



ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION

7TH Floor, Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City, Metro Manila, Philippines 1550
Telephone No.: (632) 635-2387 Direct (632) 632-7847 Telefax: (632) 635-4495

21 May 2012

PHILIPPINE STOCK EXCHANGE

3F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1226

Attention:

Ms. JANET A. ENCARNACION
Head, Disclosures Department

Dear Madam:

Please see attached press release of Atlas Consolidated Mining and Development Corporation ("Atlas") regarding the conversion of Atlas's loan obligation to SM Investments Corporation into Atlas equity through SMIC's subscription to 273,098,160 Atlas shares of stock.

Very truly yours,

**ATLAS CONSOLIDATED MINING
AND DEVELOPMENT CORPORATION**

By:

CARMEN-ROSE A. BASALLO-ESTAMPADOR
Compliance Officer

21 May 2012 - Atlas Consolidated Mining and Development Corporation (“Atlas”) reported today that SM Investments Corporation (“SMIC”) has purchased from BDO Unibank, Inc. (“BDO”) the PhP5.3418 billion convertible loan (the “Loan”) covered by the 25 July 2011 Secured Notes Facility Agreement (the “Agreement”) between Atlas and BDO, and has given notice of its intention to fully exercise the conversion option under the Agreement as the assignee of BDO.

The conversion of the Loan into equity of Atlas will involve the issuance to SMIC of a total of 273,098,160 Atlas common shares. This will bring SMIC’s total shareholding in Atlas to 28.43% of the resulting outstanding capital stock.

SMIC’s decision to increase its equity investment in Atlas affirms its optimism in Atlas’s potential for growth as a key player in the mining industry.

Just last month, Atlas announced that its wholly-owned subsidiary Carmen Copper Corporation (“CCC”), which operates the Toledo copper mine in Cebu, produced a record 7.35 million pounds of payable copper in March 2012 and increased its production rate during the first quarter of this year by 21% relative to the output for the same period in 2011.

CCC, following its successful US\$300 million bond issue, is already gearing towards the expansion of its operations by enhancing production efficiency and by developing the commercial value of its copper processing by-products. It is targeting a 50% rise in mill throughput from the current average rate of 40,000 tons per day to 60,000 tons per day by 2014. It is likewise projecting to sell this year a total of 80 million pounds of copper metal which is 12 million pounds more than what was sold in 2011.

Atlas is also actively pursuing its exploration projects and is looking into acquisition opportunities.