of public or rights offering
- V. Other Matters
- VI. Adjournment

Only Shareholders of record as of 27 December 2016 are entitled to receive notice of, and to vote at, the Meeting. The Shareholders' list will be available for inspection thirty (30) calendar days prior to the date of the SSM at the principal office located at the 5th Floor, FiveE-Com Center, Palm Coast corner Pacific Drive, Mall of Asia Complex, Pasay City, Philippines 1300 ("Office").

Shareholders who cannot attend the Meeting in person may, at their option, designate their authorized representatives by submitting to the Office their proxies no later than 5:00 p.m. on 15 February 2017. Validation thereof shall be on 20 February 2017. The submission of a proxy will not affect your right to vote in person should you decide to attend the Meeting.

Please bring proper identification card/s to facilitate registration which will start at 1:00 p.m.

Pasay City, Metro Manila, 9 December 2016.

For the Board of Directors:


Maria Eleonor A. Santiago
Assistant Corporate Secretary

EXPLANATION OF AGENDA ITEMS

1. *Call to Order*

The Chairman of the Board of Directors of AT, Mr. Alfredo C. Ramos, will call the meeting to order.

2. *Proof of Notice of Meeting and Determination of Quorum*

The Corporate Secretary, Atty. Roderico V. Puno will certify that copies of the Notice and Agenda of the Special Meeting together with the Information Statement and Proxy Form were delivered personally or by mail to the stockholders as of record date 27 December 2016 as well as the date of publication of the notice in the newspapers of general circulation.

Likewise, the Corporate Secretary will certify based on the number of shares owned by stockholders present or represented by proxy at the Meeting, whether a quorum exists for the valid transaction of business.

3. *Amendment to the Articles of Incorporation*

The Corporate Secretary will discuss the amendment to the Article VII of the Articles of Incorporation (the "Amendment"), as explained in the Information Statement. The President, Mr. Adrian Paulino S. Ramos and the Corporate Secretary will respond to questions that may be raised by any stockholder regarding the Amendment. Thereafter, the Chairman will seek approval of the amendment by holders of common stock, and the Corporate Secretary will report on the votes cast for its approval.

4. *Share Issue*

The Corporate Secretary will discuss the increase in the Authorized Capital Stock which will enable AT to have sufficient unissued shares of stock out of its authorized capital stock to allow the Corporation to issue Warrants and the Underlying Common Shares of Stock as a result of the exercise of the Warrants coupled with the flexibility to raise fresh funds. With available and sufficient unissued capital stock, AT will have the capability for any future capital initiative.

5. *Warrant Issue*

The Chief Finance Officer will discuss the refinancing of AT's existing bank debts and Shareholders' advances into a subordinated loan with warrants. Approximately 5.6 Billion Warrants and the corresponding 5.6 Billion Underlying Common Shares of Stock as a result of the exercise of the Warrants shall be issued by the Corporation to its major Shareholders or their assigns at the Exercise Price of Php4.3842, the 90-day VWAP preceding the Pricing Date.

6. *Waiver of public or rights offering*

The Corporate Secretary will discuss the requirement for the Corporation to 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 Shareholders present or represented at the Meeting.

7. *Other Matters*

Other business not specifically referred to above may be raised by the stockholders. The Chairman will decide whether such business may be properly taken up in the meeting or in another stockholders' meeting or other proper forum.

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT
Of
ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION
Pursuant to Section 17.1(b) of the Securities Regulation Code

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter
ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION
3. **Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **PW0000115A**
5. BIR Tax Identification Code **000-154-572**
6. **5th Floor, FiveE-Com Center, Palm Coast corner Pacific Drive,
Mall of Asia Complex, Pasay City** **1300**
Address of principal office Postal Code
7. Registrant's telephone number **(632)8318000 local 25001**
8. **21 February 2016, 2:00 P.M., Coral B Function Hall, One Esplanade Building, Seaside corner J.W.
Diokno Boulevard Mall of Asia Complex, Pasay City 1300**
Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **5 January 2017**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding as of record date
Common Stock, ₱ 1.00 par value	2,087,032,774

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes ___ / ___ No _____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc. – Common Stock

PART I
A. GENERAL INFORMATION

Item 1. Date, Time and Place of Special Shareholders' Meeting (the "Meeting")

AT will hold its Special Meeting of Stockholders (the "Meeting") on 21 February 2017 at 2:00 p.m. at Coral B Function Hall, One Esplanade Building, Seaside corner J.W. Diokno Boulevard, Mall of Asia Complex, Pasay City 1300

AT's complete mailing address is at *FiveE-com Center, Palm Coast Avenue corner Pacific Drive, Mall of Asia Complex, Pasay City, Metro Manila (1300)*.

AT Information Statement and Proxy Form for said Meeting is approximately to be released on 5 January 2017.

Item 2. Dissenter's Right of Appraisal

There is no proposed action to be presented for approval in the Meeting with respect to which stockholders may exercise their appraisal rights under Title X of the Corporation Code of the Philippines.

As a rule, any stockholder of AT who shall oppose and vote against any action with respect to which it/he/she may invoke its/his/her appraisal right may exercise such right in the following instances: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of AT property and assets as provided in the Code; and (iii) In case of merger or consolidation.

Said appraisal right may be exercised by AT stockholders who shall have voted against the proposed corporate action, by making a written demand on AT within thirty (30) days after the date on which the vote was taken for payment of the fair value of its/his/her shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, AT shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing its/his/her shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and AT cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by AT, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by AT within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless AT has unrestricted retained earnings in its books to cover such payment. Upon payment by AT of the agreed or awarded price, the stockholder shall forthwith transfer its/his/her shares to AT.

Item 3. Interest of certain persons in or opposition to matters to be acted upon

No person who (i) has been a director or executive officer of AT, at any time since the beginning of the last fiscal year, or (ii) is an associate of the foregoing persons, has substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the meeting.

No incumbent director of the Corporation has given notice of his intention to oppose any action and/or matter to be taken up at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting securities and principal holders thereof

As of 30 November 2016, AT has **2,087,032,774** issued and outstanding common shares. Each common share entitles the Shareholder to notice of and to one (1) vote either in person or by proxy at the SSM.

Nationality	Class of Voting Shares	Number of Shares	Percentage (%)
Filipino	Common	1,972,643,029	94.52
Non-Filipino	Common	114,389,745	5.48
Total Number of Shares Entitled to Vote		2,087,032,774	100

The Record Date for purposes of determining the Shareholders entitled to receive notice of and to vote at the Meeting is 27 December 2016.

With respect to the election of directors: Not Applicable (NA)

Security Ownership of Certain Record and Beneficial Owners of more than 5% of AT as of 30 November 2016

Title or Class of Shares	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Holdings ¹	Percent of Class (%)
Common	SM Investments Corporation ("SMIC") ² 10 th Floor, One E-Com Center, Mall of Asia Complex, Pasay City (Stockholder)	SMIC	Filipino	612,191,435	29.33%
Common	Alakor Corporation ("Alakor") ³ Quad Alpha Centrum, 125 Pioneer St., Mandaluyong City (Stockholder)	Alakor	Filipino	453,963,461	21.75%
Common	Anglo Philippine Holdings Corporation ("Anglo") ⁴ Quad Alpha Centrum, 125 Pioneer St., Mandaluyong City (Stockholder)	Beneficial and Record Owner	Filipino	174,570,500	8.36%
Common	PCD Nominee Corp. ⁵ (Filipino)	Clients of PCD Nominee Corp. ⁶	Filipino	1,692,030,770	81.07%

¹ The listed beneficial or record owner has no right to acquire within 30 days, from options, warrants, rights, privileges or similar obligations or otherwise coming from AT.

² The President & Executive Director of SMIC, Harley T. Sy and/or Virginia T. Yap have the power to vote the common shares of SMIC in AT.

³ The Chairman of the Board of Directors & President of Alakor, Alfredo C. Ramos, has the power to vote the common shares of Alakor in AT.

⁴ The Chairman of the Board of Directors of Anglo, Alfredo C. Ramos, has the power to vote the common shares of Anglo in AT.

⁵ The Corporation has no information as to the beneficial owners of the shares of stocks held by the PCD Nominee Corp. other than: (i) SMIC with 612,191,435 shares (29.33%) and (ii) Alakor with 453,963,461 shares (21.75%)

Security ownership of Directors and Executive Officers of AT as of 30 November 2016

Title of Class	Name of Directors / Officers and Position	No. of Shares Held ⁷	Citizenship	Percent (%)	Nature of Ownership
Common	Alfredo C. Ramos Director/Chairman of the Board	464,196,895	Filipino	22.24	Record & Beneficial Owner
Common	Frederic C. DyBuncio Director/Vice-Chairman	1,001	Filipino	0.00	Beneficial Owner
Common	Martin C. Buckingham Director/Executive Vice-President	21,303,301	British	1.02	Beneficial Owner
Common	Isidro A. Consunji Director	95,991,305	Filipino	4.60	Beneficial Owner
Common	Adrian Paulino S. Ramos Director/President	5,773,010	Filipino	0.28	Beneficial Owner
Common	Gerard Anton S. Ramos Director	6,656,000	Filipino	0.32	Beneficial Owner
Common	Jose T. Sio Director	1,001	Filipino	0.00	Beneficial Owner
Common	Fulgencio S. Factoran, Jr. Independent Director	110,000	Filipino	0.00	Beneficial Owner
Common	Richard J. Gordon Independent Director ⁸	1	Filipino	0.00	Beneficial Owner
Common	Jay Y. Yuvallos Independent Director ⁹	5,000	Filipino	0.00	Beneficial Owner
Common	Alfredo R. Rosal, Jr. Independent Director	1	Filipino	0.00	Beneficial Owner
Common	Laurito E. Serrano Independent Director	2,000	Filipino	0.00	Beneficial Owner
Common	Roderico V. Puno Corporate Secretary	0	Filipino	0.00	N/A
Common	Fernando A. Rimando Chief Financial Officer and Vice President- Finance	0	Filipino	0.00	N/A
Common	María Eleonor A. Santiago Asst. Corporate Secretary/Compliance Officer/Head, Corporate Legal Affairs & Corporate Governance	0	Filipino	0.00	N/A
Common	Leila Marie P. Cabañes Treasurer	0	Filipino	0.00	N/A
All Directors and Officers as a Group		594,039,515		28.46	

AT has no information as to person/s holding five percent (5%) or more of its securities which are held under a voting trust or similar agreement.

⁶ The clients of the PCD Nominee Corporation have the power to decide how their shares are to be voted. There are no other individual stockholders who own more than 5% of the Corporation

⁷ The listed beneficial or record owner has no right to acquire within 30 days, from options, warrants, rights, privileges or similar obligations or otherwise coming from the Corporation.

⁸ Resigned on 1 July 2016

⁹ Elected on 9 August 2016

Changes in control

There has been no change in the control of the Corporation since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers

No action is to be taken with respect to the election of directors in the SSM.

Item 6. Compensation of directors and executive officers

No action is to be taken during the SSM with respect to (a) the election of directors; (b) any bonus, profit sharing or other compensation plan, contract or arrangement in which any director or executive officer of the Corporation will participate; (c) any pension or retirement plan in which any such person will participate; or (d) the granting or extension to any such person of any option/s or warrant/s or right/s to purchase any securities.

Item 7. Independent public accountants

The SSM does not relate to the election, approval or ratification of AT's accountant.

Item 8. Compensation Plans

No action respecting any plan pursuant to which cash or non-cash compensation may be paid or distributed shall be presented for approval, hence not applicable.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

(1) Increase in the Authorized Capital Stock & Share Issue

The Corporation shall present to the Shareholders for approval the increase in ACS and the Issuance of Shares under the Subscription to the Subscribers, its major Shareholders, and the number of shares to be issued and the Subscription Price as stated below.

On 22 February 2016, AT's BOD approved (i) the increase in the Corporation's authorized capital stock (ACS) by Php3,000,000,000.00, from Php3Billion to Php6,000,000,000.00 divided into 6Bn common shares of stock; and (ii) the amendment to Article VII of AT's Articles of Incorporation increasing the ACS to Php6B, which was approved and confirmed by AT's Shareholders during the 29 April 2016 AGM (the "1st ACS Increase"). The Corporation has not issue any share of stock out of the 1st ACS Increase.

On 16 November 2016, the AT BOD approved another round of increase in AT's ACS by Php2B, which was subsequently amended during its 7 December 2016 special BOD meeting, by raising the increase from Php2B to Php2,500,000,000.00 divided into 2,500,000,000 common shares of stock with the resulting ACS of Php8,500,000,000.00 divided into 8,500,000,000 common shares of stock with a par value of PhP1.00 per share (the "2nd ACS Increase").

On 7 December 2016, the BOD approved the issuance of AT's Shares of Stock out of the combined increase in the ACS, to the following major Shareholders or their assigns (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 total number of Share Issue is equivalent to at least twenty five percent (25%) of the 1st ACS Increase and 2nd ACS Increase (collectively referred to as the "Subscription"). The Share Issue under the Subscription is to comply with the Corporation Code of the Philippines for the ACS Increase and the amendment to Article VII of AT's Articles of Incorporation.

The Subscription Price of Php4.3842/share is the 90-day Volume Weighted Average Price ("VWAP") preceding the Pricing Date of 16 November 2016. The Subscription shall be paid in cash. 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. Proceeds of the Subscription shall be used for additional working capital. The dividend, voting and preemption rights of the Share Issue are the same with the rights being enjoyed by the current Shareholders.

The increase in the ACS will enable AT to have sufficient unissued shares of stock out of its authorized capital stock to allow the Corporation to issue Warrants and the Underlying Common Shares of Stock as a result of the exercise of the Warrants coupled with the flexibility to raise fresh funds. With available and sufficient unissued capital stock, AT will have the capability for any future capital initiative.

There is no provision in the Articles of Incorporation or By-Laws of the Corporation that would delay or defer or prevent a change in control of the Corporation.

(2) *Warrant Issue*

To refinance its existing bank debts and Shareholders' advances into a subordinated loan with warrants, AT's BOD approved the issuance of approximately 5.6 Billion Warrants and the corresponding 5.6 Billion Underlying Common Shares as a result of the exercise of the Warrants.

The Warrants shall 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	38,256,695	38,256,695

(Alakor)		
Total	5,541,191,780	5,541,191,780

The following are the salient features, terms and conditions and other relevant information regarding the Warrant Issue:

- Approximately 5.6 Billion Warrants will be issued to AT's major shareholders, 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.
- The entitlement ratio is 1:1, thus the corresponding number of underlying securities is approximately 5.6 Billion Common Shares. The Exercise period of the Warrants shall be 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. Expiry date is the seventh (7th) anniversary of the date of the issue of the Warrants.
- The basis of determining the Exercise price of Php4.3842 is the 90-day Volume Weighted Average Price (VWAP) preceding the pricing date, 16 November 2016.
- Timetable for the issuance of the Warrants will be 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, other regulatory approvals and compliance with all legal requirements.
- 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.
- 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.
- Each Warrant entitles to subscribe to one (1) common share of stock of the Corporation.
- Warrants are exercisable on any business day during the Exercise Period.
- The Corporation may, but is not obligated, at any time to purchase the Warrants at any price.
- Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date.
- AT 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.
- If any 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.

The Corporation will also seek a waiver of the conduct of a rights or public offer for the Shares subscribed out of the increase in the authorized capital stock, the issuance of Warrants and the underlying Common Shares as a result of the exercise of the Warrants by a majority vote representing the outstanding shares held by the minority Shareholders present or represented at the SSM.

Item 10. Modification or Exchange of Securities

No action involving the modification or exchange of the Company's securities shall be presented for Shareholders' approval at this year's Meeting.

Item 11. Financial and other information

The Management Report and Interim Financial Statements of the Corporation are incorporated herein by reference.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action involving any of the following shall be presented for approval: (i) the merger or consolidation of AT into or with any other person, or of any other person into or with AT; (ii) the acquisition by AT or any of its security holders of securities of another person; (iii) the acquisition by the Company of any other going business or of the assets thereof; (iv) the sale or other transfer of all or any substantial part of the assets of AT; or (v) the liquidation or dissolution of the Corporation

Item 13. Acquisition or Disposition of Property

No action involving the acquisition or disposition by the Corporation of any property shall be presented for approval.

Item 14. Restatement of Accounts

No action involving the restatement of the Corporation's asset, capital or surplus account shall be presented for approval.

D. OTHER MATTERS

Item 15. Action with respect to reports

There is no action to be taken with respect to any report of the Corporation or of its directors, officers, committees.

Item 16. Matters Not Required to be Submitted

The Corporation will not present any matter that does not require the vote of Shareholders.

Item 17. Amendment of Charter, By-Laws or Other Documents

Articles of Incorporation

The Corporation shall submit to the Shareholders for approval the proposal to amend Article VII of the Corporation's Articles of Incorporation increasing the authorized capital stock of AT by Php2,500,000,000.00 from Php6,000,000,000.00 to Php8,500,000,000.00 divided into 8,500,000,000 common shares of stock (the "Increase") with a par value of Php1.00 per share.

There will be no effect to the business or operations of the Corporation in the proposal for Increase. The proposed Share Issuance at the above stated Subscription Price will result in Additional Paid-In Capital. The Increase shall result in an additional PHP2,500,000,000.00 of authorized capital stock consisting of 2,500,000,000 common shares of stock with a par value of P1.00 per share.

The Increase will enable the Corporation to have sufficient shares of stock to allow AT to issue the Warrants and the Underlying Common Shares as a result of the exercise of the Warrants and the flexibility to raise fresh funds if deemed necessary. With available and sufficient unissued capital stock, the Corporation will have the capability for any future capital initiative.

Item 18. Other proposed actions

None

Item 19. Voting procedures

The approval of the amendment to AT's Articles of Incorporation as discussed in Item 17 above shall require the affirmative vote of Shareholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation.

The approval of the matters to be submitted to the Shareholders shall require the affirmative vote of Shareholders representing a majority of the outstanding capital stock of the Corporation.

The manner of voting shall be non-cumulative. Unless required by law or demanded by a Shareholder present or represented at the SSM and entitled to vote thereat, voting need not be by ballot.

All votes cast shall be counted under the supervision and control of the Corporate Secretary and/or the Assistant Corporate Secretary.

PART II
Information required in proxy form


Please see accompanying proxy form.

PART III
Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasay City on 9 December 2016.

**ATLAS CONSOLIDATED MINING AND
DEVELOPMENT CORPORATION**

By:


Maria Eleonor A. Santiago
Assistant Corp. Sec. and Compliance Officer

PROXY

This solicitation is being made by ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION (the "Corporation").

The proxy contained herein will serve to constitute and appoint:

The incumbent Chairman of the Board of Directors of the Corporation, or in his absence, the Chairman of the 21 February 2017 Special Shareholders' Meeting of the Corporation

as proxy to represent you and to vote all the shares registered in your name in the records of the Corporation and/or such shares as you are authorized to represent and vote in your capacity as administrator, executor or attorney-in-fact at the Special Shareholders' Meeting on 21 February 2017 (the "Meeting"), and any adjournment thereof, as fully to all intents and purposes as you might do if present and acting in person, thus, ratifying and confirming all that the proxy shall lawfully do or cause to be done by virtue of these presents.

The proxy form contained herein shall be accomplished according to the instructions herein written in *italicized font*. In case you fail to indicate your vote on the items specified below, you shall be deemed to have granted discretionary authority upon the proxy to act on such items in accordance with the recommendation of the management of the Corporation, provided, that this proxy form has been properly executed.

The duly-executed proxy should be delivered to the Corporate Secretary or the Assistant Corporate Secretary at the principal office of the Corporation located at the 5th Floor FiveE-Com Center, Palm Coast corner Pacific Drive, Mall of Asia Complex, Pasay City, Metro Manila, Philippines 1300 not later than 5:00 p.m. on 15 February 2017.

In the case of a corporation, the proxy may be issued in the form of a board resolution clearly stating the vote of the corporation with respect to the matters requiring action or approval as stated herein. Alternatively, the corporation issuing the proxy may execute this proxy form through a representative appointed *via* a board resolution. The pertinent board resolution must be contained in and attested through a Secretary's Certificate, which in the latter case should accompany the duly-accomplished proxy form.

The following are the matters to be acted upon at the Meeting. Please indicate how you intend for the proxy to vote on your behalf based on the instructions provided below.

INSTRUCTION: Indicate choice with an "X" mark in the appropriate box.

		APPROVE/ RATIFY	DISAPPROVE	ABSTAIN
1.	Minutes of the Annual General Meeting of Stockholders held on 29 April 2016			
2.	Primary issuance of shares of stock out of the Increase to be issued to shareholders as a result of the subscriber/s' subscription to at least twenty five percent (25%) of the Increase			
3.	Issuance of approximately 5,600,000,000 Warrants and the Underlying 5.6B common Shares of Stock as a result of the exercise of the			
4.	Waiver of public or rights offering to the shares subscribed out of the increase in the capital stock, the issuance of warrants and underlying commons shares of stock as a result of the exercise of the Warrants			

Management recommends a vote FOR the approval/ratification of the above items.

IT IS HEREBY UNDERSTOOD THAT WITH RESPECT TO MATTERS FOR WHICH THE CHOSEN ACTION WAS NOT INDICATED OR SPECIFIED PURSUANT TO THE ABOVE INSTRUCTIONS, THE PROXY SHALL CAST YOUR VOTE IN SUCH MANNER AS HE SHALL DEEM APPROPRIATE BASED ON THE RECOMMENDATION OF MANAGEMENT.

The completion, execution and submission of this proxy form shall likewise confer discretionary authority upon the proxy to vote on the following matters as he deems appropriate:

1. Matters that are to be presented at the Meeting but which are not known to the Corporation before the solicitation; and
2. All matters incident to the conduct of the Meeting.

As of the date of this solicitation, the Corporation does not know of any other matter that will be brought before the Shareholders for a vote at the Meeting.

Validation of proxies shall be held on 15 February 2016 at the Corporation's principal office at the 5th Floor, FiveE-Com Center, Palm Coast corner Pacific Drive, Mall of Asia Complex, Pasay City 1300, Philippines under the supervision and control of the Corporate Secretary and/or the Assistant Corporate Secretary.

REVOCABILITY OF PROXY

Unless earlier withdrawn through a written notice delivered to the Corporate Secretary or the Assistant Corporate Secretary at least five (5) calendar days before the date of the Meeting, this proxy shall be valid and effective for and during the Meeting and any adjournment thereof, but only for such Meeting and its adjournment. A proxy that revokes a previously-issued proxy shall not be allowed to vote unless it has passed the proxy validation process described herein.

PERSON MAKING THE SOLICITATION

The solicitation is being made by the Corporation. In addition to the solicitation of proxies by mail, officers and employees of the Corporation, without extra compensation, may solicit proxies personally or by telephone. The cost of solicitation which is estimated to reach approximately Php___.00 will be borne by the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who (i) has been a director or executive officer of the Corporation at any time since the beginning of the last fiscal year, or (ii) is an associate of the foregoing persons, has substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the Meeting.

IN WITNESS WHEREOF, I have hereunto signed these presents this _____ 201_ in _____ City.

Signature over printed name
of Stockholder/Authorized Representative

Number of Shares
Owned or Represented

Date

PART IV Management Report

I. BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

Atlas Consolidated Mining & Development Corporation (“AT” or “Atlas” or the “Corporation”) was incorporated in accordance with Philippine law on 9 March 1935, initially under the name *Masbate Consolidated Mining Company, Inc.* as a result of the merger of the assets and equities of three pre-war mining companies, namely: Masbate Consolidated Mining Company Inc., Antamok Goldfields Mining Company, and IXL Mining Company. Its Articles of Incorporation were subsequently amended to reflect its present corporate name.

AT has never been involved in a bankruptcy, receivership, or any similar proceeding. During the past three (3) years, AT did not engage in (i) any transaction involving a material reclassification or reorganization, or (ii) any purchase or sale of a significant amount of assets not in the ordinary course of business, except for its acquisition of an additional 45.54% equity interest in its subsidiary Carmen Copper Corporation (“CCC”).

- Significant Subsidiary

Carmen Copper Corporation (“CCC” or “Carmen Copper”) is the only significant subsidiary¹⁰ of AT.

CCC was incorporated under Philippine law on 16 September 2004. CCC has never been involved in a bankruptcy, receivership, or any similar proceeding. During the past three (3) years, CCC did not engage in (i) any transaction involving a material reclassification or reorganization, or (ii) any purchase or sale of a significant amount of assets not in the ordinary course of business.

Atlas owns one hundred percent (100%) of the outstanding capital stock of CCC.

(2) Business of Atlas and CCC

Atlas, through CCC as operating subsidiary, is engaged in metallic mining and mineral exploration and development. CCC, as the operator of AT’s copper mines in the City of Toledo, Province of Cebu (the “Toledo Copper Mine”), primarily produces and exports copper metal in concentrate and the principal by-products of copper mining and processing: gold and silver. It is also pursuing the development and commercial production of other marketable by-products such as pyrite, magnetite, and molybdenum.

CCC exports one hundred percent (100%) of its copper production. Since the resumption of commercial mining operations at the Toledo Copper Mine in 2008, CCC has been shipping its copper concentrate output to smelters in China and South Korea pursuant to offtake agreements with MRI Trading AG (“MRI”). In 2013, it began delivering copper concentrate to the plant of the Philippine Associated Smelting and Refining Corporation

¹⁰ Under Part I, 1(B) of Rule 68 of the Amended Rules and Regulations implementing the Securities Regulation Code, “Significant Subsidiary” means a subsidiary, including its subsidiaries, which meet any of the following conditions:

(a) The corporation’s and its other subsidiaries’ investments in and advances to the subsidiary exceed ten per cent (10%) of the total assets of the corporation and its subsidiaries as of the end of the most recently completed fiscal year; or

(b) The corporation’s and its other subsidiaries’ proportionate share of the total assets (after inter-company eliminations) of the subsidiary exceeds ten per cent (10%) of the total assets of the corporation and its subsidiaries as of the end of the most recently completed fiscal year; or

(c) The corporation’s and its other subsidiaries’ equity in the income from continuing operations before income taxes exceeds ten per cent (10%) of such income of the corporation and its subsidiaries consolidated for the most recently completed fiscal year.

("PASAR") in Isabel, Leyte, Ocean Partners UK Ltd. and to smelters in Japan by virtue of an offtake contract with Mitsui & Co. Ltd.

While a substantial portion of CCC's copper production in 2014 were covered by offtake contracts entered into with MRI on account of MRI's ability to provide the most favorable terms and facilities, CCC is not dependent upon a single counterparty.

CCC has an existing long-term electrical power purchase agreement with Toledo Power Company ("TPC") which is the principal supplier of the electrical power required for CCC's mining operations. The fuel requirements of CCC are principally provided by Pilipinas Shell Petroleum Corporation under the terms of a supply agreement.

The related-party transactions of Atlas and CCC are limited to advances to and from affiliates mainly for the funding of working capital requirements.

CCC is not dependent upon the registration of, or any agreement respecting intellectual property rights for the conduct of its operations.

Except to the extent that CCC is required to obtain an ore transport permit ("OTP") from the Mines and Geosciences Bureau ("MGB") for the shipment of its copper concentrate production, CCC's products are not subject to any government examination prior to sale.

The extent of competition in the mining industry is largely defined by economic forces prevailing in the world market. These factors determine the cost and pricing structures of mining companies and give rise to price risks.

To manage commodity price risks, CCC enters into price fixing arrangements with offtakers that are covered by the terms of the offtake agreements respecting CCC's sale of copper, and gold and silver by-products. Under such arrangements, the selling price is to be computed based on the average of the agreed market price quotes over the stipulated quotational period, unless CCC exercises its option to fix the price in advance of such quotational period. CCC likewise hedges price risk through put option facilities covering its copper production.

CCC's operating rights with respect to the Toledo Copper Mine are derived from and are governed by its 5 May 2006 Operating Agreement with Atlas. The underlying mining rights pertaining to the areas spanned by the Toledo Copper Mine, on the other hand, are covered by valid and existing Mineral Production and Sharing Agreements ("MPSAs") between Atlas and the government of the Philippines, or by pending MPSA applications in the name of Atlas and/or individual claim owners having effective and enforceable operating agreements with Atlas.

While the government is considering the adoption of certain fiscal policies that may result in an increase in the rate of its share in mining revenues, no definitive legislation, regulation, or order has been promulgated in pursuit of such end. An escalation in the rate of taxes due on CCC's mining operations will naturally raise the cost of production. To address the risk of higher operating costs, CCC is aggressively pursuing plans to improve production efficiency.

➤ *Employees & Officers*

CCC has 2,568 employees as of September 30, 2016, of whom 50 are senior executive officers, 486 are junior/mid-level managers, 2,032 are rank and file and 18 are consultants/moonlighters. Around 1,500 (70%) of these rank-and-file employees are members of the Bargaining Unit with an existing Collective Bargaining Agreement (the "CBA") with CCC.

In October 2012, CCC executed a five (5)-year CBA with its previous rank-and-file union (the "Union"). However, in view of the election of Carmen Copper Workers Labor Organization ("CCWLO") as the new bargaining representative for the Union in October 2014, a new CBA was executed by CCC and CCWLO on January 30, 2015 (the "2015 CBA"). The 2015 CBA shall be valid as to the representation aspect for a period of five (5) years

while the economic provisions of the 2015 CBA shall be re-negotiated on the third (3rd) anniversary of its execution or in 2018.

With the union's full cooperation and support, management initiatives and programs have taken off to greater heights. The relationship between the union and management has never been as harmonious.

There has not been any labor dispute in the last three (3) years that was not resolved through mediation and conciliation proceedings before the Department of Labor and Employment ("DOLE").

➤ *Environmental Protection and Enhancement*

CCC maintains compliance with the applicable environmental laws, regulations, and orders. The company is committed to protect and enhance the environment, reduce the ecological footprint of its activities and maintain an excellent track record in responsible mining.

In November 2015, it secured the ISO 14001:2004 certification of its Integrated Management System ("IMS"), compliant to the Department of Environment and Natural Resources ("DENR") Administrative Order ("AO") No. 2015-07 mandating large-scale mining companies to secure ISO 14001 Certification. This certification is valid until 2018.

For seven (7) years in a row, CCC consistently bagged the Best Mining Forest Award for Metallic Category conferred by the DENR and the Philippine Mine Safety and Environment Association ("PMSEA"). For 2016, CCC garnered 2nd runner up.

As of November (2016), a total of 24.02 hectares of waste dump areas were reforested and CCC donated 35,138 seedlings to various government agencies and private entities.

As of 3rd quarter of 2016, CCC spent more than Php304 million for its Environmental Protection and Enhancement Program ("EPEP"), approximately seventy five percent (75%) of which went to the various environmental maintenance activities while twenty five percent (25%) was spent for climate change mitigation programs.

To promote biodiversity, CCC has enriched over seventy (70.85) hectares of sparsely vegetated areas and has established more than four hundred one (401.76) hectares of new plantations. A plant arboretum with 2,264 seedlings of 20 native species such as narra, molave, lauans, kamagong, akle, ipil, tindalo, gisok and kainingag was also maintained.

To accelerate rehabilitation of disturbed lands, the company conducted a study to determine the tree species that can survive in mined-out areas. The Mine Rehabilitation and Enhanced Watershed Research and Development Project, the first study of its kind in the country, was conducted in coordination with the Ecosystems Research and Development Bureau ("ERDB") of the DENR. The study was successfully completed and the final report was turned-over to the Mine Rehabilitation Fund Committee ("MRFC") in March 2016. Result of the study was incorporated in CCC's mine revegetation planning.

To manage and conserve water resources, recycled water is used for milling use. Water conservation measures are also initiated by maximizing the use of recycled water over fresh water, replacing dilapidated pumps, eliminating tank overflows and continually repairing pipeline leaks.

To further reduce carbon footprint, CCC heightened its reforestation activities and implemented various climate change mitigation activities such as regular preventive maintenance servicing of all company vehicles, with the aim to reduce carbon emissions.

For the mine closure, CCC deposited more than Php49 million for the Final Mine Rehabilitation and Decommissioning Fund ("FMRDF") in a trust fund with a government bank.

➤ *Sustainable Communities*

CCC adopted the Social Investigation and Participatory Situation Analysis approach to realize its commitment to build responsible, self-reliant and sustainable communities. It is a community-driven development (“CDD”) approach, wherein communities take an active part in decision-making processes relative to projects identification, prioritization and planning.

The Company allotted one and one-half percent (1.5%) of its operating cost, to implement the Social Management and Development Program (“SDMP”) in four (4) host and fourteen (14) neighboring barangays. CCC supports the programs that promote enterprise development, provide assistance to infrastructure and education, give access to health services, protect socio-cultural values, allow the use of camp facilities and services, develop mining technology, and intensifies its Information, Education and Communication (“IEC”) Program.

For various infrastructure projects, CCC is spending Php 95.5 million for the improvement and maintenance of farm-to-market roads in barangays Subayon and Magdugo. It also provided funds for the construction of covered court-cum-evacuation center with rainwater harvesters in Barangay Media Once and Camp 8 Multi-purpose Building. CCC also supported the water requirements of the residents not only of its host and neighboring barangays but also Toledo City through the Toledo City Water District.

In the provision of Livelihood Projects and Enterprise Development, financial and technical assistance are being provided to the people’s organizations (“POs”), the farmers and housewives of the communities who are the direct beneficiaries from barangays Pangamihan, Malubog, Media Once, DAS, Bulongan and Bunga. Thirteen (13) Livelihood Projects are granted to them with a total cost of Php 3.4 million.

CCC continued the Doctor to the Barangay Program with one doctor and several volunteer nurses deployed to the communities. Coordination with government agencies are done to help patients, including the transportation of patients in going to the city. This year the company donated an ambulance to the barangays of Poog and Cambang-ug.

CCC also provided additional community bus aside from the existing shuttle bus for communities and school children. It also subsidized the power requirements of De La Salle Andres Soriano Memorial School, Our Lady of Mount Carmel Parish Church and DAS Barangay Hall. The company continued to support the construction of the new Mt. Carmel Parish Church.

Moreover, the company firmly believes in the importance of education especially to the youth and their impact to nation building and development. Currently CCC has a total of 43 Secondary Scholars at De La Salle ASMC, 16 Tertiary Scholars at CIT-U and 50 Technical Vocational students at TESDA.

➤ *Health and Safety*

The health and safety of employees is of utmost importance to CCC. CCC is committed to maintain the highest level of safety and well-being in the workplace by adhering to a well-developed safety and health management systems consistent with the standards both of the Occupational Health and Safety Assessment Series (OHSAS):18001:2007 and the Mine Safety and Health Standards of DENR Administrative Order (DAO) No. 2000-98 as prescribed by MGB-DENR.

The mantra, “Safety is Everybody’s Responsibility”, is aptly demonstrated by the concerted efforts of all employees and service contractors to be safety-conscious at all times. Building on this culture, untoward incidents involving physical injuries and illnesses to employees and damage to company properties have been mitigated and prevented.

In June 2016, the company achieved a remarkable safety performance when the SGS Surveillance Audit Team did not find any major-non conformance and granted another year of certification of its Integrated Management System (“IMS”) covering OHSAS 18001:2007 for Occupational Health and Safety Management

➤ *Occupational Health*

“To offer the best possible care and the best possible outcome, with the resources that we have,” is a commitment of the company-owned and operated CCC Hospital (CCCH). As a testament to this commitment, our CCCH continues to promote, maintain and enhance the health, wellness and safety of our employees and their dependents.

Baseline health of all employees entering the workforce is recorded. Employees 40 years old and above undergo additional tests to assess their cardiovascular status. Newly introduced in 2015 is the pre-requisite medical examination prior to regularization of employees to ensure that no medical condition developed during the probationary period and that the working environment has not adversely affected the employee's health. Annual physical examinations are mandated and scheduled on the employees' birthdays for easy recall. The company gives 1 bonus day off to give ample time for all laboratory examinations to be completed.

In January 2016 to September 2016, CCCH attended to a total of 16,688 patients, 11,119 of whom were employees, 4,830 were dependents, and 739 were private patients. Other services rendered include 3,551 dental consultations and procedures, 18,874 laboratory exams, and 3,720 x-ray diagnostic exams. As the implementing arm of the company's medical benefit program, it has provided medicines and medical supplies to admitted patients as well as out-patients through the CCCH pharmacy.

On February 05, 2015 the operating theatre of CCCH opened its door for the first time and performed 3 major surgeries on our employees. In 2016, 3 major and 6 medium surgeries have been successfully performed by our surgeons.

Employees with chronic illnesses (specialty patients) such as hypertension and diabetes mellitus and tuberculosis continue to receive preferential attention and monitoring of disease status by a special team of physicians and nurses. This is evident in the formulation of specific Objectives, Targets and Programs (OTPs) to address these illnesses. Three performance indicators were set:

1. Alignment of clinical outcomes of CCCH-TB Dots clinic with those of the Department of Health (DOH) and the Philippine Commission against Tuberculosis (PhilCat), which is 90% treatment success rate and 90% cure rate.
2. Improvement in risk status of at least 50 % of specialty patients from high risk to moderate risk 6 months after enrollment, with full compliance to medications.
3. Improvement in basal metabolic rate (BMI) of at least 20% of employees who are obese, overweight, underweight, 9 months and 12 months after initial weigh-in.

In the third quarter of 2016, CCCH TB Dots clinic exceeded national targets: The team achieved 97% treatment success rate and 100% cure rate. Through the clinic, the DOH provided complete medicines for the 6-month duration of treatment. Treatment partners at work and at home provided support and monitored compliance.

The Diabetes Care Clinic achieved 80% reduction in risk status of employees while Hypertension Control Clinic has not enrolled any high risk patient since April 2016. As of September 2016, a total of 634 employees were enrolled in specialty clinics. Forty-seven (47) patients or 7.41% were tagged as high risk and were given intensified patient education, counseling and follow-up.

Weight management among employees continues to be a big challenge. During the first quarter of this year there was improvement in the BMI of 32-80% of those who were weighed in June 2015. More intensive dietary counseling & motivation is needed for employees to adopt a healthy lifestyle.

While the primary mandate is to provide high quality medical care to employees and their dependents, a sustainable primary health care program in host barangays through interventions geared towards prevention of disease and injury are being implemented such as the “Doctor to the Barangay” project launched on August 5,

2015. Since the start of the project, our community and family medicine specialist together with registered nurse volunteers have attended to and provided health teachings to 3,184 patients. Through the SDMP fund, patients received medicines and laboratory work up as needed.

Item 2. Properties

The Atlas Group owns and/or holds operating rights to several mining claims. These mining rights are covered by MPSA, Applications for MPSA (“APSA”), or Exploration Permit Applications (“EPA”).

A. Land, Machineries and Equipment

AT has a total landholding of 3,468.4438 hectares in Toledo City. Of this, 563.8738 hectares are registered in the name of Atlas, while the remaining 2,904.5700 hectares are covered by lease agreements with several individuals and corporate landowners.

The tables below show the details of Atlas-owned and managed parcels of land:

1. Atlas-owned parcels of land

	<u>No. of Lots</u>	<u>Area (Has.)</u>
1.1 Titled Lands	21	98.0485
1.2 Lands with Tax Declarations	63	465.8253
Total	<u>84</u>	<u>563.8738</u>

2. Atlas-managed parcels of land

2.1 Titled Lands	1	7.5982
2.2 Lands with Tax Declarations	288	2,896.9718
Total	<u>289</u>	<u>2,904.5700</u>
Grand Total	<u>373</u>	<u>3,468.4438</u>

B. Mineral Properties

Atlas is the owner of several mineral properties registered in its name. It also operates several mining claims by virtue of existing operating agreements with claim owners. These mineral properties are covered by existing Mineral Production Sharing Agreements (“MPSAs”), Exploration Permit Applications (“EPAs”) and Applications for Mineral Production Sharing Agreement (“APSAs”).

The tables below present the relevant details pertaining to the mining rights of the Atlas Group.

- CEBU
 - i) *APPROVED MPSAs*

MPSA NUMBER	Location	Mortgage, Lien or Encumbrance	AREA COVERED (in hectares)			DATE OF APPROVAL	WORK PERFORMED
			Owned by AT	Under Operating Agreement	Total Area		
1. MPSA-210-2005-VII	Toledo City, Cebu	None	119.1663	115.1212	234.2875	April 28, 2005	Covers the Carmen ore body where open pit mining operations are ongoing

2. MPSA-264-2008-VII	Toledo City, Cebu	None	546.2330	101.7829	648.0159	July 9, 2008	Covers the Lutopan ore body where open mining operations are ongoing.
3. MPSA-307-2009-VII	Toledo City, Cebu and City of Naga, Cebu	None	1,274.1270	0	1,274.1270	December 23, 2009	Exploration activities in the area covered by this MPSA are in progress
Sub-total =			1,939.5263	216.9041	2,156.4304		

ii) PENDING MPSA APPLICATIONS

MPSA APPLICATION NUMBER	Location	Mortgage, Lien or Encumbrance	AREA (in hectares)			STATUS OF APPLICATION	WORK PERFORMED
			Owned by AT	Under Operating Agreement	Total Area		
1. APSA-000013VII	Toledo City, Cebu	none	287.6172	-	287.6172	Application documents are under evaluation by the MGB Central Office	None. For exploration upon approval of APSA
2. APSA-000042VII	Pinamungajan, Cebu	none	252.3926	-	252.3926	Application documents are under evaluation by the MGB Central Office	-do-
3. APSA-000044VII	Toledo City, Cebu	none	275.2029	256.7019	531.9048	Application documents are under evaluation by the MGB Central Office	-do-
4. APSA-000045VII	Toledo City, Cebu, and Balamban, Cebu	none	-	2,552.0993	2,552.0993	Application documents are under evaluation by the MGB Central Office	-do-
5. APSA-000046VII	Toledo City, Cebu, and Cebu City, Cebu	none	1,286.8032	406.0730	1,692.8762	Application documents are under evaluation by the MGB Central Office	-do-
6. APSA-000196VII	Toledo City, Cebu	none	570.4192	194.3474	764.7666	Application documents are under evaluation by the MGB Central Office	-do-
Sub-total =			2,672.4351	3,409.2216	6,081.6567		

iii) EXPLORATION PERMIT APPLICATION

EXPLORATION PERMIT APPLICATION NUMBER	Location	Mortgage, Lien or Encumbrance	AREA (in hectares)			STATUS OF APPLICATION	WORK PERFORMED
			Owned by AT	Under Operating Agreement	Total Area		
1. EXPA-000083-VII	Toledo City, Cebu	None	323.5254	-	323.5254	Application documents are under evaluation by the MGB Central Office	For exploration upon approval of EPA
Sub-total =			323.5254	-	323.5254		
TOTAL CEBU =			4,935.4868	3,626.1257	8,561.6125		

• SURIGAO DEL SUR

EXPLORATION PERMIT APPLICATION NUMBER	Location	Mortgage, Lien or Encumbrance	AREA (in hectares)			STATUS OF APPLICATION	WORK PERFORMED
			Owned by AT	Under Operating Agreement	Total Area		
1. EPA-000073-XIII (02-02-05)	Surigao del Sur	None	3,658.1616	210.6984	3,868.8600	Application documents are under evaluation by the MGB Regional Office	None. For exploration upon approval of EPA
TOTAL SURIGAO DEL SUR =			3,658.1616	210.6984	3,868.8600		

• PALAWAN

i) APPROVED MPSA

MPSA NUMBER	Location	Mortgage, Lien or Encumbrance	AREA (in hectares)			DATE OF APPROVAL	WORK PERFORMED
			Owned by AT	Under Operating Agreement	Total Area		
1. MPSA-235-2007-IVB	Palawan	None	-	288.0000	288.0000	June 8, 2007	Commercial mining activities are on-going
Sub-total =			-	288.0000	288.0000		

ii) MPSA APPLICATION

MPSA APPLICATION NUMBER	Location	Mortgage, Lien or Encumbrance	AREA (in hectares)			STATUS	WORK PERFORMED
			Owned by AT	Under Operating Agreement	Total Area		
1. AMA-IVB-038(Amd) (APSA00369 IV)	Palawan	none	-	1,062.0000	1,062.0000	Application documents are under evaluation by the MGB Regional Office	None. For exploration upon approval of AMA
3. AMA-IVB-147(Amd)	Palawan	none	-	2,493.0000	2,493.0000	Application documents are under evaluation by	-do-

						the MGB Regional Office	
Sub-total =			-	3,555.0000	3,555.0000		

iii) EXPLORATION PERMIT APPLICATION

EXPLORATION PERMIT APPLICATION NUMBER	Location	Mortgage, Lien or Encumbrance	AREA (in hectares)			STATUS	WORK PERFORMED
			Owned by AT	Under Operating Agreement	Total Area		
1. EPA-IVB-011	Palawan	None	-	16,130.4400	16,130.4400	Application documents are under evaluation by the MGB Regional Office	None. For exploration upon approval of EPA
2. EPA-IVB-058	Palawan	None	970.0000	-	970.0000	Application documents are under evaluation by the MGB Regional Office	None. For exploration upon approval of EPA
3. EPA-IVB-060	Palawan	None	540.0000	5,466.2352	6,006.2352	Application documents are under evaluation by the MGB Regional Office	None. For exploration upon approval of EPA
4. EPA-IVB-061	Palawan	None	810.0000	-	810.0000	Application documents are under evaluation by the MGB Regional Office	None. For exploration upon approval of EPA
Sub-total =			2,320.0000	21,596.6752	23,916.6752		
TOTAL PALAWAN =			2,320.0000	25,439.6752	27,759.6752		

TOTAL PHILIPPINES =	10,913.6484	29,276.1257	40,190.1477
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C. Operating Statistics

The following table details CCC's operating statistics related to copper production, shipment and summary of costs for the nine-months ended 30 September 2015 and 2016:

CARMEN COPPER SUMMARY OF OPERATIONS			
Year-on-Year	3Q2015	3Q2016	Change
Production			
Milling Tonnage ('000 dmt)	13,083	12,682	-3%
Daily Milling Average (dmt per day)	47,925	46,284	-3%
Ore Grade	0.297%	0.318%	+7%
Copper Concentrate ('000 dmt)	124	131	+6%
Copper Metal Gross (in million lbs)	73.3	77.1	+5%
Gold (ounces)	21,677	26,039	+20%
Shipment			
Number of Shipments	25.0	27.0	+8%
Copper Concentrate ('000 dmt)	121.1	131	+8%
Copper Metal Gross (in million lbs)	71.0	77.0	+8%
Gold (payable ounces)	19,997	24,706	+24%

CARMEN COPPER SUMMARY OF COSTS

Year-on-Year (US\$/lb Cu)	3Q2015	3Q2016	Change
C1	1.71	1.36	-21%
C2	2.25	1.90	-16%
C3	2.66	2.26	-15%

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, hedging cost and other charges

METAL PRICES (AVERAGE INVOICED PRICE)

Year-on-Year	3Q2015	3Q2016	Change
Copper (US\$/lb)	2.57	2.13	-17%
Gold (US\$/ounce)	1,171	1,258	+7%

D. Proven and Probable Reserves

	Proven Reserves			Probable Reserves			Proven and Probable Reserves			Metallurgical Recovery
	Tonnage ⁽²⁾ 000	Grade (Cu %)	Pounds ⁽³⁾ (millions)	Tonnage ⁽²⁾ 000	Grade (Cu %)	Pounds ⁽³⁾ (millions)	Tonnage ⁽²⁾ 000	Grade (Cu %)	Pounds ⁽³⁾ (millions)	
Lutopan Pit	93,900	0.32%	661	86,200	0.31%	588	180,100	0.32%	1,268	88%
Carmen Pit	133,100	0.38%	1,113	69,400	0.30%	458	202,500	0.35%	1,560	89%
Total Copper	227,000	0.36%	1,774	155,600	0.31%	1,046	382,600	0.34%	2,828	88%

	Measured Resource		Indicated Resource		Inferred Resource		Total Mineral Resource	
	Tonnage ⁽²⁾ 000	Grade (Cu %)	Tonnage ⁽²⁾ 000	Grade (Cu %)	Tonnage ⁽²⁾ 000	Grade (Cu %)	Tonnage ⁽²⁾ 000	Grade (Cu %)
Lutopan Pit	541,100	0.34%	13,900	0.29%	16,500	0.23%	571,500	0.34%
Carmen Pit	263,400	0.36%	64,000	0.36%	37,000	0.36%	364,400	0.36%
Total Copper	804,500	0.35%	77,900	0.35%	53,500	0.32%	935,900	0.35%

Item 3. Legal Proceedings

Petition for Review before the Supreme Court: Revocation of tax ruling issued in favor of Atlas

"Commissioner of Internal Revenue ("CIR") vs. Atlas Consolidated Mining and Development Corporation" SC G.R. No. 222801 [CTA EB No. 1101]

On 29 February 2000, the BIR Revenue Region No. 10 issued against AT assessment notices for alleged deficiency excise taxes for taxable years 1991 to 1993 amounting to Php197,595,158.77. On 24 May 2000, AT received a Formal Letter of Demand from the BIR requesting AT to settle its deficiency excise taxes, which assessment became final and executory.

On November 21, 2006, AT requested the BIR to confirm that the period to collect the deficiency excise taxes upon the Company's mining operations from July 1991 to August 1994 (the "Taxes") had lapsed. The BIR issued Ruling confirming that the period to collect the Masbate Taxes had prescribed. Relying upon the Ruling, AT wrote-off from its books the amount corresponding to the Masbate Taxes.

The CIR subsequently issued a Memorandum Letter dated 13 July 2010 revoking the Ruling due to the alleged misrepresentation of facts, which was circularized on 10 August 2010 through Revenue Memorandum Circular No. 67-2010. In a demand letter dated 11 August 2010, the BIR Revenue District Officer demanded payment of the deficiency excise taxes, which also served as a Formal Notice of Warrant of Distraint and/or Levy and Garnishment ("WDL") with Notices of Tax Lien on all the properties of Atlas in the event of non-payment.

Hence, on 17 August 2010, Atlas instituted a Petition before the CTA seeking the (a) reversal of the revocation by the CIR of the Ruling, (b) reversal, cancellation, and setting aside of the assessments for alleged deficiency excise taxes, and (c) suspension of any collection action on the assessments arising from such revocation, including the implementation of the WDL. On 14 October 2010, the CTA *2nd Division (the "Court in Division")* issued a Resolution granting Atlas's Motion for Suspension of Collection of Tax and ordered the respondents to hold in abeyance the collection of the alleged deficiency excise tax assessed of PhP197,595,159.

After trial on the merits, the *Court in Division* rendered its *Decision* dated 1 October 2013 granting Atlas' Petition and cancelled and withdrew the assessment notices issued against it for failure of respondents to enforce collection thereof within the period allowed by law. The foregoing ruling was affirmed by the *Court in Division*. The CIR elevated the aforesaid *Decision* and *Resolution* to the CTA *En Banc in a Petition* for Review.

On 14 August 2015, the CTA *En Banc* issued its *Decision* in favor of Atlas denying CIR's Petition for Review and *Resolution* denying the CIR's MR for lack of merit. The CIR subsequently filed a Petition for Review on Certiorari with the Supreme Court which is still pending up to this time.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted during the third quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

II. OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholders Matters

(1) Market Information

Atlas's common shares of stock are traded on the Philippine Stock Exchange (PSE).

The table below provides the details on the trading price range of Atlas shares of stock for each calendar quarter of the last two (2) fiscal years:

	2013		2014		2015		2016	
	High	Low	High	Low	High	Low	High	Low
1Q	22.95	19.28	16.68	13.70	10.22	8.84		
2Q	21.90	13.50	16.02	13.40	8.75	6.48		
3Q	15.28	11.80	16.98	14.18	6.49	4.23		
4Q	14.74	11.68	14.90	10.16	6.11	4.02		

The closing price of Atlas shares of stock on Record Date is Php4.41 per share.

(2) Holders

As of 30 November 2016, (i) there were a total of 20,861 individuals/entities holding AT shares of stock, and (ii) 5.39% of the total issued and outstanding AT shares of stock were held by foreigners.

The Top 20 stockholders of Atlas as of 30 November 2016 were:

<i>No.</i>	<i>Name</i>	<i>No. of Shares Held</i>	<i>% of Ownership</i>
1	PCD Nominee Corporation	1,470,204,994	70.44%
2	Alakor Corporation	283,550,000	13.59%
3	Anglo Philippine Holdings Corporation	171,450,500	8.22%
4	PCD Nominee Corporation (Non-Filipino)	87,725,817	4.20%
5	National Book Store Inc.	9,203,407	0.44%
6	SM Investments Corporation	9,190,000	0.44%
7	The Bank of Nova Scotia	4,425,254	0.21%
8	Bank of Nova Scotia	2,950,169	0.14%
9	Tytana Corporation	2,562,439	0.12%
10	Merril Lynch, Pierce Fenner & Smith	2,138,244	0.10%
11	Globalfund Holdings, Inc.	1,787,000	0.09%
12	Metropolitan Bank and Trust Company	1,701,281	0.08%
13	Mitsubishi Metal Corporation	1,680,000	0.08%
14	National Financial Services	1,474,233	0.07%
15	Tan Hua	1,400,000	0.07%
16	Lucio W. Yan &/or Clara Yan	1,100,000	0.05%
17	Toledo City Government	1,000,000	0.05%
18	Asian Oceanic Holdings Phils., Inc	972,501	0.05%
19	Donald R. Osborn as Trustee U/W/O	945,677	0.05%

20 Willian Ragos Enrile II 900,000 0.04%

(3) Dividends

Upon the approval granted by its BOD on April 29, 2014 and March 8, 2013, Atlas declared cash dividends in the amount of PhP0.15 per share and PhP0.25 per share of its capital stock in 2014 and 2013, respectively. The dividends were paid to all stockholders of record as at May 19, 2014 and March 22, 2013, respectively.

(4) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

The table below provides the details of the issuances of Atlas shares of stock during the last three (3) fiscal years:

<u>Purchaser</u>	<u>Number of Shares Purchased</u>	<u>Date/s of Issuance of Shares</u>	<u>Consideration/ Price per share</u>	<u>Basis of Exemption under the Securities Regulation Code</u>
2014				
Optionees under the Comprehensive Stock Option Plan	1,183,604	Various dates	Cash/PhP10.00	Exempted from registration by the SEC
BDO Unibank, Inc.	9,728,000	November 2014	Cash/PhP10.00	Section 10.1 (I) (sale of securities to a qualified buyer)
2013				
Optionees under the Comprehensive Stock Option Plan	1,754,190	Various dates	Cash/PhP10.00	Exempted from registration by the SEC
2012				
Spinnaker	35,000,000	March 2012	Cash/PhP10	---
SM Investments Corporation	273,098,160	July 2012	Cash/PhP20.11	Section 10.1 (i) (notice of exemption is not required)
Optionees under the Comprehensive Stock Option Plan	2,215,788	Various dates	Cash/PhP10.00	Exempted from registration by the SEC

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operation

(1) As of 30 September 2016

The table below shows the unaudited consolidated results of operations of AT (or the "Parent Company") and its subsidiaries (collectively, the "Group") for the nine-month period ended 30 September 2016 vis-à-vis those for the same period in 2015:

Results of Operations (Nine-Month Period)

<u>Particulars (in Php millions)</u>	<u>30 September 2016</u>	<u>30 September 2015</u>	<u>%</u>
Consolidated Net Loss	(470)	(1,318)	(64%)
Consolidated Gross Revenues	8,777	8,403	4%

Costs and operating expenses	(7,567)	(7,389)	2%
Net income (loss) attributable to:			
Equity holders of the parent	(470)	(1,318)	(64%)
Carmen Copper	(162)	(1,260)	(87%)

AT registered a *Net loss* of Php470 million or 64% reduction in losses as compared to the same period in 2015. The improvement in the bottom line was attributable mainly to the elimination of foreign exchange loss in 2016 compared to Php1.1 billion foreign exchange loss in 2015. Moreover, higher volume of production and shipment and lower cost during the nine-month period mitigated the adverse impact of lower metal prices. *Gross Revenues* for the nine-month period reached Php8.7 billion, 4% higher year-on-year. Average realized copper price slid by 17% at USD2.13/lb. as of September 2016 from USD2.57/lb. of the same period last year. Meanwhile, average realized gold price increased to USD1,258/oz from USD1,174/oz of the previous year and also its shipment volume increased by 24%.

As of September 30, 2016, AT's subsidiary, Carmen Copper Corporation ("CCC" or "Carmen Copper"), reached an average daily milling rate of 46,284 dry metric tons ("dmt") which is 3% higher year-on-year. Consequently, it produced a total of 130,978 dmt of copper concentrate for the period, which yielded 77,109 million pounds ("lbs") of gross copper metal content and realizing a 5% increase in output based on production for similar period last year. Gold yield was up by 20% to 26,039 ounces.

With the increase in production, Carmen Copper shipped a total of 131,336 dmt of copper concentrate representing 8% increase relative to the shipment volume for the same period in 2015. The gross copper metal contents of shipments likewise increased to 76,952 million lbs or 8% improvement from last year. Gold content significantly increased to 24,706 ounces or a 24% increase from last year.

Costs and operating expenses slightly decreased by 2% as the impact of higher production levels was tempered by the benefits realized from the cost containment initiatives being continuously implemented. Improvement in operating efficiencies and the decline in prices of key input costs resulted in lower costs of fuel, power, explosives, equipment rental, reagents, materials and spares. The lower waste to ore ratio contributed significantly also to the reduction in cost as more work was done on development waste stripping than on production waste stripping.

AT recognized equity in net income of associates of Php82 million as of the period under review. This represents the Parent Company's share in the results of operations of Ulugan Resources Holding, Inc. (URHI), TMM Management, Inc. (TMMI), Ulugan Nickel Corporation (UNC), Nickeline Resources Holdings, Inc. (NRHI), and Berong Nickel Corporation (BNC) (the "Nickel Corporations") as of September 2016.

Finance charges (15% of gross revenues) increased due to the availment of additional loans for working capital requirements.

USD:Php Exchange rate closed at USD1.00:Php48.50 as at 30 September 2016 versus USD1.00:Php47.06 as at 31 December 2015. This triggered the recognition of *Net unrealized foreign exchange gain* of Php86 million primarily from the restatement of Philippine Peso denominated loans and other payables as Carmen Copper has adopted the US dollar as its functional currency.

Carmen Copper's debt obligations are mostly US dollar-denominated to match US dollar revenues. This establishes a natural hedge against foreign exchange fluctuations. As such, there will be no actual or real foreign exchange effect as the US dollar-denominated debts are settled using US dollar revenue receipts.

For the same period in 2015, a *Net unrealized foreign exchange loss* of Php1.1 billion was booked as Carmen Copper was still using the Philippine Peso as its functional currency.

No provisional pricing contracts were entered during the period. Hence, *Net realized mark-to-market gain (loss)* was nil.

Interest income earned from short-term deposit placements decreased by 10%. The 60% decrease in *Other income (charges) – net* refers to revenues earned from rent and scrap materials plus Asset Impairment Provision less Bond Issuance-related Costs.

Amortization of intangible assets decreased by 7% attributed to the recognition of depletion cost.

AT incurred aggregate net deferred income tax for the third quarter of 2016 amounting to Php482 million.

Changes in Financial Position

The discussion below pertains to the unaudited consolidated financial condition of the Group as of 30 September 2016 vis-à-vis that as of 31 December 2015:

Receivables decreased by 61% due to settlement of trade credit accounts including receivables arising from Related Parties and Staff & Employees. The 14% decrease in *Inventories* was mainly due to shipments of product inventory in 2016 and consumption of material and supplies. *Prepayments and other current assets* increased by 32% primarily due to increase in Creditable Withholding Tax arising from increased sales to PASAR and deferral of some mining and milling costs.

Movement of *Intangible assets* was due to depletion of mining rights during the quarter. *Property, plant and equipment* increased by 2% mainly due to expenses incurred for Hill 3 Carmen Stripping Cost. *Deferred tax assets* were recognized due to the net effect of unrealized foreign exchange gains (losses) for the year and consider it as temporary differences arising from Net Operating Loss Carry-Over (NOLCO) and Excess Minimum Corporate Income Tax (MCIT). *Investment in associate* pertains to AT's effective interest on the net assets of the Nickel Corporations.

Decrease in *Accounts payable* by 40% mainly affects trade payables and accruals. *Current and non-current portions of long-term debt* (25% and 17% of total assets) increased by 233% and by 107%, respectively. This was a net effect of the payment of maturing debts and the availment of long-term loans for working capital requirements. *Income tax payable* pertains to the accrual of income tax liability for the three quarters of the year.

Bonds Payable decreased arising from the reclassification to current liability and effects of bond issuance costs.

Nickel Corporations

On 19 June 2014, Toledo Mining Corporation (TMC) gained Board and management control over the Nickel Corporations by having its nominees elected (i) to fill 71% or 60% (as applicable) of the Board seats of the Nickel Corporations, and (ii) to serve as principal officers of the Nickel Corporations. As a result, the Nickel Corporations are no longer controlled by AT. TMC is owned and controlled by DMCI Mining Corporation.

AT however has retained its authority to participate in the financial and operating policy decisions of the Nickel Corporations. Thus, the related investments of AT in the Nickel Corporations were reclassified from investments in subsidiaries to investments in associates starting 2014.

The third quarter results of the Nickel Corporations were reported as *Equity in the net income of an associate* which amounted to Php82 million.

Key Performance Indicators

The key performance indicators of the Group are shown below:

Particulars	30 September 2016	31 December 2015
Current/Liquidity Ratio		
Current Ratio	0.23:1	0.42:1
Solvency Ratios		
Debt-to-Equity	1.05:1	0.91:1
Debt-to-Assets	0.51:1	0.48:1
Asset-to-Equity	2.05:1	1.91:1
Interest Rate Coverage	0.73:1	1.06:1
Profitability Ratios		
Return on Equity	-1.29%	-2.23%
Return on Sales	-5.96%	-8.20%
Return on Assets (Fixed Assets)	-1.34%	-2.48%

- Current Ratio = Current Assets / Current Liabilities
- Debt-to-Equity = Total Liabilities / Total Stockholders' Equity Attributable to Equity Holders of Parent Company
- Debt-to-Assets = Total Liabilities / Total Assets
- Asset-to-Equity = Total Assets / Total Stockholders' Equity Attributable to Equity Holders of Parent Company
- Interest Rate Coverage = Earnings Before Income Tax / Interest Expense
- Return on Equity = Net Income Attributable to Equity Holders of Parent Company as of the Quarter / Average Total Stockholders' Equity Attributable to Equity Holders of Parent Company
- Return on Sales = Consolidated Net Income as of the Quarter / Total Consolidated Net Revenues as of the Quarter
- Return on Assets (Fixed Assets) = Net Income Attributable to Equity Holders of Parent Company as of the Quarter / Average Fixed Assets-Net

Liquidity and Capital Resources

Below is a summary of the Group's unaudited consolidated cash flow as of 30 September 2016:

Particulars (in Php million)	Amount
Net cash flow provided by operating activities	(1,343)
Net cash flows used in investing activities	(2,912)
Net cash flows provided by financing activities	4,664
Net increase in cash and cash equivalents	1,092

The Group is not required to present a segment report.

Except as already reported herein, there is no material event occurring subsequent to the close of the third quarter of 2016 that should be disclosed in this report.

The Group has no significant seasonality or cyclicity in its business operations that will have a material effect on its financial condition or results of operations.

The Group is not aware of (i) any uncertainties, trends, events or seasonal aspects that will significantly influence its liquidity or financial condition or the results of its operations; (ii) any high-probability event that will trigger direct or contingent financial obligation that is material to the Group; or (iii) any material off-balance sheet transactions that occurred as of the third quarter of 2016.

Material Plans, Trends, Events or Uncertainties

- Promissory Notes from SMIC

In January, February, March and September 2016, the Parent Company availed from SMIC senior unsecured loan facilities covering the aggregate amounts of Php705,375,000, Php1,346,268,000, Php2,236,560,000 and Php1,660,925.00 respectively, to raise additional working capital. The loans are payable within 5 years from the dates of availment, accrued interest at the rate of 5% per annum subject to repricing at prevailing market rate and with prepayment option of all or part of the loan prior to maturity.

- Infusion of Additional Equity Capital by AT to CCC

In February 2016, AT and CCC executed 2 Subscription Agreements for the equity capital infusion of AT into CCC in the amounts of Php705,375,000 and Php1,146,268,000 respectively through subscription to CCC's unissued common shares at the subscription price of Php10.00 per share for a total of 70,537,500 common shares and 114,626,800 common shares. In June 2016 AT subscribed to 19,103,950 common shares out of the unissued capital stock of CCC at the subscription price of Php100.00 per share for a total subscription price of Php1,910,395,000.

- Change in the Par Value of the Common Shares

On 22 February 2016, the AT Board of Directors (BOD) approved the change in the Par Value of the common shares of AT from Php8.00 per share, with capital stock of Php24 billion divided into 3 billion common shares to Php1.00 per share, with capital stock of Php3 billion divided into 3 billion common shares, which was approved by the Stockholders of AT on 29 April 2016.

The reduction in par value is to effect a reduction in the unit price of the shares of stock, to widen the corporate base and to improve the marketability of primary share issuance. The lower par value of Php1.00 per share would allow the Parent Company to raise fresh funds through primary shares issuance if needed. The decrease in capital stock and par value reduction resulted in *Additional Paid-In Capital (APIC)* of Php14,609,229,418. The SEC approved the reduction in par value and capital stock on 29 June 2016.

The AT BOD in February 2016 and the Stockholders in April 2016 likewise approved the increase in the authorized capital stock of the Parent Company by Php3 billion, from Php3 billion to Php6 billion divided into 6 billion common shares at Php1.00 par value. As of September 2016, the Parent Company has not issued any share out of the increase in the authorized capital stock.

- Change in Functional Currency of CCC

The functional currency of CCC has changed from the Philippine Peso to US Dollar starting year 2015. Management established that US Dollar is the currency of the primary economic environment in which CCC operates. On the other hand, the Philippine peso is the currency of the primary economic environment in which the Group, except for CCC, operates. The change in functional currency was approved by the SEC on February 16, 2016.

- Reduction in mill throughput at the Carmen Copper Mine

On 6 April 2016, the BODs of AT and its subsidiary, CCC, approved and authorized the implementation of a comprehensive plan to reduce the mill throughput at the Carmen Copper Mine in Cebu, from its name plate

capacity of 60,000 tonnes per day (“tpd”) throughput to 40,000 tpd. Impact of the plan is estimated to reduce 2016 and 2017 copper production by 33% after implementation. The revised milling and mining plan is in response to the recent decline in copper prices. LME copper prices averaged US\$3.11/lb in 2014, \$2.49/lb in 2015, \$2.11/lb in Q1 2016, \$2.15/lb in Q2 2016 and \$2.17/lb in Q3 2016.

AT will be reducing its capital expenditures to \$27 million from the original planned spending of \$104 million as it lowers the throughput of its mine in Cebu. The planned capital spending is 74% lower than last year’s capex. AT would continue to trim its capex to \$12 million next year.

On 5 May 2016, CCC notified its employees of the implementation to streamline operations, which is part of a broad restructuring it is undertaking to ensure its long term viability amid current market conditions.

The comprehensive plan for the restructuring involved: (i) Production levels being scaled back to 40k tpd; (ii) Mine site pre-stripping being reduced for 2016 and 2017; (iii) Capex levels reduced to focus on keeping the mine going; and (iv) reduction in all operating costs which will affect 551 workers, equivalent to 15% of the workforce

(2) As of 31 December 2015

The table below shows the results of operations of the Atlas Group over the last three fiscal years (‘000):

	<u>2015</u>	%	<u>2014</u>	%	<u>2013</u>	%
Consolidated net income/(loss)	(814,439)	(305%)	397,080	(79%)	1,895,956	(45%)
Consolidated gross revenues	11,342,317	(30%)	16,181,061	12%	14,450,749	(7%)
Costs and operating expenses	10,741,405	(14%)	12,548,952	24%	10,113,355	(6%)

Atlas Group registered a *consolidated net loss* of PhP814 million representing -7% of gross revenues and a 305% decline from prior year’s operational results. The following are the key factors:

- Low copper prices - Average copper prices dropped by 21% to USD2.47 per pound vis-à-vis last year’s USD3.12 because of the commodity slump in the global market.
- Lower Copper metal content of shipments - Copper metal content decreased by 5% from 100 million lbs to 95 million lbs as production was affected by lower copper grade which decreased by 4% from 0.314% to 0.300%.
- Lower Operating expenses – the combined effect of cost containment initiatives, improvement in operational efficiencies and lower prices of key input costs contributed to the reduction of operating expenses by 13%.
- Increase in Equity in net earnings of associates – strong performance of the Nickel Corporations resulted to the increase from P30 million in 2014 to P244 million in 2015.

Gross revenues for the year reached PhP11.34 billion, 30% lower year-on-year due mainly to lower average metal price and lower head grade. Copper revenues slid by 28% and registered at PhP9.92 billion.

- Average copper prices during the period slid by 21% to USD2.47 per pound, while average gold prices also dropped by 10% to USD1,152 per ounce.
- Carmen Copper maintained the same level of average daily milling rate at 49,205 dmt per day vis-à-vis prior year’s 49,225 dmt per day. However, the realized copper grade was lower by 4% from 0.314% to

0.300%. Consequently, it produced a total of 173,297 dmt of copper concentrate for the year, thus realizing a 3% decrease in production output from prior year. Gold yield rose by 14% to 29,886 ounces.

- Carmen Copper shipped 169,304 dmt and 175,966 dmt of copper concentrates in 2015 and 2014, respectively. Copper metal content is 95 million lbs. and gold is 27,333 Ozs., representing a decrease of 5% and an increase of 14%, respectively, vis-a vis last year.

Costs and operating expenses (95% of gross revenues) were lower by 14% due to cost containment initiatives, the improvement in operating efficiencies and the decline in prices of key input costs which resulted in lower costs of fuel, power, explosives, equipment rental, reagents and materials and spares.

On 19 June 2014, Toledo Mining Corporation (TMC) gained Board and management control over Ulugan Resources Holding, Inc. (URHI), TMM Management, Inc. (TMMI), Ulugan Nickel Corporation (UNC), Nickeline Resources Holdings, Inc. (NRHI), and BNC (the "Nickel Corporations") by having its nominees elected (i) to fill 71% or 60% (as applicable) of the Board seats of the Nickel Corporations, and (ii) to serve as principal officers of the Nickel Corporations. As a result, the Nickel Corporations are no longer controlled by Atlas. TMC is owned and controlled by DMCI Mining Corporation. Atlas retained significant influence on the Nickel Corporations as at December 31, 2015.

Atlas however has sustained the power to participate in the financial and operating policy decisions of the Nickel Corporations. Thus, the related investments of Atlas in the Nickel Corporations were reclassified from investments in subsidiaries to investments in associates effective July 2014. Atlas recognized the fair value of the investments retained in the aforementioned nickel corporations and recognized a *Gain associated with loss of control of subsidiaries* amounting to PhP44.62 million in 2014. Atlas also recognized *Equity in the net earnings of an associate* of PhP30.08 million representing the second semester results of the nickel corporations for 2014. This year, Atlas recognized full year share in net earnings of PhP244 million which corresponds to a 710% increase from 2014.

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Parent Company has been determined to be the Philippine peso. Each entity in the Group determined its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The functional currency of CCC has been changed from the Philippine peso to USDollar starting for the year 2015 since the management had determined that US\$ is the currency of the primary economic environment in which the CCC operates. The Philippine peso is the currency of the primary economic environment in which the Group except for CCC operates.

USD:PhP Exchange rate closed at USD1.00:PhP47.06 as at 31 December 2015 versus USD1.00:PhP44.720 as at 31 December 2014. With the change in the functional currency of Carmen Copper from Philippine peso to US\$, the devaluation of the Peso has no longer materially impacted the results of operation resulting instead to a *Net foreign exchange gain* of PhP138 million. A net foreign exchange loss of PhP165 million was recognized during the same period in the previous year arising mainly from the restatement of US dollar-denominated loans and payables.

Greater portion of Short-term placements was utilized for operational expenditures during the year. Hence, *Interest income* slid by 34% to PhP37 million compared with PhP57 million of last year.

Finance charges (14% of gross revenues) increased by 14% due to additional loans availed for working capital requirements.

The 110% slump in Other Income (charges) – net was largely due to one-time service income recognized last year.

The *Unrealized gains or losses on derivatives and Realized gains or losses on derivatives* are attributable to the recognition of derivative assets and liabilities from provisional pricing contracts still outstanding at the end of the year for copper concentrate shipments. Atlas registered a 99% decrease in Unrealized losses on derivatives from

PhP290 million in 2014 due mainly to lower number of shipments with outstanding provisional pricing as of end of 2015. Realized gains on derivatives increased by 1554% to PhP295 million as losses in 2014 reversed in 2015.

Benefit from (provision for) income tax increased because of additional deferred income tax arising from the Net Operating Loss Carry Over (NOLCO) and the Minimum Corporate Income Tax (MCIT).

Changes in Financial Position

The table below shows the highlights in the financial position of the Atlas Group over the last three fiscal years ('000):

	2015	2014	2013
Assets	69,575,967	65,915,281	63,205,327
Liabilities	33,095,739	29,516,491	26,353,582
Retained Earnings	18,840,352	19,654,791	19,842,996

The discussion below pertains to the consolidated financial condition of the Group as of 31 December 2015 vis-à-vis that as of 31 December 2014:

Short-term investments decreased by 19% due to pre-termination of short-term deposit placements. *Receivables* decreased by 25% due to decrease in revenues and collection of trade credits at year end. *Inventories* increased by 57% due to stockpiling and decrease in issuance of materials and supplies during the year. *Other current assets* decreased by 23% due to lower balances of deposits to suppliers, prepaid insurance and deferred cost of consumables.

Property, plant and equipment (50% of total assets) increased by 12% at cost due to continued capital acquisitions and development costs in Carmen Copper. Revaluation of Atlas' land properties resulted to increase of 36% from prior year. Movement in *Mining Rights* (12% of total assets) was mainly due to production-driven amortization during the year. *Goodwill* (27% of total assets) mainly pertains to the allocated provisional fair values of identifiable assets and liabilities of Carmen Copper. *Investment in associate* pertains to Atlas Mining's ownership over BNC, TMMI, URHI, UNC and NRHI, respectively. The Group assessed that it has significant influence over these entities and are accounted for as investments in associates. The 32% decrease was due to the net effect of equity in net earnings and dividend income for the year. *Other noncurrent assets* increased by 11% due to input value-added tax credits from trade purchases and impairment adjustments made during the year.

Accounts payable and accrued liabilities (8% of total assets) increased by 12% due to additional trade credits and accruals. *Current and noncurrent portions of long-term debt* (8% and 29% of total assets) increased by 88% and 9%, respectively. This was a net effect of availment of loans for working capital requirements. On 4 June 2015, the Board of Directors authorized the availment of the senior unsecured convertible loan from its principal shareholders, particularly, Alakor Corporation, Anglo Philippine Holdings Corporation, and the SM Group. On 17 September 2015, Atlas Mining availed PhP981 million unsecured loan from the SM Group. Proceeds from both loans were utilized for working capital and to infuse funds in CCC. *Derivative liabilities* slid by 99% because of the exercise and delivery of commodity forwards on copper concentrate within this year.

Retirement benefits liability decreased by 46% due to payment of pension costs and actual valuation adjustments. *Liability for mine rehabilitation* increased by 7% mainly due to additional provision for accretion of interest and share in the cumulative translation adjustment of CCC. *Deferred tax liabilities* decreased by 29% which was mainly due to net operating loss carryover (NOLCO) recognized by Carmen Copper.

There were no additional issuances in *Capital stock* (24% of total assets) during the year, *Additional paid-in capital* increased by PhP49 million or 169% as a result of the equity conversion option from the PhP1.8 billion Convertible Loan availed from the SM Group, Alakor Corporation and Anglo Philippines Holding Corporation.

Revaluation increment on land increased by Php80.3 million or 37% due to appraisal of land properties during the year. *Remeasurement gain on retirement plan* was realized because of the recognition of actuarial valuation results an increase by 171% from last year's loss of Php183 million. *Net unrealized gains on AFS investment* decreased by 20% due to impairment adjustments at year end. *Cumulative translation adjustments* of Php456 million was recognized this year due to change in Carmen Copper's functional currency from Philippine Peso to United States Dollar.

Upon the approval granted by its BOD on 29 April 2014, Atlas declared cash dividends of Php0.15 per share of its outstanding capital stock which were paid last 9 June 2014 to all stockholders of record as of 14 May 2014.

Atlas has issued a total of 1,183,603 of its shares of stock (the "Option Shares") as a result of the exercise of stock subscription rights granted under the existing stock option plan covering directors, officers, and employees of Atlas Mining and CCC (the "Stock Option Plan"). The Option Shares were issued at the price of Php10.00 per share. In 2013, 1,754,190 option shares were issued at the same exercise price. On 28 November 2014, BDO Unibank Inc. exercised its subscription rights under stock warrants respecting a total of 18,728,000 of the authorized and unissued shares of stock. The exercise covered 9,728,000 of the issuer's shares which represented the balance of the shares underlying the warrants after the initial subscription to 9,000,000 shares in 2010.

Performance Indicators

The following table shows the key performance indicators of Atlas Group:

Particulars	Consolidated		
	2015	2014	2013
Current ratio	0.42:1	0.60:1	0.77:1
Debt to equity	0.91:1	0.82:1	0.73:1
Return on equity	-2.24%	0.34%	5.34%
Return on assets	-1.20%	0.19%	3.15%
Net profit margin	-7.18%	0.76%	13.25%

The abovementioned ratios were computed as follows:

- Current Ratio = Current Assets / Current Liabilities
- Debt-to-Equity = Total Liabilities / Total Stockholders' Equity Attributable to Equity Holders of Parent Company
- Return on Equity = Net Income Attributable to Equity Holders of Parent Company / Average Total Stockholders' Equity Attributable to Equity Holders of Parent Company
- Return on Assets = Net Income Attributable to Equity Holders of Parent Company / Average Fixed Assets-Net
- Return on Sales = Net Income Attributable to Equity Holders of Parent Company / Total Consolidated Gross Revenues

Liquidity and Capital Resources

Below is a summary of the consolidated cash flow of the Atlas Group ('000):

• Net cash flow from operating activities	-	Php	520,424
• Net cash flows used in investing activities	-	Php	(4,753,168)
• Net cash flows from financing activities	-	Php	4,222,980

- Net decrease in cash and cash equivalents - Php (439,321)

Cash from operating activities declined because of lower copper price.

Net cash used in investing activities was a result of the increased acquisition of property, plant and equipment.

Net cash from financing activities increased chiefly from availment of additional loans for working capital and lower amounts of loan maturities and payments in 2015.

Net increase in cash and cash equivalents was largely due to availment of loans.

Material Plans, Trends, Events or Uncertainties

- Promissory Notes from SMIC

In January and February 2016, the Company availed from SMIC senior unsecured loan facilities covering the aggregate amount of PhP705,375,000 and PhP1,346,268,000 respectively to raise additional working capital. The loans are payable within 5 years from the dates of availment, accrue interest at the rate of 5% per annum subject to repricing at prevailing market rate and with prepayment option of all or part of the loan prior to maturity.

- Infusion of Additional Equity Capital by AT to CCC

In February 2016, AT and CCC executed 2 Subscription Agreements for the equity capital infusion of AT into CCC in the amounts of PhP705,375,000 and PhP1,146,268,000 respectively through subscription to CCC's unissued common shares at the subscription price of 10.00 per share. Upon full payment of the subscription price CCC issued to AT 70,537,500 common shares and 114,626,800 common shares of the authorized capital stock of CCC.

- Change in the Par Value of the Common Shares

On February 22, 2016, the Board of Directors approved the change in the Par Value of the common shares from PhP8 per share, with capital stock of PhP24 billion divided into 3 billion common shares to PhP1 per share, with capital stock of PhP3 billion divided into 3 billion common shares and subsequently increasing the authorized capital stock PhP6 billion divided into 6 billion common shares. The proposed reduction in par value is to effect a reduction in the unit price of the shares of stock, to widen the corporate base and to improve the marketability of primary share issuance. The lower par value of PhP1.00 per share would allow the Parent Company to raise fresh funds through primary shares issuance if needed.

- Change in Functional Currency of CCC

The functional currency of CCC has changed from the Philippine Peso to US Dollar starting for the year 2015 since the management had determined that US Dollar is the currency of the primary economic environment in which the CCC operates. The Philippine peso is the currency of the primary economic environment in which the Group except for CCC operates. The change in functional currency was approved by the SEC on February 16, 2016.

- Others

As at 31 December 2015, (i) there was no known trend or contingent event that may have a material effect on the liquidity of Atlas or Carmen Copper, or on the marketability of Carmen Copper's products, other than commodity price volatility in the world market, (ii) there were no material off-balance sheet transactions, arrangements, or obligations involving Carmen Copper, (iii) there were no material firm commitments for new capital expenditures, and (iv) there was no significant element of income or loss from continuing operations, other than commodity price volatility in the world market.

Carmen Copper was unable to maintain certain financial ratios under its long-term loan agreements which compliance was duly waived by all the lenders. Carmen Copper settled the principal amounts and interests of the aforementioned long-term loans on a timely basis.

The Management of Atlas is constantly assessing options to optimize operations and investors and lenders will be tapped for additional support when necessary. There is (i) no product research and development for the term of the plan of operation, (ii) no expected purchase or sale of plant and significant equipment, and lastly (iii) no expected significant changes in the number of employees.

(3)As of 31 December 2014

The table below shows the results of operations of the Atlas Group over the last three fiscal years ('000):

	2014	%	2013	%	2012 (Audited and Restated)
Consolidated Net Income	397,080	(79%)	1,895,956	(45%)	3,438,501
Consolidated Gross Revenues	16,181,061	12%	14,450,749	(7%)	15,539,963
Costs and operating expenses	12,150,780	24%	9,766,643	(7%)	10,446,727

The 79% decline in the consolidated net income (25% of gross revenues) was driven by the following factors:

- Low copper prices - Average copper prices dropped by 6% to USD3.12 per pound vis-à-vis last year's USD3.30 because of the commodity slump in the global market.
- Increase in depreciation charges – This is primarily attributable to the capital equipment acquired during the expansion phase of Carmen Copper.
- Increase in finance charges – Financing costs were fully charged to operations and additional loans were availed for working capital requirements.
- Increase in income taxes – This was due to the full year effect of the expiration of Carmen Copper's Income Tax Holiday incentive.

Gross revenues for the year reached PhP16.181 billion, 12% higher year-on-year due mainly to increased shipment of payable metals. Copper revenues hiked by 10% and registered at PhP13.730 billion.

- Average copper prices during the period slid by 6% to USD3.12 per pound, while average gold prices also dropped by 9% to USD1,265 per ounce.
- Carmen Copper reached an average daily milling rate of 49,225 dmt per day which is 14% higher year-on-year on account of process improvements and completion of the plant expansion. Consequently, it produced a total of 177,876 dmt of copper concentrate for the period, thus realizing a 14% increase in output based on production for a similar period last year. Gold yield also went up by 23% to 26,310 ounces.
- Carmen Copper shipped 175,966 dmt and 154,378 dmt of copper concentrates in 2014 and 2013, respectively. Copper metal content is 100,145,961 lbs. and gold is 24,071 Ozs., representing increases of 15% and 23%vis-a vis last year.

- Although higher production was achieved and more shipments were made during the year as compared with the previous year, the lower average copper prices reduced the positive impact of the increase in productivity on the company's performance.

On 19 June 2014, Toledo Mining Corporation (TMC) gained Board and management control over Ulugan Resources Holding, Inc. (URHI), TMM Management, Inc. (TMMI), Ulugan Nickel Corporation (UNC), Nickeline Resources Holdings, Inc. (NRHI), and BNC (the "Nickel Corporations") by having its nominees elected (i) to fill 71% or 60% (as applicable) of the Board seats of the Nickel Corporations, and (ii) to serve as principal officers of the Nickel Corporations. As a result, the Nickel Corporations are no longer controlled by Atlas. TMC is owned and controlled by DMCI Mining Corporation. Atlas retained significant influence on the Nickel Corporations as at December 31, 2014.

Atlas however has sustained the power to participate in the financial and operating policy decisions of the Nickel Corporations. Thus the related investments of Atlas in the Nickel Corporations were reclassified from investments in subsidiaries to investments in associates in 2014. Atlas recognized the fair value of the investments retained in the aforementioned nickel corporations and recognized a *Gain associated with loss of control of subsidiaries* amounting to PhP44.62 million in 2014. Atlas also recognized the 2nd semester results of the nickel corporations as *Equity in the net earnings of an associate* which amounted to PhP30.08 million.

Costs and operating expenses (75% of gross revenues) were higher by 24% due to the increase in depreciation charges and higher production and shipment levels. Higher milling tonnage demanded higher power and fuel consumption, additional equipment rental costs, more reagents, materials and spares utilized to support 49,225 dmt per day compared with 42,682 dmt last year. Furthermore, increase in shipment volume called for higher smelting charges. Depreciation charges increased because of the capital equipment acquired during the expansion phase of Carmen Copper.

Finance charges (9% of gross revenues) increased due to the full charging of financing costs to operations and availment of additional loans for working capital requirements.

USD:PhP Exchange rate closed at USD1.00:PhP44.720 as at 31 December 2014 versus USD1.00:PhP44.395 as at 31 December 2013. The appreciation of the Peso against the US dollar triggered the recognition of *Net unrealized foreign exchange loss* of PhP165 million primarily from the restatement of US dollar-denominated loans and payables. A net unrealized foreign exchange loss of PhP1.02 billion was recognized during the same period in the previous year. Carmen Copper's debt obligations are mostly US dollar-denominated to match US dollar revenues. This establishes a natural hedge against foreign exchange fluctuations. As such, there will be no actual or real foreign exchange effect as the US dollar-denominated debts are settled using US dollar revenue receipts.

The *Net unrealized mark-to-market loss* of PhP310 million was attributable to the recognition of derivative assets and liabilities from provisional pricing contracts for copper concentrate shipments.

Interest income earned from short-term deposit placements decreased by 64%. The 753% rise in Other Income (charges) – net was caused by increase in revenues earned from rent and scrap materials.

Depletion of mining rights was up by 15% because of higher production level.

Carmen Copper's Income Tax Holiday incentive expired on 31 October 2013. Thus, Atlas Mining incurred aggregate *Net current income tax* amounting to PhP239 million during the year.

Changes in Financial Position

The table below shows the highlights in the financial position of the Atlas Group over the last three fiscal years ('000):

	2014	2013	2012 (Audited and Restated)
Assets	65,915,281	63,205,327	57,953,182
Liabilities	29,516,491	26,353,582	22,485,691
Retained Earnings	19,654,791	19,842,996	18,447,515

Upon the approval granted by its Board of Directors on 29 April 2014, Atlas declared cash dividends in the amount of PhP0.15 per share of its outstanding capital stock. The dividends were paid last 9 June 2014 to all stockholders of record as of 14 May 2014.

Atlas has issued a total of 1,183,603 of its shares of stock (the "Option Shares") as a result of the exercise of stock subscription rights granted under the existing stock option plan covering directors, officers, and employees of Atlas Mining and Carmen Copper (the "Stock Option Plan"). The Option Shares were issued at the price of PhP10.00 per share. For the same period last year, 1,754,190 option shares were issued at the same exercise price. On 28 November 2014, BDO Unibank Inc. exercised its subscription rights under stock warrants respecting a total of 18,728,000 of the authorized and unissued shares of stock. The exercise covered 9,728,000 of the issuer's shares which represented the balance of the shares underlying the warrants after the initial subscription to 9,000,000 shares in 2010.

The Revised PAS 19 on Employee Benefits has been applied retrospectively from 1 January 2012. Consequently, the Group has restated its reported results throughout the comparative periods presented and reported the cumulative effect as at 1 January 2012 as adjustment to opening balances.

On 6 July 2012, the SEC approved Atlas's application for equity restructuring through the application of its additional paid-in capital to wipe out its accumulated deficit as of 31 December 2011.

The discussion below pertains to the consolidated financial condition of the Group as of 31 December 2014 vis-à-vis that as of 31 December 2013:

Short-term investments decreased by 52% due to pre-termination of short-term deposit placements. *Receivables* decreased by 15% due to collection of trade credits at year end. There were no outstanding put options at year end, hence, *Derivative Assets* was nil. *Inventories* decreased by 15% due to increase in issuance of materials and supplies during the year. *Other current assets* increased by 3% due to deposits to suppliers, prepaid insurance and deferred cost of consumables.

Goodwill (29% of total assets) mainly pertains to the allocated provisional fair values of identifiable assets and liabilities of Carmen Copper. *Property, plant and equipment* (47% of total assets) increased by 16% due to continued capital acquisitions in Carmen Copper. Movement in *Mining Rights* (13% of total assets) was mainly due to production-driven amortization during the year. *Investment in associate* pertains to Atlas Mining's ownership over BNC, TMMI, URHI, UNC and NRHI, respectively. The Group assessed that it has significant influence over these entities and are accounted for as investments in associates. *Available-for-sale (AFS) financial assets* decreased due to impairment adjustments.

Accounts payable and accrued liabilities (7% of total assets) increased by 42% due to additional trade credits and accruals. *Current and noncurrent portions of long-term debt* (4% and 28% of total assets) decreased by 29% and increased by 20%, respectively. This was a net effect of availment of long-term loans for working capital requirements and foreign exchange translation adjustment on US dollar-denominated loans. As a part of DMCI's acquisition, *Payable to related parties* changed due to settlement of liability relating to TMC. *Derivative liabilities* pertain to the exercise and delivery of commodity forwards on copper concentrate within this year. *Income tax payable* pertains to the accrual of income tax liability for the fourth quarter of this year. *Retirement benefits liability* increased by 54% due to accrual of pension costs and actual valuation adjustments.

Capital stock (25% of total assets) and *Additional paid-in capital* increased due to the issuance of shares pursuant to Atlas Mining's stock option plan and exercise of stock warrants by BDO Unibank, Inc. *Remeasurement loss on retirement plan* increased by 89% because of the recognition of actuarial valuation results. *Net unrealized gains on AFS investment* decreased due to impairment adjustments at year end. *Non-controlling interest* was derecognized as a result of the change in accounting treatment for investments in BNC, TMMI, URHI, UNC and NRHI.

Performance Indicators

The following table shows the key performance indicators of Atlas Group:

Particulars	Consolidated		
	2014	2013	2012 (Audited and Restated)
Current ratio	0.60:1	0.77:1	2.03:1
Debt to equity	0.82:1	0.73:1	0.63:1
Return on equity	0.34%	5.34%	10.70%
Return on assets	0.19%	3.15%	6.16%
Net profit margin	0.76%	13.25%	21.14%

The abovementioned ratios were computed as follows:

- Current Ratio = Current Assets / Current Liabilities
- Debt-to-Equity = Total Liabilities / Total Stockholders' Equity Attributable to Equity Holders of Parent Company
- Return on Equity = Net Income Attributable to Equity Holders of Parent Company / Average Total Stockholders' Equity Attributable to Equity Holders of Parent Company
- Return on Assets = Net Income Attributable to Equity Holders of Parent Company / Average Fixed Assets-Net
- Return on Sales = Net Income Attributable to Equity Holders of Parent Company / Total Consolidated Revenues

Liquidity and Capital Resources

Below is a summary of the consolidated cash flow of the Atlas Group ('000):

- Net cash flow from operating activities - Php 5,116
- Net cash flows used in investing activities - Php (6,387)
- Net cash flows from financing activities - Php 1,747
- Net increase in cash and cash equivalents - Php 496

Cash from operating activities slightly as advance payments from customers augmented the dip in operating income.

Net cash used in investing activities was a result of the increased acquisition of property, plant and equipment.

Net cash from financing activities was chiefly from availment of additional loans for working capital.

Net increase in cash and cash equivalents was largely due to availment of loans.

Material Plans, Trends, Events or Uncertainties

- In the first quarter of 2014, Carmen Copper Corporation completed and commissioned its expanded ore processing plant which increased the nameplate capacity by 50% to 60,000 tonnes per day throughput.
- Copper concentrate revenues are based on international commodity quotations over which Atlas has no significant influence or control. This exposes the results of operations to commodity price volatilities that may significantly impact its cash inflows.
- As at 31 December 2014, (i) there was no known trend or contingent event that may have a material effect on the liquidity of Atlas or Carmen Copper, or on the marketability of Carmen Copper's products, other than commodity price volatility in the world market, (ii) there were no material off-balance sheet transactions, arrangements, or obligations involving Carmen Copper, (iii) there were no material firm commitments for new capital expenditures, and (iv) there was no significant element of income or loss from continuing operations, other than commodity price volatility in the world market.

Item 7. Financial Statements

Unaudited Consolidated Financial Statements as of 30 September 2016 are incorporated herein for reference.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no significant changes in and disagreements with the current independent accountant/external auditor on accounting and financial disclosures for the same periods or any subsequent interim period.

The table below shows the aggregate fees of SGV for the years ended 31 December 2016 and 2015 (i) for audit of the Atlas Group's annual financial statements, (ii) for services pertaining to the conduct of review with respect to CCC's tax compliance, and (iii) for other related services involving the examination of Atlas' or CCC's books of account. There were no other professional services rendered by SGV during the period.

<i>Particulars</i>		<u>2016</u>		<u>2015</u>		<u>2014</u>
Audit	PhP	3,800,000	PhP	3,600,000	PhP	4,223,087
Interim Review		775,000		879,878		878,966
Performance of agreed-upon procedures		-		-		-
TOTAL	PhP	<u>4,575,000</u>	PhP	<u>4,479,878</u>	PhP	<u>5,102,053</u>

The proposed Audit Fee for calendar year ended 31 December 2016 is still for review and approval by the Board.

The Corporation did not engage any other firm for tax accounting, compliance, advice, planning and any form of tax services covering the years 2016 and 2015.

III. CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors and Officers

The Corporation's Board of Directors ("BOD") is composed of eleven (11) members, elected by the stockholders at the Stockholders' Annual General Meeting ("AGM") to hold office until removed or replaced by a duly-elected and qualified candidates. Directors of AT elected on 29 April 2016 are:

Alfredo C. Ramos	Frederic C. DyBuncio
Adrian Paulino S. Ramos	Martin C. Buckingham
Gerard Anton S. Ramos	Isidro A. Consunji
Jose T. Sio	Fulgencio S. Factoran Jr.
Richard J. Gordon ¹¹	Alfredo R. Rosal Jr.
Laurito E. Serrano	

Principal officers of the Corporation are appointed/elected annually by the BOD during its organizational meeting following the AGM, each to hold office until removed or replaced by a duly-elected/appointed and qualified candidate. The incumbent principal officers are:

Alfredo C. Ramos	-	Chairman and President (April 2014 to March 2015) ¹²
Frederic C. DyBuncio	-	Vice Chairman
Adrian Paulino S. Ramos	-	President (1 April 2015 up to present; Executive Vice President from April 2013 to March 2015))
Martin C. Buckingham	-	Executive Vice President
Roderico V. Puno	-	Corporate Secretary
Leila Marie P. Cabanes	-	Treasurer
Fernando A. Rimando	-	Vice President/Chief Financial Officer
Maria Eleonor A. Santiago	-	Asst. Corporate Secretary/ Compliance Officer/ Head, Corporate Legal Affairs and Corporate Governance ¹³

The Corporation has no significant employees.

Other than those between Mr. Alfredo C. Ramos and his sons Mr. Adrian Paulino S. Ramos and Mr. Gerard Anton S. Ramos, there are no immediate family relationships among the directors and officers.

The Corporation is not aware of any legal proceeding of the nature required to be disclosed under Part IV, Paragraph (A), (4) of Annex C, Securities Regulation Code ("SRC") Rule 12, with respect to directors and executive officers of the Corporation during the past five (5) years up to the date of this report that are material to an evaluation of the ability or integrity of any director or executive officer.

The Corporation believes that the incumbent independent directors, Atty. Fulgencio S. Factoran Jr., Atty. Richard J. Gordon, Atty. Alfredo R. Rosal Jr., and Mr. Laurito E. Serrano continue to qualify as such pursuant to SRC Rule 38. To the best of the Corporation's knowledge, Attys. Factoran, Gordon and Rosal, and Mr. Serrano have always possessed the qualifications and none of the disqualifications for the position of independent director.

No independent director has exceeded the term limit as stated in SEC Memorandum Circular No. 9 Series of 2011 re: Term limits of Independent Director.

¹¹ Richard J. Gordon resigned as director effective 1 July 2016 after he was elected Senator of the Republic of the Philippines; Mr. Jay Yuvallos replaced Senator Gordon and assumed office in 9 August 2016

¹² Mr. Alfredo C. Ramos retired as President of AT and Carmen Copper Corporation ("Carmen Copper") effective 1 April 2015, which retirement was accepted by the Boards of Directors of AT and Carmen Copper on 23 March 2015. The resulting vacancies were filled by Mr. Adrian Paulino S. Ramos whose appointment was confirmed at the same meeting.

¹³ September 2015 up to present

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last AGM because of a disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

Details of the directors and/or officers of the Company:

<i>Office/s</i>	<i>Name of Nominee</i>	<i>Citizenship</i>	<i>Age</i>	<i>Footnote Legends</i>
Chairman of the Board of Directors	Alfredo C. Ramos	Filipino	72	(a)
Vice Chairman of the Board of Directors	Frederic C. DyBuncio	Filipino	56	(b)
Director/ President	Adrian Paulino S. Ramos	Filipino	37	(c)
Director/Executive Vice President	Martin C. Buckingham	British	63	(d)
Director	Isidro A. Consunji	Filipino	67	(e)
Director	Gerard Anton S. Ramos	Filipino	41	(f)
Director	Jose T. Sio	Filipino	76	(g)
Independent Director	Fulgencio S. Factoran Jr.	Filipino	72	(h)
Independent Director	Richard J. Gordon	Filipino	70	(i)
Independent Director	Alfredo R. Rosal, Jr.	Filipino	69	(j)
Independent Director	Laurito E. Serrano	Filipino	55	(k)
Independent Director	Jay Y. Yuvallos	Filipino		(l)
Corporate Secretary	Roderico V. Puno	Filipino	52	
Vice-President-Chief Financial Officer	Fernando A. Rimando	Filipino	49	
Compliance Officer/Assistant Corporate Secretary/ Head, Legal Affairs and Corporate Governance	Maria Eleonor A. Santiago	Filipino	49	
Treasurer	Leila Marie P. Cabanes	Filipino	37	

- (a) *Elected as Chairman of the BOD and President on 24 April 2013; Retired as President of the Corporation effective 1 April 2015; nominee of Alakor Corporation ("Alakor")*
- (b) *Elected as Director on 24 April 2013; nominee of SM Investments Corporation ("SMIC")*
- (c) *Elected as Director and Vice-President on 24 April 2013; Appointed as President effective on 1 April 2015; nominee of Alakor*
- (d) *Elected as Director and Executive Vice-President on 24 April 2013; nominee of Alakor*
- (e) *Elected as Director on 24 April 2013; nominee of SMIC*
- (f) *Elected as Director on 24 April 2013; nominee of Alakor*
- (g) *Elected as Director on 24 April 2013; nominee of SMIC*
- (h) *Elected as Independent Director on 24 April 2013; nominee of Alakor and SMIC*
- (i) *Elected as Independent Director on 24 April 2013; nominee of Alakor; resigned on 1 July 2016*
- (j) *Elected as Independent Director on 24 April 2013; nominee of Alakor*
- (k) *Elected as Independent Director on 24 April 2013; Nominee of SMIC*
- (l) *Elected as Independent Director on 9 August 2016*

Alfredo C. Ramos

Mr. Alfredo C. Ramos, 72 years old, Filipino, has been a member of the Board of Directors ("BOD") of Atlas Consolidated Mining Corporation ("AT") since 1989, and has served as its Chairman and President since 2 April 2013 until his resignation from the latter's post last 1 April 2015. He is concurrently the incumbent (i) Chairman of the Boards of Directors of Carmen Copper Corporation ("CCC"), Anglo Philippine Holdings Corporation ("Anglo"), Anvil Publishing, Inc., Aquatlas, Inc., NBS Express, Inc., The Philodrill Corporation and Amosite Holdings, Inc. ("AHI"); (ii) Vice-Chairman of the Boards of Directors of MRT Development Corporation, Shang Properties, Inc. and Toledo Mining Corporation; (iii) Chairman and President of Alakor Corporation ("Alakor"), National Book Store, Inc., NBS Subic, Inc., Vulcan Industrial and Mining Corporation, and United Paragon Mining Corporation; (iv) President of Abacus Book & Card Corporation, Crossings Department Store Corporation, MRT Holdings Corporation, Power Books, Inc., TMM Management, Inc., and Zenith Holdings Corporation; (v) Treasurer and Trustee of Studium Theologiae Foundation, Inc.; and (vi) Director of the Chamber of Mines of the Philippines

“COMP”). He has held these positions over the last five years. Mr. Ramos obtained his bachelor’s degree from the Ateneo de Manila University.

Frederic C. DyBuncio

Mr. Frederic C. DyBuncio, 56 years old, Filipino, has been a member of the BOD of AT since 12 August 2011, and has served as its Vice-Chairman since 22 August 2012. He is concurrently the (i) President, Chief Executive Officer and Director of Belle Corporation and its subsidiary Premium Leisure Corp.; (ii) Vice Chairman of the Board of Directors of CCC; (iii) Executive Vice President of SM Investments Corporation; and (iv) Amosite Holdings, Inc. Prior to holding the post, he was a career banker who spent over 20 years with JPMorgan Chase and its predecessor institutions. He graduated from Ateneo de Manila University with a Bachelor of Science Degree in Business Management and finished a Master’s Degree in Business Administration program from the Asian Institute of Management.

Adrian Paulino S. Ramos

Mr. Adrian Paulino S. Ramos, 38 years old, Filipino, has been a member of the BOD of AT since 18 July 2007, and has served as its President since 1 April 2015. He is concurrently the (i) Vice-President and Director of Alakor; (ii) Vice President/Treasurer of National Bookstore, Inc.; (iii) Corporate Secretary/Director of Alakor Securities Corporation and Trafalgar Investment Corp.; (iv) Director of CCC, Crossings Department Store, Anglo, The Philodrill Corporation, Vulcan Industrial & Mining Corporation, United Paragon Mining Corporation and Zenith Holdings Corporation; and (v) Executive Vice-President/CFO & Director of Anglo. He graduated from Ateneo de Manila University with a Bachelor of Science Degree in Business Management (Honors Program, Cum Laude) and finished a Master’s Degree in Business Administration (with Distinction) from the Kellogg School of Management, Northwestern University, Majors in Decision Sciences, Analytical Consulting and Accounting Information and Management.

Martin C. Buckingham

Mr. Martin C. Buckingham, 64 years old, British, has been a member of the BOD of AT since 4 December 1996, and has served as its Executive Vice-President since 22 July 2002. He is concurrently a director and Executive Vice-President of CCC and Atlas Exploration Inc. and has held these positions over the last five years. He obtained his law degree from Cambridge University (United Kingdom).

Isidro A. Consunji

Mr. Isidro A. Consunji, 67 years old, Filipino and has been a member of the BOD of AT since 22 April 2012. He is concurrently the Chief Executive Officer (CEO) of Semirara Mining Corporation and President and CEO of DMCI Holdings, Inc. He is also a director of CCC. He has held these positions over the last five years. He obtained his undergraduate degree in Civil Engineering from the University of the Philippines, and his Master’s Degree in Business Administration from the Asian Institute of Management (AIM).

Gerard Anton S. Ramos

Mr. Gerard .Anton .S. Ramos, 42 years old, Filipino and has been a member of the Board of Directors since 18 July 2007. He is concurrently holding the positions of (i) Vice-President of Alakor and United Paragon (which he has held over the last five years); (ii) Vice-President-Business Development/Corporate Secretary of National Bookstore, Inc. (iii) Executive Vice-President/Investments of Anglo; (iv) General Manager of Tipo Valley Realty Inc.; (v) Vice-President/Treasurer of Alakor Securities Corporation; and (vi) Director of the Philodrill Corporation. He obtained his Bachelor’s Degree in Business Management from the Ateneo de Manila University.

Jose T. Sio

Mr. Jose T. Sio, 76 years old, Filipino and has been a member of the BOD of AT since 12 August 2011. He is concurrently a Director, the Executive Vice-President and Chief Financial Officer (CFO), and a member of the Executive Committee of SMIC which is the holding company of the SM Group. Likewise, he is affiliated with various companies listed with the Philippine Stock Exchange (“PSE”) such as (i) China Banking Corporation, as Director; (ii) Belle Corporation, as a Director; (iii) BDO Unibank, Inc., as Adviser to the BOD; (iv) Premium Leisure Corporation, as Adviser to the BOD; and (v) SM Prime Holdings, as Adviser of the Audit and Risk Management Committee. In addition, Mr. Sio serves as Director of several private companies, namely: OCLP (Ortigas) Holdings, Inc., CCC, Manila North Tollways Corporation, City Mall Commercial Centers Inc., First Asia Realty Development Corporation and Amosite Holdings, Inc. He is likewise serving as President of SM Foundation, Inc. and Globalfund Holdings, Inc. Mr. Sio was a senior partner of Sycip Gorres Velayo & Co. (SGV & Co.) He was voted as CFO of the year in 2009 by the Financial Executives of the Philippines (FINEX), and was awarded as BEST CFO (Philippines) for various years by HongKong-based publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia, and The Asset. Mr. Sio is a Certified Public Accountant and holds a Bachelor of Science Degree in Commerce (major in Accounting) from the University of San Agustin. He obtained his Master’s in Business Administration from New York University, USA.

Fulgencio S. Factoran, Jr.

Atty. Fulgencio S. Factoran, Jr., 73 years old, Filipino, and has been an Independent Director of AT since 28 February 2012. He is the Managing Partner of Factoran and Associates Law Offices and is concurrently the Chairman of the Board of GAIA South Inc. and Agility, Inc. He likewise serves as an Independent Director of Nickel Asia Corporation. He had been active in Human Rights law, and in rendering civil services to various government and non-government institutions which later catapulted him to the distinguished position as the Secretary of the Department of Environment and Natural Resources during the term of President Corazon Aquino. He obtained his Bachelor of Arts in Humanities and Bachelor of Laws degree from the University of the Philippines (Cum Laude; Valedictorian), and his Master of Laws degree from the Harvard Law School (Harvard University, Cambridge, Massachusetts). The law office of Factoran and Associates does not act as legal counsel of AT.

Richard J. Gordon

Atty. Richard J. Gordon, 71 years old, Filipino, and had been an Independent Director of AT since 5 April 2011 until his resignation last 1 July 2016 due to his assumption to government office as one of the members of the House of Senate of the Philippines. Prior to his re-election, he was once a member of the 13th and 14th Congresses of the Philippines and had held the post of Secretary of the Department of Tourism for three (3) years beginning January 2001. He is the founding Chairman of the Subic Bay Metropolitan Authority (SBMA) and was the Chairman and CEO of the Philippine Red Cross. He obtained his undergraduate degree in History and Government from the Ateneo de Manila University, and his Bachelor of Laws Degree from the University of the Philippines.

Alfredo R. Rosal Jr.

Atty. Alfredo R. Rosal, Jr., 70 years old, Filipino, and has been an Independent Director of AT since 31 March 2003. He is the Managing Partner of Rosal & Associates Law Offices and is currently a Trustee of San Beda Law Alumni Association. As a legal professional, he rendered services as general counsel to various local and foreign investment companies. He also served as President of the Natural Resources Development Corporation and Bukidnon Forest, Inc. He obtained his Bachelor of Laws degree from the San Beda College of Law, and his Master’s in Business Administration from the University of the Philippines. The law office of Rosal & Associates does not act as legal counsel of AT.

Laurito E. Serrano

Mr. Laurito E. Serrano, 56 years old, Filipino, and has served as an Independent Director of AT since 22 August 2012. He concurrently sits as a member of the BOD of Philippine Veterans Bank, Sagittarius Mines, Inc., Pacific Online Systems, Inc., MRT Development Corporation and APC Group, Inc. He is also an Independent Director of CCC, Resorts World Manila and MIC Investments Corporation. His professional experience which span over 28 years cover, among others, financial advisory, project development engagements, transaction structuring, public debt/equity offerings, asset securitization and monetization, business acquisitions, investment promotion, audit services and other similar financial advisory services. He started his career at SGV & Co. as member of the Audit and Business Advisory Group and later rose to the rank of a Partner under the Corporate Finance Consulting Group of the same company. He is a Certified Public Accountant (Top 12) with a Master's Degree in Business Administration from the Harvard Graduate School of Business (Harvard University, Cambridge, Massachusetts); and a Bachelor of Science in Commerce degree (Cum Laude) from the Polytechnic University of the Philippines.

Jay Y. Yuvallos

Mr. Jay Y. Yuvallos is currently a Director of Sun Energy Developers Asia Inc. He likewise serves as President of Interior Basics Export Corporation and YZ Global Resources, Inc. and at the same time as Treasurer of Medgruppe Polyclinics & Diagnostic Center. To date, he occupies directorship posts in several government corporate institutions, both as representative of the ABAC CME Working Group to ASEAN Business Advisory Council and E-commerce Working Group to the East Asia Business Council. He juggles the positions in the former as Chairman, Co-Chairman and Treasurer while in the latter as Chairman and Co-Chairman. He has served and worked in various private institutions ranging from difference capacities as Chairman, President and Vice-President. He obtained his undergraduate degree of Bachelor of Science in Commerce-Accounting from the University of San Jose-Recoletos.

Roderico V. Puno

Atty. Roderico V. Puno, 53 years old, Filipino, and has served as the Corporate Secretary of AT since 15 September 2006. He is the Managing Partner of Puno and Puno Law Offices. He is concurrently the Corporate Secretary of CCC and First Philippine Industrial Park. Likewise, he sits as one of the members of the BOD of GT Capital Holdings. His expertise extends not only in the practice of energy, corporate, banking and finance arbitration laws but also in real estate, utilities regulation, securities, infrastructure and other similar commercial transactions. His esteemed stint in the practice of Philippine energy laws propelled him to be one of the drafters and implementers of the Electric Power Industry Reform Act. He obtained his Bachelor of Arts in Political Law and Bachelor of Laws degrees from the Ateneo de Manila University and his Masters of Law (with Honors) from Northwestern University in Chicago. He is recognized by the Chambers Global and International Financial Law Review as one of the leading Philippine Lawyers in Business Law

Fernando A. Rimando

Mr. Fernando A. Rimando, 50 years old, Filipino, and has served as the CFO and Vice-President- Finance of AT since 12 September 2012. Mr. Rimando is concurrently the (i) CFO and Vice President for Finance of CCC; and (ii) Treasurer of Aquatlas, Inc., Atlas Exploration Inc. and Amosite Holdings, Inc.. He has more than 28 years of experience in the fields of audit and finance and has held executive positions in the mining, energy and telecommunication industries. He is a Certified Public Accountant with a Bachelor of Commerce in Accountancy Degree obtained from Saint Louis University.

Maria Eleonor A. Santiago

Atty. Maria Eleonor A. Santiago, 50 years old, Filipino, has served as Assistant Corporate Secretary/Compliance Officer/Head, Legal Affairs and Corporate Governance of AT since 1 September 2015. Atty. Santiago is concurrently (i) the Assistant Corporate Secretary/Compliance Officer and Head, Legal Affairs of CCC; and (ii) Corporate Secretary of Amosite Holdings, Inc., Aquatlas, Inc. and Atlas Exploration Inc. Prior to joining AT, she held executive positions in the mining, real estate and information technology industries, both in private and publicly listed companies. She obtained her Bachelor of Arts in Political Science from the University of the Philippines and Bachelor of Laws Degree from the San Beda College of Law. She also finished the Strategic and Business Economics Program at the University of Asia and the Pacific.

Leila Marie P. Cabañes

Ms. Leila Marie P. Cabañes, 37 years old, Filipino, and has served as the Treasurer of AT since 24 April 2015. She has more than a decade of experience in the local banking industry where she specialized in trust banking and fund management. Prior to joining AT, she spent 14 years of her career in several financial institutions such as Metrobank, Land Bank of the Philippines and the United Coconut Planters Bank. She obtained her Bachelor of Commerce in Applied Economics and her Master in Business Administration-Finance (with honors/distinction) degrees from the De La Salle University.

Item 10. Executive Compensation

- a) Aggregate cash compensation paid during the last two (2) fiscal years and paid during the nine-month period ended September 30, 2016 to the five (5) most highly compensated officers and to all other officers as a group. The following are the most highly compensated officers:

Name and Position

Alfredo C. Ramos, President* (until March 2015)
Adrian Paulino S. Ramos, President* (since April 2015; previously EVP until March 2013)
Martin C. Buckingham, Executive Vice-President*
Fernando A. Rimando, Chief Financial Officer, Vice President-Finance*
Rene G. De Ocampo, Vice President-Human Resources* (until November 2015)

Summary Compensation Table

Aggregate annual cash compensation (PhP)

	Salaries	Other compensation	Bonuses
CEO & four (4) Most Highly Compensated Officers*	2016 (estimate)	-0-	-0-
	2015	-0-	1,763,567
	2014	-0-	4,160,635
All other officers as a group	2016 (estimate)	-0-	-0-
	2015	-0-	1,262,700
	2014	-0-	2,377,415

- b) Compensation of directors

Atlas Group compensates its Directors with a *per diem* of PhP10,000.00 for every meeting attended. There are no other arrangements pursuant to which any Director of the Corporation was compensated, or is to be

compensated, directly or indirectly, during the Corporation's last completed fiscal year and the ensuing year, for any service provided as a director.

c) Employment Contracts, Termination of Employment and Change-in-Control Arrangements

The Assistant Corporate Secretary/Compliance Officer/Head, Legal Affairs and Corporate Governance joined the Corporation in September 2015. No other changes in employment and control arrangements as of 30 September 2016.

There is no compensatory plan or arrangement, including payments to be received from the Corporation, with respect to any named executive officer, if such plan or arrangement results or will result from the resignation, retirement or any other termination of such executive officer's employment with the Corporation and its subsidiaries or from a change-in-control of the Corporation or a change in the named executive officer's responsibilities following a change-in-control.

d) Stock Options

On 18 July 2007, the Corporation's stockholders approved a Comprehensive Stock Option Plan ("CSOP") covering directors, officers, managers and key consultants of the company and its significant subsidiaries. Salient terms and features of the CSOP:

- i. *Number of underlying shares:* 50,000,000 common shares to be taken out of the unissued portion of the Corporation's authorized capital stock; 25,000,000 of the shares have already been earmarked for the first-tranche optionees comprising the Corporation's directors and officers
- ii. *Option Period:* Three (3) years from the date the stock option is awarded to the optionees. The award date for the first-tranche optionees is 14 July 2011
- iii. *Vesting Period:* Subscription rights covering 1/3 of the shares of stock underlying the stock option award will vest during each year of the three-year option period
- iv. *Exercise Price:* PhP10.00 per share

The following table shows the extent of the stock option award under the CSOP to the three (3) most highly compensated officers of the Corporation and to all other directors and officers of the Company collectively:

<u>Name</u>	<u>Position</u>	<u>No. of Shares</u>
Alfredo C. Ramos	Chairman & previous President	4,385,970
Martin C. Buckingham	Executive Vice-President and Director	3,508,770
Adrian Paulino S. Ramos	President	2,631,570
Other officers and directors as a group		<u>3,491,236</u>
TOTAL		<u>14,017,546</u>

Qualified employees who were previously granted stock option awards exercised their subscription rights with respect to shares of stock of the Corporation. Details are as follows:

	2014	2013	2012
Number of shares	1,183,604	1,754,190	2,215,788
Total subscription price	PhP11,836,040	PhP17,541,900.00	PhP22,157,880

For the last completed fiscal year, the Corporation did not adjust or amend the exercise price of stock options previously awarded to any of the officers and directors covered, whether through amendment, cancellation or replacement grants, or any other means.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners of more than 5% of AT as of 30 November 2016

Title or Class of Shares	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Holdings ¹⁴	Percent of Class (%)
Common	SM Investments Corporation ("SMIC") ¹⁵ 10 th Floor, One E-Com Center, Mall of Asia Complex, Pasay City (Stockholder)	SMIC	Filipino	612,191,435	29.33%
Common	Alakor Corporation ("Alakor") ¹⁶ Quad Alpha Centrum, 125 Pioneer St., Mandaluyong City (Stockholder)	Alakor	Filipino	453,963,461	21.75%
Common	Anglo Philippine Holdings Corporation ("Anglo") ¹⁷ Quad Alpha Centrum, 125 Pioneer St., Mandaluyong City (Stockholder)	Beneficial and Record Owner	Filipino	174,570,500	8.36%
Common	PCD Nominee Corp. ¹⁸ (Filipino)	Clients of PCD Nominee Corp. ¹⁹	Filipino	1,692,030,770	81.07%

Security ownership of Directors and Executive Officers of AT as of 30 November 2016

Title of Class	Name of Directors / Officers and Position	No. of Shares Held ²⁰	Citizenship	Percent (%)	Nature of Ownership
Common	Alfredo C. Ramos	464,196,895	Filipino	22.24	Record & Beneficial Owner

¹⁴ The listed beneficial or record owner has no right to acquire within 30 days, from options, warrants, rights, privileges or similar obligations or otherwise coming from AT.

¹⁵ The President & Executive Director of SMIC, Harley T. Sy and/or Virginia T. Yap have the power to vote the common shares of SMIC in AT.

¹⁶ The Chairman of the Board of Directors & President of Alakor, Alfredo C. Ramos, has the power to vote the common shares of Alakor in AT.

¹⁷ The Chairman of the Board of Directors of Anglo, Alfredo C. Ramos, has the power to vote the common shares of Anglo in AT.

¹⁸ The Corporation has no information as to the beneficial owners of the shares of stocks held by the PCD Nominee Corp. other than: (i) SMIC with 612,191,435 shares (29.33%) and (ii) Alakor with 453,963,461 shares (21.75%)

¹⁹ The clients of the PCD Nominee Corporation have the power to decide how their shares are to be voted. There are no other individual stockholders who own more than 5% of the Corporation.

²⁰ The listed beneficial or record owner has no right to acquire within 30 days, from options, warrants, rights, privileges or similar obligations or otherwise coming from the Corporation.

Common	Director/Chairman of the Board Frederic C. DyBuncio	1,001	Filipino	0.00	Beneficial Owner
Common	Director/Vice-Chairman Martin C. Buckingham	21,303,301	British	1.02	Beneficial Owner
Common	Director/Executive Vice-President Isidro A. Consunji	95,991,305	Filipino	4.60	Beneficial Owner
Common	Director Adrian Paulino S. Ramos	5,773,010	Filipino	0.28	Beneficial Owner
Common	Director/President Gerard Anton S. Ramos	6,656,000	Filipino	0.32	Beneficial Owner
Common	Director Jose T. Sio	1,001	Filipino	0.00	Beneficial Owner
Common	Independent Director Fulgencio S. Factoran, Jr.	110,000	Filipino	0.00	Beneficial Owner
Common	Independent Director ²¹ Richard J. Gordon	1	Filipino	0.00	Beneficial Owner
Common	Independent Director ²² Jay Y. Yuvallos	5,000	Filipino	0.00	Beneficial Owner
Common	Independent Director Alfredo R. Rosal, Jr.	1	Filipino	0.00	Beneficial Owner
Common	Independent Director Laurito E. Serrano	2,000	Filipino	0.00	Beneficial Owner
Common	Corporate Secretary Roderico V. Puno	0	Filipino	0.00	N/A
Common	Chief Financial Officer and Vice President- Finance Fernando A. Rimando	0	Filipino	0.00	N/A
Common	Asst. Corporate Secretary/Compliance Officer/Head, Corporate Legal Affairs & Corporate Governance Maria Eleonor A. Santiago	0	Filipino	0.00	N/A
Common	Treasurer Leila Marie P. Cabañes	0	Filipino	0.00	N/A
All Directors and Officers as a Group		594,039,515		28.46	

AT has no information as to person/s holding five percent (5%) or more of its securities which are held under a voting trust or similar agreement.

Changes in control

There has been no change in the control of the Corporation since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

There are no known related party transactions other than those disclosed in Note 22 (Related Party Transactions) of the Notes to the Atlas Group's Audited Consolidated Financial Statements ("ACFS") for the year ended 31 December 2015 incorporated herein by reference.

IV. CORPORATE GOVERNANCE

²¹ Resigned on 1 July 2016

²² Elected on 9 August 2016

Item 13. Corporate Governance

The evaluation system adopted by AT is based primarily on the SEC's Corporate Governance Scorecard and the PSE's disclosure survey on compliance with its corporate governance guidelines. Current pronouncements and/or rulings by regulatory bodies with regard to leading practices on good corporate governance are adopted/ incorporated in AT's Manual on Corporate Governance (the "Manual") to ensure full compliance therewith.

AT has not deviated from the Manual and is in the process of implementing its governance enhancement program which involves the establishment of stronger risk management, internal audit, and compliance structures and systems.

DISTRIBUTION OF ANNUAL REPORT TO REGISTERED SHAREHOLDERS

A copy of the Company's Annual Report on SEC Form 17-A will be provided without charge to registered Shareholders upon written request addressed to:

THE OFFICE OF THE CORPORATE SECRETARY
5th Floor, FiveE-Com Center, Palm Coast corner Pacific Drive
Mall of Asia Complex, Pasay City 1300