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Company Information

SEC Registration No.	PW0000115A
Company Name	ATLAS CONSOLIDATED MINING
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	111142011001043
Document Type	17-Q (FORM 11-Q:QUARTERLY REPORT/FS)
Document Code	17-Q
Period Covered	September 30, 2011
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

115 PREWAR

S.E.C. Registration Number

ATLAS CONSOLIDATED MINING

AND DEVELOPMENT CORPORATION

(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

Document I.D.

Cashier

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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 **September 30, 2011**

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

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

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

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

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

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

N. A.
9. 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 stock outstanding and amount of debt outstanding	Number of shares of common
Common Stock, P 10 par value	**1,764,053,032**

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 nine-month period ended September 30, 2011, the Company generated a consolidated net income of ₱2.640 billion from last year's third quarter net income of ₱47 million due mainly to the increase in the amount of copper concentrate produced by the Company's wholly-owned subsidiary, Carmen Copper Corporation (CCC), during the period in review.

Consolidated revenues soared by 50% to ₱9.903 billion in 2011 from the previous year's level of ₱6.614 billion with the bulk attributed to copper amounting to ₱9.224 billion representing 93% of total sales.

Marketing charges consisting of smelting, refining, freight and other charges rose by a mere 14% from ₱715 million a year earlier to ₱815 million, defying direct correlation with the increase in revenues.

Total consolidated costs and operating expenses settled at ₱6.373 billion, up by 33% and reflecting the higher level of production of copper concentrates. Cost of sales, which is made up of mining and milling costs and mine product taxes, went up by 26% from ₱4.173 billion to ₱5.277 billion while operating expenses followed suit, increasing to ₱1.096 billion compared to ₱625 million in prior year.

With Revenues outpacing Costs and Operating Expenses, the Company attained an Operating Income of ₱2.715 billion in 2011 which is 2.5 times bigger than the past year's registered amount of ₱1.102 billion.

The Gains from Extraordinary transactions of ₱599 million recorded during the year that reversed last year's net charges of ₱145 million likewise helped lift the bottom line of the Company. The items composing extraordinary transactions include accretion of interest on the $140 million loan to Banco de Oro (₱292 million), unrealized mark to market gain on derivative assets (₱177 million), gain on extinguishment of debts owed to Toledo Mining Corporation (₱94 million), gain from hedging of copper price (₱28 million), unrealized foreign exchange gain (₱68 million) and other expenses in relation to the prepayment of $100 million loan owed to Deutsche Bank (₱58 million).

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

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

Derivative assets
Derivative assets went up as a net result of higher discounted value of outstanding commodity forward deliveries made during the quarter which pertains to copper concentrates shipments contracted and the recognition of the value of the bifurcated derivatives related to the last shipment made by CCC as of September 30, 2011.

Inventories
This account registered a 46% increase 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 273% 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 sustained procurement of mining equipment and machineries during the period in 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 CCC's importations and the net effect of the purchase of CASOP's 45.54% interest in CCC.

Accounts payable and accrued liabilities
Trade and other payables were lower 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; (4) the restatement of foreign currency denominated loans at a lower exchange rate than previously recorded; and (5) the availment of US dollar-denominated convertible loan facility with BDO amounting to US$75 million and the Peso-denominated convertible loan facility amounting to ₱5.342 billion.

Income tax payable
The income tax payable was higher as a result of the accrual of corporate income tax payable of the 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 drop in advances from related parties was caused by the settlement of advances from Alakor Corporation through conversion to Atlas shares of stock.

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 recomputation of the parameters of the retirement benefits.

Capital stock
The addition in the account involves the issuance of shares of stock to Abacus Securities Corporation, Anglo Philippine Holdings Inc., Alakor Corporation, SM Investments Corporation and Zenith Holdings.

Additional paid in capital
This account was higher as a consequence of the subscriptions made by SM Investments Corporation and Zenith Holdings at a subscription price of ₱19.56 per share.

Premium on deemed disposal
The balance was recorded at zero amount as a result of the offsetting mode upon the purchase of the non-controlling interest held by CASOP in CCC.

Deposits for future stock subscriptions
This account is nil as a consequence of the issuance of shares of stock to Abacus Securities Corporation Anglo Philippine Holdings Inc., Alakor Corporation, SM Investments Corporation, Zenith Holdings and the extinguishment of debt owed to Toledo Mining Corp.

Consolidated current ratio reflected a slight improvement of 0.626:1 as of September 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:

	9/30/2011	12/31/2010
Current ratio	**0.626:1**	0.656:1
Debt to equity	**1.652:1**	2.061:1
Return on equity	**21.98%**	-
Return on sales	**29.05%**	-

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 by ₱14.207 billion from ₱17.645 billion as of December 31, 2010 to ₱31.852 billion as of the end of the third quarter of 2011. Consolidated liabilities reflected a growth of ₱19.841 billion in 2011 from ₱11.881 billion in 2010. Consolidated current liabilities (₱7.627 billion) exceeded consolidated current assets (₱4.773 billion) by ₱2.854 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 from the facility.

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.

To finance the Company's acquisition of the entire equity interest of CASOP Atlas Corporation and CASOP Atlas B.V. (collectively, "CASOP") in CCC, the Company's Board of Directors (Board) approved (i) the issuance to BDO of a five-year convertible note with a face amount of US$75 million and an interest rate of 7% per annum, (ii) the issuance to BDO of a one-year convertible note with a face amount of PhP5.3418 billion and an interest rate of 4% per annum, (iii) the acceptance of private placements involving the issuance of 111,196,319 of the Company's shares of stock for an aggregate price of US$50 million (PhP19.56 per share), and the issuance of 316,242,331 of the Company's shares of stock for an aggregate price of US$142.2 million (PhP19.56 per share) .

On July 1, 2011, BDO Capital and Investment Corporation, as underwriter for one of the private placements, notified the Company that SM Investments Corporation ("SMIC") had confirmed its intention to subscribe to 316,242,331 of the Company's shares of stock at the aggregate price of US$142.2 million. Thereafter, the Company announced that Zenith Holdings Corporation would subscribe to 111,196,319 of the Company's shares of stock at the aggregate price of US$50 million.

On July 29, 2011, following the completion of all the financing transactions undertaken to fund the Company's the acquisition of all of CASOP's shares of stock in CCC for a total cash consideration of US$368 million, CCC became a 100%-owned subsidiary of the Company.

On September 5, 2011, the Securities and Exchange Commission (SEC) approved the increase in the authorized capital stock of the Company from ₱14.2 billion to ₱20 billion.

BERONG NICKEL CORPORATION (BNC)

As of September 30, 2011, total assets of the subsidiary rose to ₱1,042 million vis-à-vis the ₱865 million as of December 31, 2010. Total liabilities increased to ₱782 million from ₱588 million as of December 31, 2010 because of the advances provided by the related parties and the recognition of customers' deposit.

BNC was under "Care and Maintenance" status from 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 ₱17 million for the three quarters of 2011 compared to ₱88 million posted as of September 30, 2010. Cost of sales and operating expenses were recorded at ₱282 million during the period in review.

But because of recent improvements in 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 3 shipments totaling 157,130 WMT of laterite nickel ore valued at US$5.850 million as of September 30, 2011.

CARMEN COPPER CORPORATION (CCC)

As of September 30, 2011, CCC's assets totaled ₱19.208 billion which is higher than the aggregate value on December 31, 2010 amounting to ₱16.582 billion. Total liabilities went up by ₱29 million or 0.27%, from ₱10.924 billion (as of December 31, 2010) to ₱10.953 billion (as of September 30, 2011) mainly because of the increase in trade payables.

CCC's operations earned a net income of ₱2.598 billion during the first three quarters of 2011. The Company generated copper (net of revenue-related charges) and gold sales of ₱8.409 billion and ₱383 million, respectively, while revenues from sale of magnetite amounted to ₱21 million.

Total cost of sales was recorded at ₱5.398 billion and operating expenses at ₱695 million as of the third quarter of 2011.

Liquidity and Capital Resources

As of September 30, 2011, the Company's cash from operating activities amounted to ₱5.088 billion. Net cash outflows during the period was ₱396 million, which included net cash outflows used in investing activities of ₱22.096 billion and net cash inflows from financing activities of ₱16.612 billion.

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 loans 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			
	9/30/11		12/31/10		9/30/11		12/31/10	
Financial Assets								
Cash	₱	2,080 m	₱	2,476 m	₱	2,080 m	₱	2,476 m
Receivable – net	₱	498 m	₱	315 m	₱	498 m	₱	315 m
Derivative assets (current and noncurrent)	₱	766 m	₱	733 m	₱	766 m	₱	733 m
Financial Liabilities								
Account payable and accrued liabilities	₱	2,541 m	₱	2,625 m	₱	2,541 m	₱	2,625 m
Advances from and due to related parties	₱	620 m	₱	1,331 m	₱	620 m	₱	1,331 m
Long-term debt (current and noncurrent)	₱	16,382 m	₱	7,487 m	₱	16,382 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	November 14, 2011	November 14, 2011

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEETS

(Pesos in Thousands, Except Par Value)

	Unaudited 9/30/2011	Audited 12/31/2010
ASSETS		
Current Assets		
Cash	2,080,423	2,476,170
Receivable - net	497,642	314,743
Derivative assets	63,358	29,862
Inventories - net	930,292	637,684
Prepayments and other current assets	1,200,956	322,102
Total Current Assets	4,772,671	3,780,561
Noncurrent Assets		
Property, plant and equipment - net	13,436,852	11,720,985
Mining rights	75,061	76,128
Goodwill	15,011	15,011
Available-for-sale (AFS) financial assets	4,927	4,927
Derivative assets	703,295	703,295
Other noncurrent assets - net	12,843,884	1,343,600
Total Noncurrent Assets	27,079,030	13,863,946
TOTAL ASSETS	31,851,701	17,644,507
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	2,541,424	2,624,819
Current portion of long-term debt	4,458,291	1,662,395
Income tax payable	3,453	1,286
Derivative liabilities	4,623	147,044
Advances from and due to related parties	619,588	1,330,760
Total Current Liabilities	7,627,379	5,766,304
Noncurrent Liabilities		
Long-term debt	11,923,331	5,824,466
Liability for mine rehabilitation	100,137	96,146
Retirement benefits liability	96,048	100,209
Deferred income tax liabilities	93,668	93,668
Total Noncurrent Liabilities	12,213,184	6,114,489
Total Liabilities	19,840,563	11,880,793
Stockholders' Equity		
Capital stock - P10 par value	17,640,530	11,388,139
Additional paid in capital	5,816,306	975,485
Premium on deemed disposal of an investment in subsidiary	-	633,258
Deposits for future stock subscriptions	-	3,028,293
Revaluation increment in land	218,559	218,559
Net unrealized gains on AFS investment	1,464	1,464
Deficit	(11,751,835)	(13,354,974)
	11,925,024	2,890,224
Minority interests	86,114	2,873,490
Total Stockholders' Equity	12,011,138	5,763,714
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	31,851,701	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		Nine Month Period Ended	
	9/30/2011	9/30/2010	**9/30/2011**	9/30/2010
REVENUES				
Sales				
Copper	**2,931,352**	2,302,019	**9,224,270**	6,294,247
Gold	**127,800**	100,746	**382,722**	308,024
Nickel	**264,964**	-	**264,964**	-
Magnetite	**6,092**	-	**20,810**	-
Miscellaneous	**2,458**	7,319	**10,266**	11,783
	3,332,666	2,410,084	**9,903,032**	6,614,055
Marketing charges	**(261,710)**	(248,980)	**(814,939)**	(715,148)
	3,070,956	2,161,104	**9,088,093**	5,898,907
COSTS AND OPERATING EXPENSES				
Cost of sales	**1,957,924**	1,313,365	**5,277,312**	4,172,862
Operating expenses	**462,686**	311,390	**1,096,137**	624,523
	2,420,609	1,624,755	**6,373,448**	4,797,385
INCOME FROM OPERATIONS	**650,347**	536,349	**2,714,645**	1,101,522
OTHER INCOME (CHARGES)				
Finance charges	**(268,422)**	(378,496)	**(455,729)**	(701,784)
Unrealized foreign exchange gain (loss) - net	**15,463**	382,700	**67,802**	326,903
Realized mark-to-market gain (loss) on derivative assets (liabilities)	**166,854**	(907,978)	**-**	(258,148)
Interest income	**766**	191	**2,400**	594
Other income - net	**185,241**	(2,337)	**144,656**	49,889
Unrealized mark-to-market gain (loss) on derivative assets (liabilities)	**27,636**	(41,012)	**176,560**	(472,236)
	127,539	(946,933)	**(64,310)**	(1,054,782)
INCOME (LOSS) BEFORE INCOME TAX	**777,885**	(410,584)	**2,650,335**	46,740
PROVISION FOR INCOME TAX	**1,517**	-	**(10,417)**	-
NET INCOME (LOSS)	**779,402**	(410,584)	**2,639,917**	46,740
Net income attributable to:				
Equity holders of the parent			**1,603,139**	(84,512)
Minority interests			**1,036,778**	131,253
			2,639,917	46,740
EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY			**1.33**	(0.08)
* Based on weighted average number of common shares outstanding			**1,206,336**	1,059,932

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 September 30, 2010	110,000	-	-	-	-	-	(84,512)	25,488
Balance at September 30, 2010	**10,599,319**	**934,382**	**633,258**	**150,960**	**218,559**	**1**	**(12,680,875)**	**(144,396)**
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
Issuance of shares of stock	4,577,387	4,086,314	-	(303,000)	-	-	-	8,360,700
Conversion of debt to equity	1,675,005	899,327	-	(2,574,332)	-	-	-	(0)
Reclassification to advances	-	-	-	(150,961)	-	-	-	(150,961)
Disposal of investment	-	(144,819)	(633,258)	-	-	-	-	(778,077)
Net income as of September 30, 2011	-	-	-	-	-	-	1,603,139	1,603,139
Balance at September 30, 2011	**17,640,530**	**5,816,306**	**-**	**-**	**218,559**	**1,464**	**(11,751,835)**	**11,925,025**

ANNEX C

TLAS CONSOLIDATED MINING AND DEVELOPMENT
ORPORATION AND SUBSIDIARIES

NAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

Pesos in Thousands)

	Quarters Ended		Nine Month Period Ended	
	9/30/2011	9/30/2010	**9/30/2011**	9/30/2010
ASH FLOWS FROM OPERATING ACTIVITIES				
ncome (loss) before income tax	**528,363**	(544,168)	**1,603,139**	(84,512)
djustments for:				
Interest expense	**268,422**	294,117	**455,729**	701,784
Depreciation and depletion	**242,306**	284,451	**736,441**	839,131
Net mark to market losses (gains)	**(27,636)**	1,213,113	**(176,560)**	730,385
Unrealized foreign losses (gains)	**(15,463)**	(390,107)	**(67,802)**	(334,558)
Provision for Mine Rehabilitation	**3,991**	-	**3,991**	-
Retirement benefit cost	**(4,161)**	-	**(4,161)**	-
Interest income	**(766)**	(191)	**(2,400)**	(594)
perating income before working capital changes	**995,055**	857,215	**2,548,376**	1,851,636
ecrease (increase) in:				
Receivable - net	**210,173**	(80,988)	**(182,899)**	(50,391)
Inventories - net	**(174,033)**	59,099	**(292,608)**	230,061
Prepayments and other current assets	**4,660,346**	159,941	**3,699,807**	(92,666)
ncrease (decrease) in:				
Accounts payable and accrued liabilities	**(188,588)**	(420,879)	**(689,441)**	(71,367)
Income tax payable	**(568)**		**2,167**	(2,015)
ash provided by (used in) operations	**5,502,386**	574,388	**5,085,403**	1,865,258
nterest received	**766**	191	**2,400**	594
et cash provided by (used in) operating activities	**5,503,152**	574,579	**5,087,803**	1,865,852
ASH FLOWS FROM INVESTING ACTIVITIES				
ecrease (increase) in:				
Other noncurrent assets	**(12,228,404)**	(24,468)	**(12,399,612)**	(133,399)
Additions to property, plant and equipment	**(1,369,863)**	(287,385)	**(2,451,241)**	(1,205,900)
Changes in minority interest	**(8,197,825)**	753,650	**(7,244,788)**	788,263
et cash from (used in) investing activities	**(21,796,092)**	441,797	**(22,095,641)**	(551,036)
ASH FLOWS FROM FINANCING ACTIVITIES				
ssuance of shares of stock	**8,057,700**	110,000	**8,360,700**	110,000
oans proceeds (payment)	**9,450,235**	-	**8,894,760**	(463,700)
et changes in amounts owed to related parties	**(546,687)**	(610,437)	**(643,370)**	(403,352)
et cash from (used in) financing activities	**16,961,248**	(500,437)	**16,612,090**	(757,052)
ET INCREASE (DECREASE) IN CASH	**668,308**	515,939	**(395,747)**	557,764
ASH AT BEGINNING OF YEAR			**2,476,170**	301,355
ASH, SEPTEMBER 30,			**2,080,423**	859,119

ANNEX D