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SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Industry Classification	
Company Type	Stock Corporation

Document Information

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COVER SHEET

115 PREWAR

S.E.C. Registration Number

ATLAS CONSOLIDATED MINING
AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

QUAD ALPHA CENTRUM
125 PIONEER STREET MANDALUYONG

(Business Address: No. Street City /Town / Province)

NOEL T. DEL CASTILLO

Contact Person

(632) 584-9788

Company Telephone Number

12 31

Month Day

Fiscal Year

17-Q

FORM TYPE

Month Day

Annual Meeting

last Wednesday of April

N/A

Secondary LicenseType, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b)THEREUNDER

1. For the quarterly period ended **June 30, 2011**

2. Commission Identification No. **115 Pre War** 3. BIR Tax Identification No.**000-154-572-000**

4. **ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code [ ] (SEC Use Only)

7. **9/F Quad Alpha Centrum 125 Pioneer Street, Mandaluyong City** **1554**
   Address of registrant's principal office Postal Code

8. **(632) 635-23-87 ; (632) 584-97-88**
   Issuer's telephone number, including are code

9. **N. A.**
   Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P 10 par value	**1,169,113,882**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [/] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange **Common Stock**

12. Indicate by check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports).

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [/] No [ ]

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements.

The following statements, attached herein, are made part of this report:
A) Annex A - Unaudited Consolidated Balance Sheets
B) Annex B - Unaudited Consolidated Statements of Income
C) Annex C - Unaudited Consolidated Statements of Changes in Stockholders' Equity
D) Annex D - Unaudited Consolidated Statements of Cash Flows

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

For the first half of 2011, the Company earned nearly three-fold increase in consolidated net income of ₱2.028 billion of which ₱1.075 billion pertains to equity holders of the Parent Company. This compares favorably with the ₱687 million income generated for the same period last year.

Consolidated revenues surpassed by 60% the ₱3.738 billion registered in 2010 to reach ₱6.738 billion during the first semester of the year. Copper sales stood at ₱6.460 billion, an improvement of 62% vis-a-vis last year's ₱3.992 billion. Sales of gold and magnetite were recorded at ₱255 million and ₱15 million, respectively, as of June 30, 2011.

Total consolidated costs and operating expenses aggregate ₱3.953 billion as of June 30, 2011 as compared with ₱3.237 billion in the past year. The rise in consolidated costs and operating expenses is directly related to the rising rate of production of copper concentrates.

Operating Income for the first six months of the year reached ₱2.232 billion which is equivalent to four times the previous year's ₱578 million.

Finance charges were reduced by more than half as a consequence of the settlement of certain loan obligations either through refinancing or through the conversion of the amount of the loan into equity of the Company.

The US$:₱ exchange rate on June 30, 2011 was pegged at US$1.00:₱43.33. As a result of the appreciation of the Peso since December 31, 2010 when the exchange rate was US$1.00:₱43.84, the Company's net unrealized foreign exchange gains amounted to ₱52 million. Unrealized mark-to-market gains of ₱149 million and realized mark-to-market losses of ₱167 million were recorded in relation to transactions with embedded derivatives based on Philippine Accounting Standards No. 39.

The financial position of the Company as of June 30, 2011 showed the following changes relative to the financial position as of and for the year ended December 31, 2010.

Receivable - net
The increase in receivable was due largely to the transactions entered into by CCC with its copper concentrates buyer, MRI Trading AG (MRI).

Inventories
This account registered an increase of 19% resulting from the net effect of continued procurement of materials and supplies as against delivery of copper concentrates to MRI.

Prepayments and other current assets
Prepayments and other current assets went up by 267% primarily because of the additional deposits made to various suppliers of CCC.

Property, plant and equipment - net
The upsurge in the account is the effect of the increased procurement as of the period under review.

Mining rights
The decrease in the account is attributable to the recognition of depletion cost.

Other noncurrent assets - net
The increase in other noncurrent assets pertains to additional recognition of input VAT on importations.

Accounts payable and accrued liabilities
Trade and other payables were lower primarily because of payment of liabilities owed to various suppliers and service providers of CCC.

Long-term debt and current portion of long-term debt
The current portion of long-term debt rose because of the net effect of (1) reclassification of the current portion of the long-term debt; (2) payment of amount that became due; (3) amortization of premium of the liability's derivative portion; and (3) the restatement of foreign currency denominated loans at a lower exchange rate than previously recorded.

Income tax payable
The increase in income tax payable resulted from the accrual of corporate income tax by Parent Company.

Derivative liabilities
The derivative liabilities relate to the outstanding commodity forward on copper concentrates to be delivered subsequent to the reporting date.

Advances from related parties
The decrease in the amount of advances from related parties was caused by the payment by the Company of the advances from Alakor Corporation.

Liability for mine rehabilitation
The increase was in connection with the additional liability for mine rehabilitation reflected on CCC and BNC books.

Retirement benefits liability
The decline was due to adjustments made after the re-computation of the parameters of the retirement benefits.

Capital stock
The increase in the account involves the issuance of shares of stock to Abacus Securities Corporation.

Deposits for future stock subscriptions
This account is lower as a consequence of the issuance of shares of stock to Abacus Securities Corporation.

Consolidated current ratio reflected a slight improvement of 0.706:1 as of June 30, 2011 compared to 0.656:1 for the year ended December 31, 2010. The Company's majority owned subsidiaries namely, Aquatlas, Inc. (AI), Ulugan Resources Holdings, Inc. (URHI), Atlas Exploration, Inc. (AEI) and Amosite Holdings, Inc. (AHI) have not commenced commercial operations as at the end of the period under review.

The key performance indicators (consolidated figures), including the majority owned subsidiaries, are as follows:

	6/30/2011	12/31/2010
Current ratio	**0.706:1**	0.656:1
Debt to equity	**1.408:1**	2.06:1
Return on equity	**26.03%**	-
Return on sales	**32.79%**	-

The Company calculates current ratio by dividing current assets by current liabilities. Debt to equity is calculated by dividing total liabilities by total capital equity and return on equity by dividing net income for the period by the total capital equity of the Company. Return on sales is arrived at by dividing net income by the total consolidated revenues as of the quarter ended.

The Company posted an increase in its consolidated assets amounting to ₱1.116 billion or from ₱17.645 billion as of December 31, 2010 to ₱18.761 billion as of the second quarter of 2011. Consolidated liabilities dropped by ₱912 million or from ₱11.881 billion to ₱10.969 billion during the period under review. Consolidated current liabilities (₱6.430 billion) exceeded consolidated current assets (₱4.539 billion) by ₱1.891 billion.

On January 20, 2011, the Company executed with Banco de Oro Unibank, Inc. (BDO) a Convertible Note Facility and Security Agreement which embodies the terms of the grant by BDO to the Company of a financing facility covering the total amount of US$10 million. The Company did not draw the proceeds of the facility within the availment period.

In March 2011, certifications were issued by the various regional offices of the Mines and Geosciences Bureau (MGB) on the Company's new and existing applications for Mineral Production Sharing Agreements (MPSA) and Exploration Permits.

On June 24, 2011, the Company's Board of Directors (Board) approved the terms of the transactions covered by the capital raising exercise that was undertaken to finance (i) the Company's acquisition of the entire equity interest of CASOP Atlas B.V. and CASOP Atlas Corporation (collectively, "CASOP") in CCC (the "Acquisition"), and (ii) the general working

1. SM & Zenith
2. ↑ in ACS
Anglo & Alakor
3. Shipment

capital requirements of CCC (the "Capital Raising"). The Capital Raising involved the issuance by the Company of (a) a 5-year convertible note and a 1-year convertible note to BDO representing loan obligations amounting to US$75 million and US$122.8 million, respectively (the "Notes"), (b) 316,242,331 of the Company's shares of stock to targeted investors under a private placement (the "Private Placement") the aggregate price of US$142.2 million (PhP19.56 per share based on the US$:₱ exchange rate of US$1.00:₱43.50), and (b) 111,196,319 of the Company's shares of stock to Alakor Corporation at the aggregate price of US$50 million (PhP19.56 per share based on the US$:₱ exchange rate of US$1.00:₱43.50).

Subsequently, the Board approved the following modifications in the terms of the Capital Raising: (i) the issuance to Zenith Holdings Corporation (in lieu of Alakor Corporation) of 111,196,319 of the Company's shares of stock at an aggregate subscription price of US$50 million, and (ii) the issuance to BDO of a Peso - denominated one-year note (in lieu of the US Dollar-denominated note) with a face amount of ₱5.341.8 billion and convertible into 273,098,160 of the Company's shares of stock at the price of ₱19.56 per share.

On July 1, 2011, BDO Capital and Investment Corporation, as underwriter for the Private Placement, notified the Company that the shares of stock covered by the Private Placement will be subscribed by SM Investments Corporation ("SMIC").

On July 25, 2011, the Company executed the agreements embodying the terms of (a) the issuance of the Notes, and (b) the subscription of SM Investments Corporation and Zenith Holdings Corporation.

On July 29, 2011, the Company executed the Deeds of Absolute Sale respecting the Acquisition which involved a cash payment by the Company to CASOP of the amount of US$368 million. As a result of the Acquisition, CCC became a 100%-owned subsidiary of Atlas.

Issuance to Zenith

BERONG NICKEL CORPORATION (BNC)

As of June 30, 2011, total assets of the subsidiary rose to ₱894 million vis-à-vis the ₱865 million as of December 31, 2010. Total liabilities increased to ₱699 million from ₱588 million as of December 31, 2010 because of the advances provided by the related parties and translation of foreign currency denominated debts into the functional currency.

BNC was under "Care and Maintenance" status since November 2008 up to the middle of May 2011 due to low nickel prices and poor demand, thereby generated no revenues. As a result, BNC incurred a net loss of ₱81 million for the first two quarters of 2011 compared to ₱76 million posted as of June 30, 2010. Cost of sales and operating expenses were recorded at ₱31 million during the first half of the year.

But because of improving world nickel prices, the stockholders approved the resumption of direct ore shipping operation during its annual general meeting held on March 2, 2011. It recommenced its mining operations only last May 18, 2011.

BNC completed two shipments totaling 103,530 wet metric tons of laterite nickel ore valued at US$2,666,637 in July 2011.

CARMEN COPPER CORPORATION (CCC)

For the first half of 2011, CCC's assets totaled ₱17.958 billion which is higher than the aggregate value on December 31, 2010 amounting to ₱16.581 billion. Total liabilities decreased by ₱711 million or 7%, from ₱10.924 billion (as of December 31, 2010) to ₱10.213 billion (as of June 30, 2011) mainly because of payment of trade payables and decrease in derivative liabilities.

CCC's operations earned a net income of ₱2.086 billion during the first half of 2011. The Company generated copper (net of revenue-related charges) and gold sales amounting to ₱6.460 billion and ₱255 million, respectively, while revenues from sale of magnetite amounted to ₱15 million.

Total cost of sales was recorded at ₱3.451 billion and operating expenses reached ₱451 million as of the second quarter of 2011.

By the end of June 30, 2011, CCC delivered 12 shipments of copper concentrates to various smelters in China and Korea totaling 69,001 DMT.

Liquidity and Capital Resources

As of June 30, 2011, the Company's cash from operating activities amounted to ₱338 million. Net cash outflows during the period was ₱614 million, which included net cash outflows used in investing activities of ₱300 million and net cash outflows used in financing activities of ₱652 million.

The Company has not expended any amounts on capital projects during the quarter except those previously disclosed or reported elsewhere in this report.

Segment reporting is not required and there has been no material change in the composition of the Company. There is also no material event subsequent to the end of the interim period that should be disclosed in the financial statements for the interim period. The Company has no significant seasonality or cyclicality in its business operations that may have a material effect on the financial condition or results of operations.

Atlas is not aware of any uncertainties, trends, events or seasonal aspects that will significantly influence its liquidity, financial condition or results of its operations. Further, the Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company. No material off-balance sheet transactions have occurred during the interim period under review. Except as explained above, there was no significant element of consolidated loss that might arise from the Company's operations.

<u>Financial Risk Management Objectives and Policies</u>

The Company's financial assets consist of cash, receivables, and derivative assets, which arise directly from its operations. On the other hand, the Company's financial liabilities are made up of loan payable, trade and other payables and long-term debt (current and noncurrent) and advances from and due to related parties. The main purpose of these financial liabilities is to raise funds for the Company's operations.

Exposures to foreign exchange, equity price, interest rate, credit, and liquidity risk arise in the normal course of the Company's business activities. The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize the risk's potential adverse effects on the Company's financial performance;
- to provide a degree of certainty about costs

Foreign exchange risk
Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Company has foreign currency risk arising from its cash, loans payable and trade and other payables. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects.

Equity Price Risk
Equity Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to equity price risk because of financial assets held by the Company which are classified as AFS financial assets included under other noncurrent assets.

Management believes that the fluctuation in the fair value of the AFS financial assets will not have any significant effect in the Company's financial statements.

Interest Rate Risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Company does not have a liability with floating interest rates.

Credit Risk
Credit risk is the risk that the Company could incur a loss if its counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by doing business only with recognized and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, which comprise of cash and AFS financial assets, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The credit quality of the financial assets was determined as follows:

Cash and AFS financial assets are classified as "High Grade" since cash are placed in high profile banking institutions while the concentration of AFS equity investments are invested in blue chip shares of stocks.

Receivables and advances to related parties are classified as "Standard Grade" since the collection of the balances depends on the availability of funds of existing and active parties.

Liquidity Risk
Liquidity risk is such risk where the Company becomes unable to meet its payment obligations when they fall due under normal and stress circumstances. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and stockholders' advances. The Company also manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of funds in order to maintain flexibility.

Set out below is a comparison of carrying amounts and fair values of all of the consolidated financial instruments:

	Carrying values				Fair values			
	6/30/11		12/31/10		6/30/11		12/31/10	
Financial Assets								
Cash	₽ 1,862	m	₽ 2,476	m	₽ 1,862	m	₽ 2,476	m
Receivable – net	₽ 708	m	₽ 315	m	₽ 708	m	₽ 315	m
Derivative assets (current and noncurrent)	₽ 733	m	₽ 733	m	₽ 733	m	₽ 733	m
Financial Liabilities								
Account payable and accrued liabilities	₽ 2,124	m	₽ 2,625	m	₽ 2,124	m	₽ 2,625	m
Advances from and due to related parties	₽ 1,234	m	₽ 1,331	m	₽ 1,234	m	₽ 1,331	m
Long-term debt (current and noncurrent)	₽ 7,318	m	₽ 7,487	m	₽ 7,318	m	₽ 7,487	m

The carrying value of cash, receivables, trade and other payables, advances from and due to related parties, and long-term debt approximates their fair value due to the relatively short-term maturities of these financial instruments. The fair values of AFS investments were determined by reference to market quoted bid price as of balance sheet date.

PART II - OTHER INFORMATION

None.

SIGNATURES

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

Registrant	ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION	
Signature	MARTIN C. BUCKINGHAM	NOEL T. DEL CASTILLO
Title	Exec. Vice President & CFO	Treasurer
Date	August 15, 2011	August 15 , 2011

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(Pesos in Thousands, Except Par Value)

	Unaudited 6/30/2011	Audited 12/31/2010
ASSETS		
Current Assets		
Cash	1,862,331	2,476,170
Receivable - net	707,815	314,743
Derivative assets	29,862	29,862
Inventories - net	756,259	637,684
Prepayments and other current assets	1,182,641	322,102
Total Current Assets	4,538,908	3,780,561
Noncurrent Assets		
Property, plant and equipment - net	12,007,794	11,720,985
Mining rights	75,877	76,128
Goodwill	15,011	15,011
Available-for-sale (AFS) financial assets	4,927	4,927
Other noncurrent assets - net	1,414,808	1,343,600
Derivative assets	703,295	703,295
Total Noncurrent Assets	14,221,712	13,863,946
TOTAL ASSETS	18,760,620	17,644,507
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	2,123,968	2,624,819
Current portion of long-term debt	3,063,243	1,662,395
Income tax payable	4,021	1,286
Derivative liabilities	4,623	147,044
Advances from and due to related parties	1,234,077	1,330,760
Total Current Liabilities	6,429,932	5,766,304
Noncurrent Liabilities		
Long-term debt	4,254,531	5,824,466
Liability for mine rehabilitation	98,806	96,146
Retirement benefits liability	92,156	100,209
Deferred income tax liabilities	93,668	93,668
Total Noncurrent Liabilities	4,539,161	6,114,489
Total Liabilities	10,969,093	11,880,793
Stockholders' Equity		
Capital stock - P10 par value	11,691,139	11,388,139
Additional paid in capital	975,485	975,485
Premium on deemed disposal of an investment in subsidiary	633,258	633,258
Deposits for future stock subscriptions	2,725,293	3,028,293
Revaluation increment in land	218,559	218,559
Net unrealized gains on AFS investment	1,464	1,464
Deficit	(12,280,198)	(13,354,974)
	3,965,000	2,890,224
Minority interests	3,826,527	2,873,490
Total Stockholders' Equity	7,791,527	5,763,714
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	18,760,620	17,644,507

ANNEX A

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(Pesos in Thousands, Except Per Share Amounts)

	Quarters Ended		Six Month Period Ended	
	6/30/2011	6/30/2010	**6/30/2011**	6/30/2010
REVENUES				
Sales				
Copper	**3,047,212**	1,684,477	**6,460,216**	3,992,229
Gold	**128,131**	85,111	**254,923**	207,278
Magnetite		-	**14,718**	-
Miscellaneous	**5,528**	4,474	**7,808**	7,249
	3,180,871	1,774,062	**6,737,665**	4,206,756
Marketing charges	**(288,742)**	158,608	**(553,229)**	(391,113)
	2,892,130	1,932,670	**6,184,436**	3,815,643
COSTS AND OPERATING EXPENSES				
Cost of sales	**1,747,954**	1,251,852	**3,319,388**	2,859,497
Operating expenses	**330,685**	210,048	**633,451**	377,971
	2,078,639	1,461,900	**3,952,839**	3,237,468
INCOME FROM OPERATIONS	**813,491**	470,771	**2,231,597**	578,175
OTHER INCOME (CHARGES)				
Finance charges	**(92,357)**	(190,538)	**(187,307)**	(416,907)
Unrealized foreign exchange gain (loss)	**67,055**	(163,910)	**126,992**	(32,693)
Realized foreign exchange loss	**(64,430)**	(9,192)	**(74,653)**	(22,856)
Realized mark-to-market gain (loss) on derivative assets (liabilities)	**17,795**	(21,616)	**(166,854)**	(217,138)
Interest income	**732**	343	**1,634**	403
Other income - net	**(51,830)**	25,801	**(40,585)**	65,897
Unrealized mark-to-market gain (loss) on derivative assets (liabilities)	**(7,234)**	617,241	**148,924**	734,009
	(130,269)	258,129	**(191,849)**	110,715
INCOME BEFORE INCOME TAX	**683,222**	728,899	**2,039,748**	688,890
PROVISION FOR INCOME TAX	**(10,363)**	(698)	**(11,934)**	(1,586)
NET INCOME	**672,859**	728,201	**2,027,814**	687,305
Net income attributable to:				
Equity holders of the parent			**1,074,776**	459,657
Minority interests			**953,037**	227,647
			2,027,814	687,305
EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY			**0.92**	0.44
* Based on weighted average number of common shares outstanding			**1,169,114**	1,048,932

The interim financial statements were prepared in accordance with accounting principles generally accepted in the Philippines. The same accounting policies and methods of computations were followed in the preparation of the interim financial statements as used in the most recent annual financial statements.

No significant events and/or material changes have occurred subsequent to the end of the most recent fiscal year. Adjustments of a normal recurring nature which are in the opinion of management necessary to a fair statement of the results have been reflected in the unaudited interim financial statements. Other information that require disclosures in the interim financial statements have been omitted because they are not applicable.

ANNEX B

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Pesos in Thousands)

	Capital Stock	Additional Paid -in Capital	Premium on deemed disposal of an investment in subsidiary	Deposits on Subscriptions	Revaluation Increment in Property	Net Unrealized Gains on AFS Investments	Deficit	Total
Balance at January 1, 2010	10,489,319	934,382	633,258	150,960	218,559	1	(12,596,363)	(169,884)
Net income as of June 30, 2010	-	-	-	-	-	-	459,655	459,655
Balance at June 30, 2010	**10,489,319**	**934,382**	**633,258**	**150,960**	**218,559**	**1**	**(12,136,708)**	**289,771**
Balance at January 1, 2011	**11,388,139**	**975,485**	**633,258**	**3,028,293**	**218,559**	**1,464**	**(13,354,974)**	**2,890,224**
Net income as of June 30, 2011	303,000	-	-	(303,000)	-	-	1,074,776	1,074,776
Balance at June 30, 2011	**11,691,139**	**975,485**	**633,258**	**2,725,293**	**218,559**	**1,464**	**(12,280,198)**	**3,965,000**

ANNEX C

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Pesos in Thousands)

	Quarters Ended		Six Month Period Ended	
	6/30/2011	6/30/2010	**6/30/2011**	6/30/2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**683,223**	728,899	**2,039,748**	688,890
Adjustments for:				
Interest expense	**92,357**	190,538	**187,307**	416,907
Depreciation and depletion	**284,301**	421,071	**494,135**	554,680
Net mark to market losses (gains)	**7,234**	(617,241)	**(148,924)**	(734,009)
Retirement benefit costs	**379**	4,194	**8,053**	77,186
Unrealized foreign exchange losses (gains)	**(67,055)**	163,910	**(126,992)**	32,693
Interest income	**(732)**	(343)	**(1,634)**	(403)
Operating income before working capital changes	**999,707**	891,029	**2,451,693**	1,035,945
Decrease (increase) in:				
Receivable - net	**(65,999)**	38,203	**(393,072)**	30,597
Inventories - net	**(159,743)**	(132,162)	**(118,575)**	170,962
Prepayments and other current assets	**(681,748)**	390,804	**(960,539)**	(252,607)
Derivative assets	**-**	-	**-**	(368,445)
Increase (decrease) in:				
Accounts payable and accrued liabilities	**(176,403)**	673,962	**(500,853)**	349,512
Derivative liabilities	**-**	(556,905)	**(142,421)**	(205,913)
Cash from operations	**(84,186)**	1,304,931	**336,233**	760,051
Interest received	**732**	343	**1,634**	403
Net cash from operating activities	**(83,454)**	1,305,274	**337,868**	760,454
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Other noncurrent assets	**(142,470)**	(60,634)	**(171,208)**	(108,931)
Additions to property, plant and equipment	**(889,705)**	(731,975)	**(1,081,378)**	(1,178,014)
Changes in minority interest	**319,895**	(61,057)	**953,037**	227,647
Net cash used in investing activities	**(712,280)**	(853,666)	**(299,549)**	(1,059,298)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of loans	**(273,707)**	-	**(555,475)**	-
Net changes in amounts owed to related parties	**44,714**	(4,981)	**(96,683)**	207,085
Net cash used in financing activities	**(228,993)**	(4,981)	**(652,158)**	207,085
NET INCREASE (DECREASE) IN CASH	**(1,024,726)**	446,627	**(613,839)**	(91,759)
CASH AT BEGINNING OF YEAR			**2,476,170**	301,355
CASH, JUNE 30			**1,862,331**	209,596

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE
JUNE 30, 2011
(Pesos in Thousands)

Type of Accounts Receivable	Total	Current	31 - 90 Days	91 - 180 Days	181 - 365 Days	Over 1 yr	Accounts in Litigation
Trade Receivable							
Various trade receivable	616,236	-	-	-	89,040	527,196	-
Non-Trade Receivables							
Deposits and advances	28		-	-	-	28	-
Scrap	707	-	-	-	-	707	-
With court cases	13,254	-	-	-	-	13,254	13,254
Others	116,366	-	-	-	-	116,366	-
Allowance for Doubtful Account	(38,777)	-	-	-	(15)	(38,762)	-
Accounts Receivable - Net	**707,815**	-	-	-	**89,025**	**618,790**	**13,254**

Account Receivable Description

Type of Receivable	Nature/Description of Receivable	Collection Period
Various trade receivable	Sale of copper concentrates, gold and magnetite	
Deposits & Advances	Deposits on rentals	
Scrap	Sale of excess and scrap materials	
With Court Cases	Various claims	
Others	Non-trade receivables, advances to employees and others	

Normal Operating Cycle Calendar year

ANNEX E