

COVER SHEET

1 1 5 P R E W A R

S.E.C. Registration Number

ATLAS CONSOLIDATED MINING
AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

9TH FLOOR QUAD ALPHA CENTRUM
125 PIONEER STREET MANDALUYONG

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

CARMEN ROSE A. BASALLO-ESTAMPADOR

Contact Person

(632) 584-9788

Company Telephone Number

1 2 3 1

Month Day
Fiscal Year

SEC 17 - Q

FORM TYPE

Month Day

Annual Meeting

N/A

last Wednesday of April

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Total No. of Stockholders

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

Document I.D.

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, 2012**
2. Commission Identification No. **115 Pre War 3**. BIR Tax Identification No. **000-154-572-000**

4. Exact name of issuer as specified in its charter:

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION

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

6. Industry Classification Code (EC Use Only)

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

Issuer's telephone number, including area code
(632) 584-9788

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

9. 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
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Common Stock, PhP 8 par value	2,073,825,584
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10. 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/cs of securities listed therein:

Philippine Stock Exchange

Common Stock

11. 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 I – FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are integrally appended hereto and form 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

A. Results of Operations and Financial Condition

The tables below show (i) the consolidated results of operations of Atlas Consolidated Mining and Development Corporation ("Atlas") and its subsidiaries (collectively, the "Group") for the third quarter of 2012 vis-à-vis those for the same period in 2011, and (ii) the consolidated financial condition of the Group as of 30 September 2012 vis-à-vis that as of 31 December 2011:

➤ Results of Operations

	Third Quarter – 2012	Third Quarter -2011 (Restated)	Third Quarter -2011 (As previously reported)
Consolidated Net Income	PhP2.035 billion	PhP15.384 billion	PhP2.640 billion
Consolidated Net Revenues	PhP10.606 billion	PhP2.215 billion	PhP9.088 billion
Net income attributable to:			
Equity holders of the parent	PhP1.910 billion	PhP15.355 billion	PhP1.603 billion

The restated amounts pertaining to (i) the Group's consolidated net income, and (ii) the net income attributable to the equity holders of Atlas for the third quarter of 2011 reflect the gain resulting from the recognition of the fair value of Atlas's previously-held interest in Carmen Copper Corporation ("CCC") following Atlas's early adoption of PFRS 10, 11, and 12.

The decrease in consolidated net income is attributable to (i) the accumulated financing charges arising from the outstanding US\$75 million loan facility extended by BDO Unibank, Inc. to Atlas, and (ii) the amortization of intangible assets.

The increase in consolidated revenues was driven by CCC's higher levels of production that offset lower copper prices and higher operating costs. The performance of Berong Nickel Corporation ("BNC") also contributed to the earnings growth.

As a result of the appreciation of the Philippine Peso against the US Dollar during the third quarter of 2012, the Group booked a net unrealized foreign exchange gain of PhP434 million.

Financial transactions involving embedded derivatives generated a net unrealized mark-to-market loss amounting to PhP226 million. These transactions include interest accretion on derivative put options, hedging on copper sales and accretion on derivative liability.

➤ Change in Financial Condition

	30 September 2012	31 December 2011 (Restated)
Retained Earnings	PhP17.064 billion	PhP2.431 billion

On 6 July 2012, Atlas completed its capital restructuring exercise upon the approval by the Securities and Exchange Commission of (i) the increase in its authorized capital stock from PhP20 billion to PhP30 billion, (ii) the subsequent decrease in the par value of its shares of stock from PhP10.00 per share to PhP8.00 per share, and (iii) the full elimination of its accumulated deficit amounting to approximately PhP12.7 billion through the application of its additional paid-in capital, a portion of which represents the reduction surplus created from the par value decrease. The increase in the authorized capital stock resulted in the issuance of 273,098,160 Atlas shares of stock to SM Investments Corporation as a subscriber thereto.

The significant increase in retained earnings is attributable to the results of the equity restructuring activities.

In September and October 2012, Atlas issued a total of 1,384,796 of its shares of stock (the "Option Shares") to certain officers/employees following their exercise of stock subscription rights granted under the existing stock option plan covering directors, officers, and employees of Atlas and CCC. The Option Shares were issued at the price of PhP10.00 per share.

B. Key Performance Indicators

The key performance indicators of the Group for the third quarter of 2012 (compared to those as at December 31, 2011) are shown below:

	30 September 2012	31 December 2011 (Restated)
Current/Liquidity Ratio		
Current Ratio	1.39:1	0.29:1
Solvency Ratios		
Debt-to-Equity	0.66:1	0.85:1
Debt-to-Assets	0.40:1	0.46:1
Asset-to-Equity	1.67:1	1.86:1
Interest Rate Coverage	6.05	64.28
Profitability Ratios		
Return on Equity	5.64%	56.98%
Return on Sales	14.49%	312.74%
Return on Assets (Fixed Assets)	11.94%	106%

- 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 = Parent Net Income as of the Quarter / Total Stockholders' Equity Attributable to Equity Holders of Parent Company
- Return on Sales = Consolidated Net Income for the Quarter / Total Consolidated Net Revenues as of the Quarter
- Return on Assets = Parent Net Income / Total Fixed Assets-Net

C. Liquidity and Capital Resources

Below is a summary of the Group's consolidated cash flow as of the third quarter of 2012:

• Net cash flow used in operating activities	-	₱ 234 million
• Net cash flows used in investing activities	-	₱ 4.170 billion
• Net cash flows from financing activities	-	₱ 5.348 billion
• Net increase in cash and cash equivalents	-	₱ 945 million

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 2012 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, financial condition or results of its operations; (ii) any 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 2012.

D. Results of operations of certain subsidiaries

➤ Carmen Copper Corporation

CCC's operations during the first three quarters of 2012 generated a net income of PhP2.3 billion. As a result of improved production, revenues from copper sales surged by 6% to reach PhP9.8 billion compared to the PhP9.2 billion realized at the end of the third quarter of 2011.

As of 30 September 2012, CCC had already completed twenty-three (23) copper concentrate shipments to smelters in China containing an aggregate of 113,124 dry metric tons. This represents a 28% improvement from the 88,526 dry metric tons delivered in eighteen (18) shipments during the first three quarters of 2011.

On 16 March 2012, CCC completed the issuance of US Dollar-denominated fixed-rate notes representing \$300 million of CCC's senior unsecured debt with a tenor of five (5) years and five (5) days (the "Notes"). The Notes, which were issued at the price of 98.95% of face value, will pay interest semi-annually at the rate of 6.5% and will carry a yield to maturity of 6.75%. As of 30 September 2012, the balance of CCC's bonds payable account amounted to PhP12.51 billion.

CCC is aggressively pursuing its expansion plans and has begun the transition of its mining operations to its Carmen deposit which contains copper ore of higher grade compared to that found in the Lutopan ore body where commercial production began. The expansion program will entail a significant capital expenditure commitment.

➤ Berong Nickel Corporation

Net income from nickel mining operations soared by 1093% to reach PhP167 million as of the end of the third quarter of 2012.

BNC doubled its nickel sales to PhP584 million because of the continuing increase in its production. As of 30 September 2012, BNC had already completed ten (10) shipments of nickel laterite ore (522,325 wet metric tons) vis-à-vis 2011's three (3) shipments (157,130 wet metric tons).

Please see Supplementary Schedule (Annex E) that contains a horizontal and vertical analysis of balance sheet (3rd quarter of 2012 vis-à-vis December 31, 2011) and income statement accounts (3rd quarter of 2012 vis-à-vis 3rd quarter of 2011).

E. Financial Risk Management Objectives and Policies

The Group's main financial instruments are cash and cash equivalents, loans, other interest-bearing cash liabilities, and derivative assets and liabilities. It has various other financial assets and liabilities such as receivables and accounts payable and accrued liabilities which arise from its operations.

The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk, commodity price risk, and credit risk. The Audit and Risk Management Committee of the Board of Directors of Atlas reviews and adopts relevant policies for managing each of these risks which are explained below:

➤ **Foreign currency risk**

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group has foreign currency risk arising from its cash and cash equivalents, receivables, deposits, accounts payable and accrued liabilities, loans payable and long-term debt. 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.

The following table shows the details of the consolidated foreign-currency denominated assets and liabilities of the Group as of 30 September 2012 and 31 December 2011:

	30 September 2012		31 December 2011 (Restated)	
	Foreign Currency (US\$)	Peso Equivalent (PhP)	Foreign Currency (US\$)	Peso Equivalent (PhP)
Cash and cash equivalents	17,189	716,794	5,691	249,493
Short - term investments	115,476	4,815,349	19,721	864,569
Receivables	15,250	635,936	12,227	536,032
Derivative assets	2,170	90,469	15,943	698,941
TOTAL	150,085	6,258,548	53,582	2,349,035

The US\$:PhP exchange rates were US\$1.00:PhP41.70 and US\$1.00:PhP43.84 as of 30 September 2012 and 31 December 2011, respectively.

The Group monitors its transactional and translational foreign exchange currency risk and manages the impact of foreign exchange volatility primarily through natural hedging where foreign currency revenues are matched against target levels of foreign-currency financing.

➤ **Commodity price risk**

CCC's copper concentrate revenues are based on international commodity quotations (i.e., primarily on the LME) over which CCC has no influence or control. This exposes CCC's results of operations to commodity

price volatilities that may significantly impact its cash inflows. CCC enters into derivative transactions as a means to mitigate the risk of fluctuations in the market prices of its mine products.

Shown below is the effect on CCC's income before income tax should if the copper price sensitivity for the inventory level is assessed as of financial reporting date (net of derivatives):

30 September 2012 (Unaudited)

<u>Change in Copper Prices</u>	<u>Effect on Income Before Income Tax</u>
Increase by 10%	Php 282,258,756
Decrease by 10%	Php (282,258,756)

31 December 2011 (Audited)

<u>Change in Copper Prices</u>	<u>Effect on Income Before Income Tax</u>
Increase by 10%	(P234,158,070)
Decrease by 10%	366,437,982

The sensitivity analyses are performed for risk management purposes and do not represent a prediction or forecasting of CCC's future income.

➤ **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 Group is exposed to equity price risk because of financial assets held by the Group which are classified as available-for-sale (AFS) financial assets. Management believes that the fluctuation in the fair value of available-for-sale financial assets will not have a significant effect on the consolidated financial statements.

The table below shows the details of the AFS as of 30 September 2012 and 31 December 2011:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Toledo Mining Corporation	4,905	4,905
Philippine Long Distance Telecommunications	22	22
TOTAL	<u>4,927</u>	<u>4,927</u>

No other comprehensive income or decline was recognized as of 30 September 2012 as the fair value of the AFS investment did not change significantly.

➤ **Credit risk**

Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed to discharge their contractual obligation. The Group's financial assets which are exposed to credit risk include its cash and cash equivalents, receivables, derivative asset and AFS financial assets with a maximum exposure equal to the carrying amount of these assets. With respect to cash and cash equivalents and AFS financial assets, credit risk is mitigated by the short-term and/or liquid nature of its cash investments placed with financial institutions of high credit standing.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values as recorded in the consolidated statement of financial position.

The following table summarizes the gross maximum exposure to credit risk for the components of the consolidated statement of financial position. The maximum exposure is shown before the effect of mitigation through the use of master netting and collateral agreements.

	<u>30 September 2012</u>	<u>31 December 2011</u>
Cash and cash equivalents	1,298,959	354,458
Short - term investments	4,815,349	864,585
Receivables	792,319	563,231
Derivative assets	90,469	698,968
AFS financial assets	<u>4,927</u>	<u>4,927</u>
TOTAL	<u>7,002,023</u>	<u>2,486,169</u>

➤ **Credit quality per class of financial assets**

The credit quality by class of assets for the Group's financial asset as of 30 September 2012 and 31 December 2011, based on credit system, is as follows:

30 September 2012

	<u>Past Due</u>			Past due but not impaired	Impaired	Total
	<u>High grade</u>	<u>Standard grade</u>	<u>Substandard grade</u>			
Loans and Receivables						
Cash and cash equivalents (excluding cash on hand)	1,289,837	—	—	—	—	1,289,837
Short-term investments	4,815,349	—	—	—	—	4,815,349
Receivables	681,737	—	—	69,983	40,599	792,319
Derivative assets	90,469	—	—	—	—	90,469
AFS financial asset	4,927	—	—	—	—	4,927
	<u>6,882,319</u>	<u>—</u>	<u>—</u>	<u>69,983</u>	<u>40,599</u>	<u>6,992,901</u>

31 December 2011

	<u>Past Due</u>			Past due but not impaired	Impaired	Total
	<u>High grade</u>	<u>Standard grade</u>	<u>Substandard grade</u>			
Loans and Receivables						
Cash and cash equivalents (excluding cash on hand)	354,458	—	—	—	—	354,458
Short-term investments	864,585	—	—	—	—	864,585
Receivables	452,649	—	—	69,983	40,599	563,231
Derivative assets	698,968	—	—	—	—	698,968
AFS financial asset	4,927	—	—	—	—	4,927
	<u>2,375,587</u>	<u>—</u>	<u>—</u>	<u>69,983</u>	<u>40,599</u>	<u>2,486,169</u>

Cash and cash equivalents, short term investments and AFS financial asset are classified as high grade since these are deposited in reputable banks and can be withdrawn anytime. High-grade receivables pertain to those receivables from clients or customers that consistently pay before the maturity date. Standard grade receivables include those that are collected on their due dates even without any collection effort from the Group while receivables which are collected on their due dates after persistent reminders are included under substandard grade receivables. Past due receivables refer to those that are past due but still collectible and are not considered impaired.

➤ **Liquidity Risk**

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

The table below summarizes the maturity profile of the financial liabilities of the Group, as well as financial assets considered by management as part of its liquidity risk management based on remaining undiscounted obligations as of 30 September 2012 and 31 December 2011.

30 September 2012

	On demand	Within 1 year	1 to <3 years	>3 years	Total
Loans and receivables:					
Cash and cash equivalents	1,298,959	—	—	—	1,298,959
Short - term investments	4,815,349	—	—	—	4,815,349
Receivables	—	659,387	132,931	—	792,319
Derivative assets	—	90,469	—	—	90,469
AFS financial asset	4,927	—	—	—	4,927
	<u>6,119,235</u>	<u>749,856</u>	<u>132,931</u>	<u>—</u>	<u>7,002,022</u>
Financial liabilities					
Accounts payable and accrued liabilities	—	2,749,588	—	—	2,749,588
Payables to related parties	623,534	—	—	—	623,534
Loans payable	—	2,936,020	—	—	2,936,020
Long-term debt and other interest-bearing liabilities	—	385,769	61,099	—	446,868
Derivative liabilities	—	47,111	—	—	47,111
Bonds payable	—	—	—	12,510	12,510
	<u>623,534</u>	<u>6,118,488</u>	<u>61,099</u>	<u>12,510</u>	<u>6,815,631</u>
TOTAL	<u>5,495,700</u>	<u>(5,368,632)</u>	<u>71,832</u>	<u>(12,510)</u>	<u>186,391</u>

31 December 2011

	On demand	Within 1 year	1 to <3 years	>3 years	Total
Loans and receivables:					
Cash and cash equivalents	354,458	—	—	—	354,458
Short - term investments	864,585	—	—	—	864,585
Receivables	52,678	510,553	—	—	563,231
Derivative assets	—	477,573	221,395	—	698,968
AFS financial asset	4,927	—	—	—	4,927
	<u>1,276,648</u>	<u>988,126</u>	<u>221,395</u>	<u>—</u>	<u>2,486,169</u>
Financial liabilities					
Accounts payable and accrued liabilities	—	2,926,151	—	—	2,926,151
Payables to related parties	531,700	—	—	—	531,700
Loans payable	—	5,341,800	—	—	5,341,800
Long-term debt and other interest-bearing liabilities	—	4,298,353	5,856,671	—	10,155,024
Derivative liabilities	—	18,929	—	—	18,929
	<u>531,700</u>	<u>12,585,233</u>	<u>5,856,671</u>	<u>—</u>	<u>18,973,604</u>
TOTAL	<u>744,948</u>	<u>(11,597,107)</u>	<u>(5,635,276)</u>	<u>—</u>	<u>(16,487,435)</u>

➤ **Financial instruments**

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

	Carrying values						Fair values									
	9/30/12		6/30/12		12/31/11		9/30/12		6/30/12		12/31/11					
Financial Assets																
Cash	₱	1,299	m	1,268	m	₱	354	m	₱	1,299	m	1,268	m	₱	354	m
Short-term investments	₱	4,815	m	6,528	m	₱	865	m	₱	4,815	m	6,528	m	₱	865	m
Receivable – net	₱	792	m	493	m	₱	563	m	₱	792	m	493	m	₱	563	m
Derivative assets (current and noncurrent)	₱	90	m	6	m	₱	699	m	₱	90	m	6	m	₱	699	m
Available-for-sale (AFS) financial assets	₱	5	m	5	m	₱	5	m	₱	5	m	5	m	₱	5	m
Financial Liabilities																
Bonds payable	₱	12,510	m	12,636	m	₱	-	m	₱	12,510	m	12,636	m	₱	-	m
Account payable and accrued liabilities	₱	2,750	m	2,874	m	₱	3,100	m	₱	2,750	m	2,874	m	₱	3,100	m
Advances from and due to related parties	₱	624	m	628	m	₱	532	m	₱	624	m	628	m	₱	532	m
Long-term debt (current and noncurrent)	₱	447	m	597	m	₱	10,155	m	₱	447	m	597	m	₱	10,155	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.

Fair value of long-term debt and bonds payable is estimated using the discounted cash flow methodology using the benchmark risk free rates for similar types of long-term debt and other interest bearing liabilities. Bonds payable is measured using the quoted price in the active market.

Fair values of commodity forwards and embedded derivatives are obtained using the “forward versus forward” approach using copper forward prices and discounted at the appropriate LIBOR.

The Group uses the following hierarchy for determining and disclosing the fair value by valuation technique:

- Quoted prices in active markets for identical liability (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those inputs for the liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value hierarchy of the financial assets and liabilities as of September 30, 2012 is presented in the following table:

	Level 1	Level 2	Level 3	Total
Derivative assets	₱-	₱ 90,469	₱-	₱90,469

There were no transfers between levels of fair value measurement as of 30 September 2012 and 31 December 2011.

As of 30 September 2012 and 31 December 2011, the Company has an investment in foreign securities amounting to ₱4,905 in Toledo Mining Corporation.

➤ PFRS 9, Financial Instruments: Classification and Measurement

PFRS 9 as issued reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project.

Since the impact evaluation is ongoing, the Group has decided not to early adopt either PFRS 9 for its interim financial reporting.

PART II - OTHER INFORMATION

None.

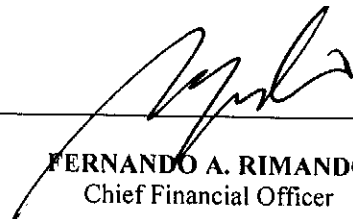
SIGNATURES

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.

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION
Issuer



ADRIAN PAULINO S. RAMOS
Executive Vice President



FERNANDO A. RIMANDO
Chief Financial Officer

Signed this 14th day of November 2012

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES**

UNAUDITED CONSOLIDATED BALANCE SHEETS

(Pesos in Thousands, Except Par Value)

	Unaudited 9/30/2012	Restated 12/31/2011
ASSETS		
Current Assets		
Cash and cash equivalents	1,298,959	354,458
Short-term investments	4,815,349	864,585
Receivable - net	792,319	563,231
Derivative assets	90,469	477,573
Inventories - net	1,209,384	1,111,241
Prepayments and other current assets	1,145,062	497,691
Total Current Assets	9,351,542	3,868,779
Noncurrent Assets		
Intangible assets	28,595,466	28,847,543
Property, plant and equipment - net	16,402,612	14,164,839
Derivative assets	-	221,395
Deferred tax assets	136,631	86,963
Available-for-sale (AFS) financial assets	4,927	4,927
Other noncurrent assets	2,188,707	1,478,154
Total Noncurrent Assets	47,328,343	44,803,821
TOTAL ASSETS	56,679,885	48,672,600
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Loans payable	2,936,020	5,341,800
Accounts payable and accrued liabilities	2,749,588	3,100,386
Current portion of long-term debt	385,769	4,298,353
Advances from and due to related parties	623,534	531,700
Income tax payable	114	323
Derivative liabilities	47,111	18,929
Total Current Liabilities	6,742,136	13,291,491
Noncurrent Liabilities		
Bonds payable	12,510,000	-
Long-term debt – net of current portion	61,099	5,856,671
Retirement benefits liability	141,833	121,974
Liability for mine rehabilitation	100,656	96,896
Deferred income tax liabilities	2,971,286	3,046,910
Total Noncurrent Liabilities	15,784,874	9,122,451
Total Liabilities	22,527,010	22,413,942
Stockholders' Equity		
Capital stock (2012:Php8.00, 2011:Php10.00)	16,590,598	17,640,530
Additional paid in capital	2,470	5,816,306
Revaluation increment in land	218,559	218,559
Net unrealized gains on AFS investment	1,464	1,464
Retained earnings	17,064,080	2,431,361
Attributable to equity holders of the Parent Company	33,877,171	26,108,220
Minority interests	275,704	150,438
Total Stockholders' Equity	34,152,875	26,258,658
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	56,679,885	48,672,600

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
AS OF SEPTEMBER 30, 2012
(Pesos in Thousands, Except Per Share Amounts)

	Quarters Ended			Nine Month Period Ended		
	9/30/2012	9/30/2011 Restated	9/30/2011 As previously reported	9/30/2012	9/30/2011 Restated	9/30/2011 As previously reported
REVENUES						
Sales						
Copper	2,834,222	1,934,580	2,764,054	9,821,798	1,934,580	9,224,270
Gold	187,791	93,270	127,800	670,564	93,270	382,722
Nickel	167,140	264,964	264,964	848,680	264,964	264,964
Magnetite	366	(813)	6,092	12,392	(813)	20,810
Miscellaneous	4,979	92,966	2,458	11,628	100,774	10,266
	3,194,499	2,384,967	3,165,368	11,365,063	2,392,775	9,903,032
Marketing charges	(269,129)	(177,485)	(261,710)	(560,323)	(177,485)	(814,939)
	2,925,370	2,207,482	2,903,658	10,804,740	2,215,290	9,088,093
COSTS AND OPERATING EXPENSES						
Cost of sales	1,476,673	1,358,472	1,957,923	6,734,182	1,358,472	5,277,312
Operating expenses	601,329	430,523	462,686	1,102,049	625,397	1,096,137
	2,078,003	1,788,995	2,420,609	7,836,230	1,983,869	6,373,448
INCOME FROM OPERATIONS	847,367	418,487	483,048	2,968,509	231,421	2,714,645
OTHER INCOME (CHARGES)						
Finance charges	(417,006)	(242,353)	(268,422)	(1,079,634)	(255,491)	(455,729)
Fair value gain on previously held interest	-	13,788,051	-	-	13,788,051	-
Unrealized foreign exchange gain (loss)-net	91,105	(151,787)	15,463	434,472	(146,871)	67,802
Realized mark-to-market gain (loss) on derivative assets (liabilities) - net	(210,388)	135,053	194,490	(226,234)	141,357	176,560
Interest income	58,613	673	766	80,576	753	2,400
Other income - net	230,751	377,157	185,241	33,677	1,584,073	144,656
Amortization of intangible assets	(252,077)	-	-	(252,077)	-	-
	(499,003)	13,906,795	127,538	(1,009,222)	15,111,873	(64,310)
INCOME BEFORE INCOME TAX	348,364	14,325,282	610,586	1,959,288	15,343,294	2,650,335
BENEFIT FROM (PROVISION FOR) INCOME TAX	75,509	16,996	1,517	75,509	5,062	(10,417)
NET INCOME	423,874	14,342,278	612,103	2,034,797	15,348,356	2,639,918
Net income (loss) attributable to:						
Equity holders of the parent				1,909,531	15,355,071	1,603,139
Minority interests				125,266	(6,715)	1,036,778
				2,034,797	15,348,356	2,639,917
EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY						
				0.92	8.70	0.91
* Based on weighted average number of common shares outstanding				2,073,825	1,764,053	1,764,053

The Group decided to early adopt PFRS 10, 11 and 12 in its 2011 financial statements, effective May 12, 2011 as Atlas believes that the early adoption of these standards will better reflect the economic and underlying substance of the changes in ownership in its subsidiaries on its consolidated financial statements. As a result of early adoption of PFRS 10, 11 and 12, the comparative figures for June 30, 2011 consolidated financial statements were restated using the equity method.

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.

**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		Revaluation Increment in Property	Net Unrealized Gains on AFS Investments	Retained Earnings (Deficit)	Total	Minority Interest	Total
			deemed disposal of an investment in subsidiary	Subscriptions						
Balance at January 1, 2011 - As previously reported	11,388,139	975,485	633,258	3,028,293	218,559	1,464	(13,354,974)	2,890,224	2,873,490	5,763,714
Issuance of shares	4,577,387	4,086,314	-	(303,000)	-	-	-	8,360,700	-	8,360,700
Conversion of debt to equity	1,675,005	899,327	-	(2,574,332)	-	-	-	-	-	-
Reclassification to advances	-	-	-	(150,961)	-	-	-	(150,961)	-	(150,961)
Disposal of investment	-	(144,819)	(633,258)	-	-	-	-	(778,077)	-	(778,077)
Net income as of September 30, 2011	-	-	-	-	-	-	1,603,139	1,603,139	1,036,778	2,639,917
Balance at September 30, 2011 - As previously reported	17,640,531	5,816,307	-	-	218,559	1,464	(11,751,835)	11,925,025	3,910,268	15,835,293
Balance at January 1, 2011 - Restated	11,388,139	830,666	-	3,028,293	218,559	1,464	(12,584,614)	2,882,507	92,984	2,975,491
Issuance of shares of stock	4,577,387	4,086,314	-	(303,000)	-	-	-	8,360,700	-	8,360,700
Conversion of debt to equity	1,675,005	899,327	-	(2,574,332)	-	-	-	-	-	-
Reclassification to advances	-	-	-	(150,961)	-	-	-	(150,961)	-	(150,961)
Net income as of September 30, 2011	-	-	-	-	-	-	15,355,071	15,355,071	(6,715)	15,348,356
Balance at September 30, 2011 - Restated	17,640,530	5,816,306	-	-	218,559	1,464	2,770,457	26,447,318	86,269	26,533,587
Balance at January 1, 2012 - Restated	17,640,530	5,816,306	-	-	218,559	1,464	2,431,361	26,108,220	150,438	26,258,658
Issuance of shares	3,095,248	2,764,172	-	-	-	-	-	5,859,420	-	5,859,420
Reduction of par value	(4,145,180)	4,145,180	-	-	-	-	-	-	-	-
Equity restructuring	-	(12,723,188)	-	-	-	-	12,723,188	-	-	-
Net income as of September 30, 2012	-	-	-	-	-	-	1,909,531	1,909,531	125,266	2,034,797
Balance at September 30, 2012	16,590,598	2,470	-	-	218,559	1,464	17,064,080	33,877,171	275,704	34,152,875

ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Pesos in Thousands)

	Quarters Ended			Nine Month Period Ended		
	9/30/2012	9/30/2011 Restated	9/30/2011 As previously reported	9/30/2012	9/30/2011 Restated	9/30/2011 As previously reported
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	348,364	14,325,282	610,587	1,959,288	15,343,294	2,650,335
Adjustments for:						
Interest expense	417,006	242,353	268,422	1,079,634	255,491	455,729
Depreciation and depletion	673,256	300,904	242,306	1,473,965	324,961	736,441
Realized mark-to-market gain (loss) on derivative assets (liabilities) - net	210,388	(135,053)	(27,636)	226,234	(141,357)	(176,560)
Unrealized foreign exchange losses (gains) - net	777,838	151,787	59,190	434,472	146,871	(67,802)
Provision for mine rehabilitation	1,253	81,008	3,991	3,760	81,008	3,991
Retirement benefit cost	4,189	83,378	(12,214)	19,859	81,479	(4,161)
Gain on early extinguishment of debt	(253,904)	-	-	(77,543)	-	-
Interest income	(58,613)	(673)	(766)	(80,576)	(753)	(2,400)
Provision for asset impairment	(220)	(31)	-	-	(31)	-
Investment income	-	(40,291)	-	-	(1,247,884)	-
Gain on previously held interest	-	(13,788,051)	-	-	(13,788,051)	-
Operating income before working capital changes	2,119,558	1,220,611	1,143,879	5,039,092	1,055,026	3,595,573
Decrease (increase) in:						
Short-term investments	1,713,251	(1,690,124)	-	(3,950,764)	(1,690,124)	-
Receivable - net	(299,450)	550,171	186,019	(229,088)	566,244	(207,053)
Inventories - net	(870,426)	(722,180)	(174,033)	(404,155)	(763,347)	(292,608)
Derivative assets	407,573	(766,653)	-	407,573	(766,653)	-
Prepayments and other current assets	(166,242)	(930,990)	(718,315)	(647,371)	(1,010,853)	(1,678,854)
Increase (decrease) in:						
Accounts payable and accrued liabilities	(2,453,147)	1,766,409	(2,141,627)	(2,679,035)	1,221,566	(1,689,443)
Derivative liabilities	47,111	4,697	142,421	28,182	4,623	-
Income tax payable	2,857,971	2,956,803	(8,250)	2,857,648	2,959,538	(8,250)
Cash from operations	3,356,199	2,388,744	(1,569,907)	422,083	1,576,019	(280,635)
Interest received	58,613	673	766	80,576	753	2,400
Net cash provided by (used in) operating activities	3,414,812	2,389,417	(1,569,141)	502,659	1,576,773	(278,235)
CASH FLOWS FROM INVESTING ACTIVITIES						
Decrease (increase) in:						
Other noncurrent assets	(2,854,819)	(1,060,993)	(13,107,153)	(3,097,558)	65,866	(13,278,361)
Net cash outflow on step acquisition of a subsidiary	-	1,715,747	-	-	1,715,747	-
Additions to property, plant and equipment	(555,539)	(20,635,999)	(1,369,863)	(3,758,900)	(20,733,355)	(2,451,242)
Net cash used in investing activities	(3,410,358)	(19,981,245)	(14,477,016)	(6,856,458)	(18,951,742)	(15,729,603)
CASH FLOWS FROM FINANCING ACTIVITIES						
Issuance of shares of stock	12,350	8,215,881	8,360,701	366,736	8,360,700	8,360,701
Loans proceeds (payment)	18,236	8,965,275	9,450,235	6,839,731	8,965,275	8,894,760
Net changes in amounts owed to related parties	(4,212)	937,544	(1,546,688)	91,834	380,422	(1,643,370)
Net cash provided by financing activities	26,374	18,118,700	16,264,247	7,298,301	17,706,397	15,612,091
NET INCREASE (DECREASE) IN CASH	30,827	526,872	218,091	944,501	331,427	(395,747)
CASH AT BEGINNING OF YEAR				354,458	230,963	2,476,170
CASH, SEPTEMBER 30				1,298,959	562,390	2,080,423

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES							
HORIZONTAL AND VERTICAL ANALYSIS							
(Pesos in Thousands, Except Par Value)							
	Unaudited 9/30/2012	Restated 12/31/2011	Horizontal Analysis		Vertical Analysis		Remarks
			Increase/ (Decrease)	% of Change	9/30/2012	12/31/2011	
ASSETS							
Current Assets							
Cash and cash equivalents	1,298,959	354,458	944,501	266%	2%	1%	
Short-term investments	4,815,349	864,585	3,950,764	457%	8%	2%	The increase pertains to the investment of USD115 million of Carmen Copper Corp. in short-term money market placements.
Receivable - net	792,319	563,231	229,088	41%	1%	1%	The increase was largely based on the provisional invoices issued by CCC to MRI Trading AG for the past three months including the advanced sales billed to them for the current month.
Derivative assets	90,469	477,573	(387,104)	-81%	0%	1%	The decrease was caused by the USD140 million BDO loan with an embedded derivative in the prepayment option was settled using the proceeds of the USD300 million bonds.
Inventories - net	1,209,384	1,111,241	98,143	9%	2%	2%	The increase was due to the additional procurement of materials and supplies and additional concentrates produced by BNC and CCC.
Prepayments and other current assets	1,145,062	497,691	647,371	130%	2%	1%	The increase was due to the advanced deposits to suppliers and other prepayments.
Total Current Assets	9,351,542	3,868,779	5,482,763	142%	16%	8%	
Noncurrent Assets							
Intangible Assets	28,595,466	28,847,543	(252,077)	-1%	50%	59%	
Property, plant and equipment - net	16,402,612	14,164,839	2,237,773	16%	29%	29%	The increase refers to the acquisition of new machineries and other movable equipments of CCC and leasehold improvements of ACDMC. The increase was also attributed to the capitalization of the cost of rehabilitation and improvement of mine facilities.
Derivative assets	-	221,395	(221,395)	-100%	0%	0%	Same as Derivative assets - current
Deferred tax assets	136,631	86,963	49,668	57%	0%	0%	The increase was due to the recognition of deferred tax asset provision for the month of June 2012
Available-for-sale (AFS) financial assets	4,927	4,927	-	0%	0%	0%	
Other noncurrent assets	2,188,707	1,478,154	710,553	48%	4%	3%	Increase was due to the increase in input taxes from various purchases and capitalized expenditures relating to the issuance of CCC's USD300 million bonds.
Total Noncurrent Assets	47,328,343	44,803,821	2,524,522	6%	84%	92%	
TOTAL ASSETS	56,679,885	48,672,600	8,007,285	16%	100%	100%	
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Loans payable	2,936,020	5,341,800	(2,405,780)	-45%	5%	11%	The decrease was a net effect on debt-to-equity conversion of SMIC loan and lower USD:PhP foreign exchange rate upon restatement of USD 75 Million for the period.
Accounts payable and accrued liabilities	2,749,588	3,100,386	(350,798)	-11%	5%	6%	The decrease was due to settlement of trade and other payables.
Current portion of long-term debt	385,769	4,298,353	(3,912,584)	-91%	1%	9%	Apart from the reclassification of the current portion of the long-term debt and the restatement of foreign currency denominated loans, the bulk of the decrease was brought about by the prepayment by CCC of its USD140 million loan from BDO using the proceeds of the issued bonds.
Advances from and due to related parties	623,534	531,700	91,834	17%	1%	1%	The increase is connected to additional advances made by related parties.
Income tax payable	114	323	(209)	-65%	0%	0%	Liability was paid as of this period.
Derivative liabilities	47,111	18,929	28,182	149%	0%	0%	The increase was due to the recognition of derivative liability from its provisional pricing - copper
Total Current Liabilities	6,742,136	13,291,491	(6,549,355)	-49%	12%	27%	
Noncurrent Liabilities							
Bonds payable	12,510,000	-	12,510,000	100%	22%	0%	Issuance of US Dollar-denominated fixed-rate notes representing USD300 million senior unsecured debt with a tenor of five (5) years and five (5) days.
Long-term debt - net of current portion	61,099	5,856,671	(5,795,572)	-99%	0%	12%	Same as Current portion of long-term debt
Retirement benefits liability	141,833	121,974	19,859	16%	0%	0%	The increment is attributed to the additional accrual of pension costs.
Liability for mine rehabilitation	100,656	96,896	3,760	4%	0%	0%	The increase was due to the recognition of CCC's mine closure provision
Deferred income tax liabilities	2,971,286	3,046,910	(75,624)	-2%	5%	6%	
Total Noncurrent Liabilities	15,784,874	9,122,451	(5,847,577)	-64%	28%	19%	
Total Liabilities	22,527,010	22,413,942	(12,396,932)	-55%	40%	46%	
Stockholders' Equity							
Capital stock (2012 - PhP 8 par, 2011 - PhP 10 par)	16,590,598	17,640,530	(1,049,932)	-6%	29%	36%	Changes in capital stock was due to the net effect of reduction in par value and the issuance of capital stocks.
Additional paid in capital	2,470	5,816,306	(5,813,836)	-100%	0%	12%	The decrease was largely based on the effect of equity restructuring
Revaluation increment in land	218,559	218,559	-	0%	0%	0%	
Net unrealized gains on AFS investment	1,464	1,464	-	0%	0%	0%	
Retained earnings	17,064,080	2,431,361	14,632,719	602%	30%	5%	Share in net income of Parent Company
Attributable to equity holders of the Parent Company	33,877,171	26,108,220	7,768,951	30%	60%	54%	
Minority interests	275,704	150,438	125,266	83%	0%	0%	Share in net income of minority
Total Stockholders' Equity	34,152,875	26,258,658	7,894,217	30%	60%	54%	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	56,679,885	48,672,600	(4,502,715)	-9%	100%	100%	

ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES

HORIZONTAL AND VERTICAL ANALYSIS

(Pesos in Thousands)

	Nine Month Period Ended			Increase/ (Decrease)	% of Change	Vertical Analysis (%)	Remarks
	9/30/2012	9/30/2011 As previously reported	9/30/2011 Restated				
REVENUES							
Sales							
Copper	9,821,798	9,224,270	1,934,580	597,528	6%	91%	The increase in copper sales is attributable to the improved production of Carmen Copper Corporation ("CCC").
Gold	670,564	382,722	93,270	287,842	75%	6%	
Magnetite	12,392	20,810	(813)	(8,417)	-40%	0%	The increase in nickel sales is attributable to the turn-around in the commercial operations of Berong Nickel Corporation ("BNC").
Nickel	848,680	264,964	264,964	583,716	220%	8%	
Miscellaneous	11,628	10,266	100,774	1,362	13%	0%	This includes Atlas's scrap sales, rent revenue and TMM Management, Inc.'s management fees from third parties.
Marketing charges	11,365,063 (560,323)	9,903,032 (814,939)	2,392,775 (177,485)	1,462,031 254,616	15% -31%	105% -5%	Pertains to the direct cost of CCC's production which includes smelting, shipping, royalties and mine product taxes
	10,804,740	9,088,093	2,215,290	1,716,647	19%	100%	
COSTS AND OPERATING EXPENSES							
Cost of sales	6,734,182	5,277,312	1,358,472	1,456,871	28%	62%	The increase is due to the increase in the production of both CCC and BNC.
Operating expenses	1,102,049	1,096,138	625,397	5,912	1%	10%	
	7,836,230	6,373,448	1,983,868	1,462,782	23%	73%	
INCOME FROM OPERATIONS							
OTHER INCOME (CHARGES)							
Finance charges	(1,079,634)	(455,729)	(255,491)	(623,905)	137%	-10%	The increase is attributable to the finance charges related to the issuance by CCC of notes representing US\$300 million of its senior unsecured debt.
Fair value gain on previously held interest	-	-	13,788,051	-	-	-	
Unrealized foreign exchange gain (loss)-net	434,472	67,802	(146,871)	366,669	541%	4%	The increase is attributable to the appreciation of the Peso against the US Dollar.
Realized mark-to-market gain (loss) on derivative assets (liabilities)-net	(226,234)	176,560	141,357	(402,794)	-228%	-2%	The decrease is attributable to the reversal of the derivative asset arising from the early settlement of the US\$140 million loan obligation of CCC to BDO Unibank, Inc.
Interest income	80,576	2,400	753	78,175	3257%	1%	
Other income - net	33,677	144,656	1,584,073	(110,979)	-77%	0%	
Amortization of Intangible Assets	(252,077)	-	-	(252,077)	0%	-2%	
	(1,009,222)	(64,310)	15,111,873	(944,911)	1469%	-9%	
INCOME BEFORE INCOME TAX							
	1,959,288	2,650,333	15,343,293	(691,044)	-26%	18%	
BENEFIT (PROVISION) FROM INCOME TAX							
	75,509	(10,417)	5,062	85,927	-825%	1%	Income tax due for the current period.
NET INCOME							
	2,034,797	2,639,918	15,348,356	(605,121)	-23%	19%	

The Group decided to early adopt PFRS 10, 11 and 12 in its 2011 financial statements effective 12 May 2011 as Atlas believes that such early adoption will better reflect the economic and underlying substance of the changes in ownership in its subsidiaries on its consolidated financial statements. As a result of the early adoption of PFRS 10, 11 and 12, the comparative figures for 30 September 2011 consolidated financial statements were restated using the equity method. However, to allow for a more meaningful analysis of the changes in the results of the operations of the Group, the 30 September 2012 accounts shall be compared with the pre-restatement 30 September 2011 figures as both represent cumulative consolidated amounts for the first three quarters of the fiscal year.

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES**

UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE

SEPTEMBER 30, 2012

(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	675,229	-	-	-	675,229	-	-
Non-Trade Receivables							
Deposits and advances	48	-	-	-	-	48	-
Scrap	707	-	-	-	-	707	-
With court cases	13,254	-	-	-	-	13,254	13,254
Others	143,122	-	-	-	-	143,122	-
Allowance for Doubtful Accounts	(40,041)	-	-	-	(15,841)	(24,200)	-
Accounts Receivable - Net	792,319	-	-	-	659,388	132,931	13,254

Account Receivable Description

Type of Receivable	Nature/Description of Receivable	Collection Period
Various trade receivable	Sale of copper concentrates, gold, magnetite, and nickel	
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