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: **30 June 2019**

2. Commission Identification No. **PW0000115A**

3. BIR Tax Identification No. **000-154-572**

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 [ ] (SEC Use Only)

7. Address of registrant's principal office: Postal Code
   5F Five E-com Center, Palm Coast Avenue cor. Pacific Drive Mall of Asia Complex, Pasay City **1300**

8. Issuer's telephone number, including area code:
   (632) 4030813 local 25001

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

8. 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, PHP1 par value	**3,559,532,774**

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

   Yes [**x**] No [ ]

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

   Philippine Stock Exchange **Common Stock**

10. 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 [**x**] No [ ]

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

    Yes [**x**] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are integrally appended hereto and form part of this report:

Annex A - Unaudited Consolidated Statements of Financial Position
Annex B - Unaudited Consolidated Statements of Comprehensive Income
Annex C - Unaudited Consolidated Statements of Changes in Stockholders' Equity
Annex D - Unaudited Consolidated Statements of Cash Flows

Item 2. Management Discussion and Analysis

A. Results of Operations and Changes in Financial Condition

The table below shows the consolidated results of operations of Atlas Consolidated Mining and Development Corporation ("AT" or "Atlas Mining" or the "Parent Company") and its subsidiaries (collectively, the "Group") for the three-month period ending 30 June 2019 and 2018:

(amounts in PHP millions)	**6/30/2019**	**6/30/2018**	**% Change**
Consolidated net income/(loss)	(66)	(221)	-70%
Consolidated income/(loss) from operations	997	635	57%
Consolidated gross revenues	8,577	7,606	13%
Consolidated net revenues	8,044	7,163	12%
Costs and operating expenses	7,047	6,528	8%
Net income/(loss) attributable to Equity holders of the parent	(66)	(221)	-70%

AT reported a consolidated net loss of PHP66 million for the six (6) months of 2019 on account of higher grade, production and shipment volumes that offset the impact of lower copper price.

Gross revenues grew by 13% on the strength of higher shipment volume. Growth in gross revenues from PHP7.6 billion to PHP8.6 billion was mainly driven by the increase in shipment volume. Copper metal content improved by 26% from 42.472 million pounds to 53.573 million pounds while gold content increased by 28% from 13,380 ounces to 17,117 ounces. The average realized copper price was lower by 10% from USD3.12/lb. to USD2.80/lb. and the average realized gold price was also lower by 1% from USD1,313/oz. to USD1,303/oz.

Its wholly-owned subsidiary, Carmen Copper Corporation, sustained improvements in its operations. Copper metal production increased by 30% from 39.55 million pounds in 2018 to 51.46 million pounds in 2019. Gold production also increased by 36% from 13,333 ounces to 18,119 ounces in 2019. The increase in copper and gold production resulted from higher tonnage milled and higher realized grades. Milling tonnage increased by 9% from 7.67 million tonnes to 8.33 million tonnes. On the other hand, copper grades improved by 23% from 0.267% to 0.328%; and gold grade improved by 14% from 5.98 grams to 6.12 grams/dmt.

With higher production, the volume of copper concentrate shipments also improved by 28% to 95,220 dmt with copper metal content higher by 26% from 42.57 to 53.57 million lbs of copper metal in concentrates and gold content higher by 28% from 13,380 to 17,117 ounces.

Metal prices in the second quarter were lower year-on-year with average realized copper price at USD2.80/lb in 2019, 10% lower than USD3.12/lb in 2018, and average realized gold price at USD1,304/oz in 2019, 1% lower than USD1,313/oz in 2018.

The improvement in operating efficiencies that increased throughput and realized higher grades resulted in the lower average cost per pound by 15% from USD1.76/lb in 2018 to USD1.49/lb in 2019.

Due to higher volume of shipments, total *Costs and operating expenses* increased by 8% from PHP6.5 billion to PHP7 billion. *Cost of sales* and *Depletion of mining rights* increased by 8% and 6%, respectively.

Equity in net income of associates, this represents the Parent Company's share in the results of operations of Berong Nickel Corporation (BNC), slightly dropped to PHP87 million as compared to PHP99 million income in the same period last year.

Finance charges (14% of net revenues) slightly decreased by 1% due to lesser interest accretion in 2019 for Mine Rehab and lesser interest expense recognized in 2019 as some loans were already settled in 2018. This compensates the impact of higher amortization of debt issue cost recognized in accordance with the use of the effective interest accounting method.

USD:PHP Exchange rate closed at USD1.00:PHP51.24 as at 30 June 2019 versus USD1.00:PHP52.58 as at 31 December 2018. This triggered the recognition of *Foreign exchange gain-net* of PHP126 million primarily from the restatement of receivables, loans and other payables.

Mark to market gain/(loss) on derivatives-net, this represents mark to market provisions for copper price hedges. The provision was –nil- in 2019 as there were no hedges on copper prices during the quarter.

Interest Income of PHP33 million accounts for the interest earned on cash in bank and time deposits.

Other income (charges)- net of PHP33 million includes sales of scrap materials, bank charges and other finance charges.

Provision for Income Tax for the period of PHP56M million was based from the 2% minimum corporate income tax. *Deferred Income Tax* of PHP81 million resulted from future tax benefit recognized on Net Operating Loss Carry-Over (NOLCO), Minimum-Corporate Income Tax (MCIT) and forex losses on foreign currency denominated loans.

Changes in Financial Condition

The succeeding discussions pertain to the consolidated financial condition of the Group as of 30 June 2019 vis-à-vis that as of 31 December 2018 as follows:

The decrease in *Cash and cash equivalents* arise mainly from reclassification of time deposits from cash to short-term investments. *Short-term investments* of Php3.3 billion arose mainly from additional time deposits. *Receivable-net* consists mostly of receivables from trade customers and receivables from associates. *Inventories* declined by 13% due to higher sales of copper concentrates. *Prepayments and other current assets* consisted mostly of advances made to suppliers, prepaid insurance and creditable withholding tax from trade sales.

Movement in *Intangible assets* of PHP96 million pertains to depletion of mining rights. *Property, plant and equipment-net* composed of mine development costs, machineries and equipment used in operations. *Deferred tax assets* decreased due to expired portion of NOLCO recognized during the year. *Other noncurrent assets* consist significantly of input VAT from importations, deposit to suppliers for PPE items and other statutory funding requirements.

Investment in Associate, pertains to AT's ownership over BNC, TMMI, URHI, UNC and NRHI (the "Nickel Corporations"), increased by 39% or PHP87 million representing its share in the net income in Nickel Corporation's operations.

Accounts Payable and accrued liabilities increased by 12% mainly due to additional procurement on account of materials and supplies and increase expenditure such as equipment rental and explosives. *Current portion of long-term debt* decreased due to the settlement of loans. *Income tax payable* pertains to the minimum corporate income tax for the second quarter of 2019.

Long-term debt (30% of total assets) decreased by 1% due to amortization of debt issue cost recognized in accordance with the use of the effective interest accounting method. *Retirement benefits liability* increased by 1% due to accrual of pension cost. *Liability for mine rehabilitation* composed of accretion of asset retirement obligation. *Deferred income tax liabilities* consist of the tax impact of temporary differences which are not taxable in the current year.

Movement in *Retained Earnings* of PHP66 million account for the net loss for the period ended 30 June 2019. *Foreign currency translation reserve* relates to the impact of changes in foreign exchange rates.

Material Plans, Trends, Events or Uncertainties

- *On April 17 2019, April 22, 2019 and June 28, 2019, CCC rolled over short-term clean loans of US$3 million, US$15 million, and US$170 million, respectively with maturities in 2019 and 2020 and interest rates of 3.75% to 4.00%. Short-term loans of US$1 million and US$9.21 million were settled in 2019.*

Key Performance Indicators

The key performance indicators of the Group are shown below:

	30-Jun-19	31-Dec-18
Current/Liquidity Ratio		
Current Ratio	0.45:1	0.45:1
Solvency Ratios		
Debt-to-Equity	1.30:1	1.33:1
Debt-to-Assets	0.55:1	0.55:1
Asset-to-Equity	2.36:1	2.41:1
Interest Rate Coverage	1.06:1	0.16:1
Profitability Ratios		
Return on Equity	-0.20%	-5.19%
Return on Sales	-0.81%	-12.93%
Return on Assets (Fixed Assets)	-0.17%	-4.48%

a. Current Ratio — Current Assets / Current Liabilities

b. Debt-to-Equity — Total Liabilities / Total Stockholders' Equity Attributable to Equity Holders of Parent Company

c. Debt-to-Assets — Total Liabilities / Total Assets

d. Asset-to-Equity — Total Assets / Total Stockholders' Equity Attributable to Equity Holders of Parent Company

e. Interest Rate Coverage — Earnings Before Income Tax / Interest Expense

f. Return on Equity — Net Income Attributable to Equity Holders of Parent Company as of the Quarter / Average Total Stockholders' Equity Attributable to Equity Holders of Parent Company

g.	Return on Sales	<u>Consolidated Net Income as of the Quarter</u> Total Consolidated Net Revenues as of the Quarter
h.	Return on Assets (Fixed Assets)	<u>Net Income Attributable to Equity Holders of Parent</u> Average Fixed Assets-Net

B. Liquidity and Capital Resources

The Group's consolidated cash flow as of 30 June 2019 is summarized below:

(in PHP millions)	**Amount**
Net cash flow provided by operating activities	2,878
Net cash flows used in investing activities	(1,165)
Net cash flows provided by financing activities	(395)
Net decrease in cash and cash equivalents	(76)

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 second quarter of 2019 that should be disclosed in this report.

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

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

C. Financial Risk Management Objectives and Policies

The Group's main financial instruments are cash and cash equivalents, short-term investments, quoted equity instrument, investment in unit investment trust fund and refundable security deposits under other noncurrent assets, bank loans, long-term debts and other interest-bearing liabilities, and derivatives. It has various other financial assets and liabilities such as receivables, and accounts payable and accrued liabilities, which mainly arise from the Group's operations.

The main risks arising from the Group's financial instruments are market risk, credit risk, and liquidity risk. The Board of Directors (BOD) reviews and adopts relevant policies for managing each of these risks and these are summarized onto the succeeding paragraphs *(All figures are in PHP thousands):*

Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in foreign currency exchange rates, interest rates, equity prices and other market changes.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has foreign currency risk arising from its cash in banks, short-term investments, receivables, bank loans, accounts payable and accrued liabilities except, long-term debt and derivatives. 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 Group also uses foreign currency forwards to hedge its risk exposures.

As at 30 June 2019 and 31 December 2018, foreign currency-denominated assets and liabilities are as follows:

		30-Jun-19			31-Dec-18	
		Original Currency	**Peso Equivalent**		Original Currency	Peso Equivalent
Assets						
Cash in banks	USD	**15,280**	**782,934**	USD	14,898	783,313
	JPY	**746**	**355**	JPY	4	2
	GBP	**139**	**9,055**	GBP	177	11,812
Short-term investments	USD	**59,832**	**3,065,810**	USD	51,373	2,701,181
Receivables	USD	**27,753**	**1,422,078**	USD	6,565	345,198
	USD	**102,865**	**5,270,822**	USD	72,836	3,829,692
	GBP	**139**	**9,055**	GBP	177	11,812
	JPY	**746**	**355**	JPY	4	2
Liabilities						
Accounts payable and accrued expenses	USD	**50,876**	**2,606,901**	USD	48,412	2,545,480
	JPY	**50,725**	**24,108**	JPY	50,452	23,970
	AUD	**123**	**4,402**	AUD	163	6,045
	EUR	**16**	**947**	EUR	11	638
Long-term debt	USD	**453,541**	**23,239,416**	USD	447,005	23,503,506
Bank Loans	USD	**200,500**	**10,273,620**	USD	210,719	11,079,605
	USD	**704,917**	**36,119,938**	USD	706,136	37,128,591
	JPY	**50,725**	**24,108**	JPY	50,452	23,970
	AUD	**123**	**4,402**	AUD	163	6,045
	EUR	**16**	**947**	EUR	11	638
Net liabilities	**USD**	**602,051**	**30,849,115**	USD	633,300	33,298,899
Net assets	**GBP**	**-139**	**-9,055**	GBP	177	11,812
Net liabilities	**AUD**	**123**	**4,402**	AUD	163	6,045
Net liabilities	**JPY**	**49,979**	**23,754**	JPY	50,448	23,968
Net liabilities	**EUR**	**16**	**947**	EUR	11	638

As at 30 June 2019 and 31 December 2018, foreign exchange closing rates used in converting foreign currency-denominated assets and liabilities are as follows:

Currency	30-Jun-2019	31-Dec-18
US$	51.240	52.580
AU$	35.904	37.070
JP¥	0.475	0.475
EU€	58.247	60.311
GB£	64.970	66.733

There is no other impact on the Group’s equity other than those already affecting the consolidated statement of comprehensive income.

Commodity Price Risk
The Group's copper concentrate revenues are based on international commodity quotations (i.e., primarily on the LME) over which the Group has no significant influence or control.

This exposes the Group's results of operations to commodity price volatilities that may significantly impact its cash inflows. The Group enters into derivative transactions as a means to mitigate the risk of fluctuations in the market prices of its mine products. An analysis is made based on the assumption that copper prices move using the implied volatility based on one year historical LME copper prices, with all other variables held constant.

Shown below is the Group's sensitivity to changes in the copper prices arising from its copper derivatives in 2019 and 2018 as follows:

30-Jun-19	
Change in Copper Prices	**Effect on Income before Income Tax**
Increase by 10%	PHP 817,976,037
Decrease by 10%	PHP (817,976,037)

31-Dec-18	
Change in Copper Prices	**Effect on Income before Income Tax**
Increase by 10%	PHP 1,356,079
Decrease by 10%	PHP(1,356,079)

The sensitivity analyses are performed for risk management purposes and do not represent a prediction or forecasting of Carmen Copper'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 its investment in shares of stock of an entity listed in the local stock exchange, and its investment in unit investment trust fund, which are classified as financial asset at fair value through profit or loss will not have a significant effect on the consolidated financial statements, and as such, did not present a sensitivity analysis.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's financial assets which are exposed to credit risk include its cash in banks, cash equivalents, short term investments and related interest receivables, trade receivables, investment in unit investment trust fund, and refundable security deposits with a maximum exposure equal to the carrying amount of these assets.

With respect to its cash in banks, short-term investments, investment in unit investment trust fund, receivables, derivative assets, bank loans, accounts payable and accrued liabilities except, long-term debt and derivative liabilities, 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 statements of financial position.

The following table summarizes the gross maximum exposure to credit risk for the components of the consolidated statements of financial position. The maximum exposure is shown gross, before the effect of any allowance for impairment.

	30-Jun-19	31-Dec-18
Cash and cash equivalents		
Cash in banks	**1,147,147**	1,160,957
Cash equivalents		61,032
Short-term investments	**3,256,919**	2,812,863
Receivables		
Trade	**36,440**	238,351
Nontrade	**47,316**	160,619
Interest	**3,935**	3,097
Advances to		
Related parties	**45,834**	102,440
Advances to Officers and employees	**6,096**	15,803
Quoted equity instrument	**4,326**	4,326
Other noncurrent assets		
Investment in unit investment trust fund	**27,788**	27,999
Refundable security deposits	**3,481**	4,906
	4,579,282	4,592,393

Credit quality per class of financial assets
The table below shows the credit quality by class of assets for the Group's financial asset based on credit rating system:

30 June 2019

	Neither Past due nor impaired High Grade	Past Due But Not Impaired	Impaired	Total
Cash and cash equivalents				
Cash in banks	1,147,147			1,147,147
Cash equivalents				
Short-term investments	3,256,919			3,256,919
Receivables				
Trade	36,440			36,440
Nontrade		17,957	29,359	47,316
Interest	3,935			3,935
Advances to				
Related parties		45,834		45,834
Officers and employees		2,426	3,670	6,096
Quoted equity instrument			4,326	4,326
Other noncurrent assets				
Investment in unit investment trust fund	27,788			27,788
Refundable security deposits	3,481			3,481
	4,475,710	**66,217**	**37,355**	**4,579,282**

31 December 2018

	Neither Past due nor impaired High Grade	Past Due But Not Impaired	Impaired	Total
Cash and cash equivalents				
Cash in banks	1,160,957			1,160,957
Cash equivalents	61,032			61,032
Short-term investments	2,812,863			2,812,863

Receivables				
Trade	238,351			238,351
Nontrade		131,260	29,359	160,619
Interest	3,097			3,097
Advances to				
Related parties		102,440		102,440
Officers and employees		12,038	3,765	15,803
Quoted equity instrument			4,326	4,326
Other noncurrent assets				
Investment in unit investment trust fund	27,999			27,999
Refundable security deposits	4,906			4,906
	4,309,205	**245,738**	**37,450**	**4,592,393**

The credit quality of the financial assets was determined as follows:

- Cash, short-term investments and related interest receivables are assessed as high-grade since these are deposited in reputable banks, which have a low probability of insolvency.
- Trade receivables, which pertain mainly to receivables from sale of copper concentrate, are assessed as high-grade. These are assessed based on past collection experience of full settlement within two months after invoice date with no history of default.
- Nontrade receivables, which mainly pertain to main operations, consist of past due but not impaired and impaired accounts.
- Advances to related parties are assessed as past due but not impaired since the Group still expects to collect the balance from its related parties.
- Advances to officers and employees, which pertain mainly to advances subject to payroll deduction, consist of both past due but not impaired, and impaired accounts.
- Derivative assets, which pertains to provisional pricing, is assessed as high grade since this contains insignificant risk of default based on historical experience of the Group.
- Quoted equity instruments is assessed as impaired since the Group no longer expects future benefits from the said equity instrument.
- Investment in unit investment trust fund is assessed as high grade since this is deposited in a reputable bank.
- Refundable security deposits are assessed as high grade since these are still expected to be received after the completion/ performance of the Group's contracts with various counterparties.

The above high grade credit quality financial assets pertain to financial assets with insignificant risk of default based on historical experience.

Liquidity Risk

Liquidity risk is the risk where the Group becomes unable to meet its payment obligations when these 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 on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The tables below of the Group, as well as financial assets considered by management as part of its liquidity risk management based on remaining undiscounted contractual obligations:

30 June 2019

	On demand	Within one year	1 to < 3 years	> 3 years	Total
Cash and cash equivalents					
Cash in banks	1,147,147				1,147,147
Short-term investments		3,256,919			3,256,919
Receivables					-
Trade		36,440			36,440
Nontrade	47,316				47,316
Interest		3,935			3,935
Advances to					-
Related parties	45,834				45,834
Officers and employees		6,096			6,096
Quoted equity instrument	4,326				4,326
Other noncurrent assets					-
Investment in unit investment trust fund				27,788	27,788
Refundable security deposits				3,481	3,481
	1,244,623	**3,303,390**	**-**	**31,269**	**4,579,282**
Financial liabilities:					
Accounts payable and accrued liabilities**		3,008,687			3,008,687
Bank loans		10,119,900	153,720		10,273,620
Other current liability		1,919,383			1,919,383
Long-term debt and other interest-bearing liabilities		138,572	435,526	23,342,725	23,916,824
	-	**15,186,542**	**589,246**	**23,342,725**	**39,118,514**
	1,244,623	**(11,883,152)**	**(589,246)**	**(23,311,456)**	**(34,539,232)**

*** Excluding Government Payables*

31 December 2018

	On demand	Within one year	1 to < 3 years	> 3 years	Total
Cash and cash equivalents					
Cash in banks	1,160,957				1,160,957
Cash equivalents	61,032				61,032
Short-term investments		2,812,863			2,812,863
Receivables					-
Trade		238,351			238,351
Nontrade	160,619				160,619
Interest		3,097			3,097
Advances to					-
Related parties	102,440				102,440
Officers and employees	15,803				15,803
Quoted equity instrument	4,326				4,326
Other noncurrent assets					-
Investment in unit investment trust fund				27,999	27,999
Refundable security deposits				4,906	4,906
	1,505,177	**3,054,311**	**-**	**32,905**	**4,592,393**
Financial liabilities:					
Accounts payable and accrued liabilities**		2,644,799			2,644,799
Bank loans		11,079,605			11,079,605
Other current liability		1,969,576			1,969,576
Long-term debt and other interest-bearing liabilities		274,006	609,295	23,504,319	24,387,620
	-	**15,967,986**	**609,295**	**23,504,319**	**40,081,600**
	1,505,177	**(12,913,675)**	**(609,295)**	**(23,471,414)**	**(35,489,207)**

*** Excluding Government Payables*

Financial instruments

The following table shows the carrying amounts and fair value of the Group's financial instruments other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Values		Fair Values	
	30-Jun-19	31-Dec-18	**30-Jun-19**	31-Dec-18
Other Financial Liabilities				
Long-term debt and other interest-bearing liabilities:				
BDO Unibank	**15,573,923**	15,767,076	**20,136,179**	21,268,023
SM Investments Corporation (SMIC)	**6,840,259**	6,962,853	**8,764,302**	9,234,287
BDO Leasing	**580,396**	848,615	**690,429**	822,139
Anglo Philippine Holdings Corporation (APHC)	**633,004**	620,596	**726,314**	759,657
Alakor Corporation	**150,287**	152,980	**179,040**	187,259
LBP Leasing	**27,548**	35,441	**31,632**	35,524
	23,805,418	24,387,561	**30,527,896**	32,306,889

The carrying amounts of cash and cash equivalents, short-term investments, and trade and interest receivables approximate their fair value due to the relatively short-term maturities of these financial instruments. The fair value of quoted equity instrument is determined by reference to market bid quotes at the end of the reporting period and is carried at fair value. The fair value of the investment in unit investment trust fund is determined by the movements of its net asset value per unit, which is computed as the total market value of the assets, less fees, taxes, and other qualified expenses divided by total outstanding units.

The carrying amounts of accounts payable and accrued liabilities excluding government payables, other current liability and bank loans approximate their fair values due to the relatively short-term maturities of these financial instruments.

Derivatives liability are initially recorded at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial liabilities when the fair value is negative.

Fair value of long-term debt and other interest-bearing liabilities 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.

The 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 in 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 is presented in the following table:

30 June 2019

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Trade receivables		36,440		36,440
Investment in unit investment trust fund	27,788			27,788
Quoted equity instrument	4,326			4,326
Total	**32,114**	**36,440**		**68,554**
Liability for which fair values are disclosed:				
Long-term debt and other interest-bearing liabilities			(30,527,896)	(30,527,896)
Total			**(30,527,896)**	**(30,527,896)**

31 December 2018

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Trade receivables		238,351		238,351
Investment in unit investment trust fund	27,999			27,999
Quoted equity instrument	4,326			4,326
Total	**32,325**	**238,351**		**270,676**
Liability for which fair values are disclosed:				
Long-term debt and other interest-bearing liabilities			(32,306,889)	(32,306,889)
Total			**(32,306,889)**	**(32,306,889)**

There were no transfers between levels of fair value measurement as of 30 June 2019 and 31 December 2018.

D. Accounting Policies and Disclosures

Basis of Preparation
The consolidated financial statements have been prepared on a historical cost basis, except for certain parcels of land, which are carried at revalued amounts, and derivatives and financial assets at fair value through profit or loss, which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso, which is the presentation currency under Philippine Financial Reporting Standards (PFRSs). Based on the economic substance of the underlying circumstances relevant to Atlas Consolidated Mining and Development Corporation and Subsidiaries (collectively, the Group), the functional currencies of the Parent Company and its associates and subsidiaries is the Philippine Peso, except for CCC whose functional currency is the USD$.

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2018.

Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise stated.

- Amendments to PFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions

  The amendments to PFRS 2 address three (3) main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. Entities are required to apply the amendments to: (1) share-based payment transactions that are unvested or vested but unexercised as of January 1, 2018, (2) share-based payment transactions granted on or after January 1, 2018, and to (3) modifications of share-based payments that occurred on or after January 1, 2018. Retrospective application is permitted if elected for all three amendments and if it is possible to do so without hindsight.

  The Group has no cash-settled share-based payments and share-based payment transactions with net settlement features for withholding tax obligations, and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements.

- PFRS 9, Financial Instruments

  PFRS 9 replaces Philippine Accounting Standards (PAS) 39, Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

  The Group has applied PFRS 9 prospectively, with the initial application date of January 1, 2018. The Group has not restated the comparative information, which continues to be reported under PAS 39. There were no material impacts on the comparative balances other than a change in classification and measurement of some receivables and other financial assets. There was no significant impact on hedging as the Group no longer has hedging transactions as at December 31, 2018.

  The effects of adopting PFRS 9 are set out below.

  a. Classification and Measurement
  Under PFRS 9, there is a change in the classification and measurement requirements relating to financial assets. Previously, there were four categories of financial assets: loans and receivables, fair value through profit or loss, held to maturity and available for sale. Under PFRS 9, financial assets are either classified as at amortised cost, fair value through profit or loss, or fair value through other comprehensive income.

  For debt instruments, the classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent solely for payments of principal and interest on the principal amount outstanding. A financial asset can only be measured at amortised cost if both of the following are satisfied:

  - Business model: the objective of the business model is to hold the financial asset for the collection of the contractual cash flows
  - Contractual cash flows: the contractual cash flows under the instrument relate solely to payments of principal and interest

  The assessment of the Group's business model was made as of the date of initial application, January 1, 2018, and then applied retrospectively to those financial assets that were not derecognized before January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely for payments of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PFRS 9 did not have a significant impact on the Group other than to change the presentation of balances relating to provisionally priced sales.

Financial Assets
The Group continued measuring at fair value all financial assets previously held at fair value under PAS 39. The following are the changes in the classification of the Group's financial assets:

- Short-term investments, nontrade receivables, interest receivables, advances to related parties, and advances to officers and employees under receivables, and refundable security deposits under other noncurrent assets previously classified as loans and receivables: these were assessed as being held to collect contractual cash flows and give rise to cash flows representing solely for payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.
- Trade receivables (subject to provisional pricing) under receivables and quotational period (QP) derivatives: prior to the adoption of PFRS 9, the exposure of provisionally priced sales to commodity price movements over the QP, previously led to embedded derivatives (QP derivatives) being separated from the host trade receivable and accounted for separately. Under PFRS 9, embedded derivatives are no longer separated from financial assets. Instead, the exposure of the trade receivable to future commodity price movements will cause the trade receivable to fail the solely for payments of principal and interest test. Therefore, the entire receivable is now required to be measured at fair value through profit or loss, with subsequent changes in fair value recognized in the consolidated statement of comprehensive income each period until final settlement. The Group previously presented such fair value changes in fair value gains/losses on derivatives, but will now present them as fair value gains/losses on provisionally priced trade receivables. There was an immaterial impact on the consolidated statement of comprehensive income arising from this change. The key impact was on presentation and disclosure, including the PFRS 13, Fair Value Measurement disclosures.
- Quoted equity investment previously classified as available for sale financial asset is now measured at fair value through profit or loss.

Financial Liabilities
The Group has not designated any financial liabilities at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

b. Impairment
The adoption of PFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss approach. PFRS 9 requires the Group to recognize an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss and contract assets in the scope of PFRS 15.

As all the Group's receivables (not subject to provisional pricing) which the Group measures at amortised cost are short-term (i.e., less than 12 months) and the Group's credit rating and risk management policies in place, the change to a forward-looking expected credit losses approach did not have a material impact on the amounts recognized in the consolidated financial statements.

c. Hedge Accounting
The Group has elected to adopt the new general hedge accounting model in PFRS 9. However, the changes introduced by PFRS 9 relating to hedge accounting have no

impact, as the Group no longer has freestanding derivatives designated under hedge accounting as at December 31, 2018.

- Amendments to PFRS 4, Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts

  The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

  The amendments are not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

- PFRS 15, Revenue from Contracts with Customers

  PFRS 15 supersedes PAS 18, Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

  PFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

  The Group adopted PFRS 15 using the modified retrospective method of adoption with the date of initial application of January 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at January 1, 2018.

  The cumulative effect of initially applying PFRS 15 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PAS 18 and related Interpretations.

  The effect of adopting PFRS 15 is set out below.

  Overall impact
  The Group's revenue from contracts with customers comprises two main streams being the sale of copper and magnetite concentrates. The Group undertook a comprehensive analysis of the impact of the new revenue standard based on a review of the contractual terms of its principal revenue streams with the primary focus being to understand whether the timing and amount of revenue recognized could differ under PFRS 15. For all of the Group's revenue streams, the nature and timing of satisfaction of the performance obligations, and, hence, the amount and timing of revenue recognized under PFRS 15, is the same as that under PAS 18. There were some reclassifications and some impact on presentation – refer below for further discussion. See Note 3 below for the Group's PFRS 15 revenue recognition accounting policies.

Impact on Consolidated Statement of Comprehensive Income

Copper and Magnetite Concentrates Sales
There were no changes identified with respect to the timing of revenue recognition in relation to copper and magnetite concentrates, as control transfers to customers (mainly smelting companies) at the date of shipment, which is consistent with the point in time when risks and rewards passed under PAS 18. There were some reclassification changes arising from copper concentrate sales that have provisional pricing terms.

Provisionally Priced Commodity Sales
The Group's sales of copper concentrate to customers contain terms which allow for price adjustments based on the market price at the end of a QP stipulated in the contract – these are referred to as provisionally priced sales. Under previous accounting standards (PAS 18 and PAS 39), provisionally priced sales were considered to contain an embedded derivative, which was required to be separated from the host contract for accounting purposes from the date of shipment. Revenue was initially recognized for these arrangements at the date of shipment (which was when the risks and rewards passed) and was based on the most recently determined estimate of metal in concentrate (based on initial assay results) and the estimated forward price that the entity expected to receive at the end of the QP, determined at the date of shipment. Subsequent changes in the fair value of the embedded derivative were recognized in the consolidated statement of comprehensive income each period until the end of the QP, and were presented as part of fair value gain/loss on derivatives.

Under PFRS 15, the accounting for this revenue will remain unchanged in that revenue will be recognized when control passes to the customer (which will continue to be the date of shipment) and will be measured at the amount to which the Group expects to be entitled. This will be the estimate of the price expected to be received at the end of the QP, i.e. the forward price. It will be the impact of the requirements of PFRS 9 that will lead to a change to the Group's accounting (refer to the PFRS 9 discussion above in this Note). The Group will now present such movements after the date of sale in the consolidated statement of comprehensive income as fair value gain/loss on provisionally priced trade receivables and there will be no impact on the disclosures relating to revenue from contracts with customers.

Other Impacts
The change did not have a material impact on other comprehensive income for the year. There was no net impact on the consolidated statement of comprehensive income.

- Amendments to PAS 28, Investments in Associates and Joint Ventures, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)

  The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. Retrospective application is required.

  The adoption of these amendments did not have any impact on the Group's consolidated financial statements.

- Amendments to PAS 40, Investment Property, Transfers of Investment Property

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Retrospective application of the amendments is not required and is only permitted if this is possible without the use of hindsight.

Since the Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements upon adoption of these amendments.

- Philippine Interpretation IFRIC-22, Foreign Currency Transactions and Advance Consideration

  The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transaction for each payment or receipt of advance consideration. Retrospective application of this interpretation is not required.

  The Group made some adjustments on its 2018 consolidated financial statements in line with the interpretation issued.

Standard Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements to have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when these become effective.

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, Prepayment Features with Negative Compensation

  Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are solely for payments of principal and interest on the principal amount outstanding (the solely for payments of principal and interest criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the solely for payments of principal and interest criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

  These amendments have no impact on the consolidated financial statements of the Group.

- PFRS 16, Leases

  PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, Leases. The standard includes two recognition exemptions for lessees – leases of low-value assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group is currently assessing the impact of adopting PFRS 16.

- Amendments to PAS 19, Employee Benefits, Plan Amendment, Curtailment or Settlement

The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

- Amendments to PAS 28, Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

- Philippine Interpretation IFRIC-23, Uncertainty over Income Tax Treatments

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, Income Taxes, and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:
  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

  This interpretation is not relevant to the Group because there is no uncertainty involved in the tax treatments made by management in connection with the calculation of current and deferred taxes as of December 31, 2018 and 2017.

- Annual Improvements to PFRSs 2015-2017 Cycle

  - Amendments to PFRS 3, Business Combinations, and PFRS 11, Joint Arrangements, Previously Held Interest in a Joint Operation

    The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

    A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

    An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments are currently not applicable to the Group but may apply to future transactions.

  - Amendments to PAS 12, Income Tax Consequences of Payments on Financial Instruments Classified as Equity

    The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

    An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments are not relevant to the Group because dividends declared by the Group do not give rise to tax obligations under the current tax laws.

- Amendments to PAS 23, Borrowing Costs, Borrowing Costs Eligible for Capitalization
  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

  Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements upon adoption.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, Definition of a Business

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  These amendments will apply on future business combinations of the Group.

- Amendments to PAS 1, Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Effective beginning on or after January 1, 2021

- PFRS 17, Insurance Contracts

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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	**FERNANDO A. RIMANDO**
President	Vice President/Chief Finance Officer

Signed this 7th *day of August 2019*

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30 2019
(Pesos in Thousands, Except Par Value)

	Unaudited June 2019	Audited December 2018
ASSETS		
Current Assets		
Cash and cash equivalents	**1,149,768**	1,225,699
Short-term investments	**3,256,919**	2,812,863
Receivable - net	**139,622**	487,186
Inventories - net	**1,975,331**	2,279,974
Prepayments and other current assets	**466,155**	445,953
Total Current Assets	**6,987,795**	7,251,675
Noncurrent Assets		
Intangible assets, net	**26,920,309**	27,016,077
Property, plant and equipment - net	**38,304,078**	39,321,918
Deferred tax assets	**3,355,083**	3,527,397
Other noncurrent assets	**2,357,571**	2,438,225
Investment in associate	**309,013**	221,682
Total Noncurrent Assets	**71,246,055**	72,525,299
TOTAL ASSETS	**78,233,850**	79,776,974
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**3,100,548**	2,778,171
Current portion of long-term debt	**10,385,026**	11,353,611
Income tax payable	**16,295**	86
Other Current Liabilities	**1,919,383**	1,969,577
Total Current Liabilities	**15,421,251**	16,101,445
Noncurrent Liabilities		
Long-term debt – net of current portion	**23,805,418**	24,113,614
Retirement benefits liability	**311,562**	308,306
Liability for mine rehabilitation	**76,025**	77,732
Deferred income tax liabilities	**3,533,965**	3,563,126
Total Noncurrent Liabilities	**27,726,969**	28,062,778
Total Liabilities	**43,148,221**	44,164,223
Stockholders' Equity		
Capital stock	**3,559,533**	3,559,533
Additional paid in capital	**19,650,936**	19,650,936
Subscription Receivable	**(4,841,801)**	(4,841,801)
Revaluation increment in land	**298,869**	298,869
Remeasurement gain on retirement	**204,741**	204,741
Foreign currency translation reserve	**2,024,042**	2,485,632
Retained earnings	**14,212,576**	14,278,108
Attributable to equity holders of the Parent Company	**35,108,896**	35,636,018
Minority interests		
Treasury Shares	**(23,267)**	(23,267)
Total Stockholders' Equity	**35,085,629**	35,612,751
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**78,233,850**	79,776,974

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED 30 JUNE 2019
(Pesos in Thousands, Except Per Share Amounts)

	For the Three Months Ended		For the Six Months Ended	
	30 June 2019	30 June 2018	**30 June 2019**	30 June 2018
REVENUES				
Copper	**3,548,077**	3,078,965	**7,422,203**	6,698,272
Gold	**554,326**	425,327	**1,152,903**	907,172
Silver	**120**	692	**1,728**	779
	4,102,523	3,504,984	**8,576,834**	7,606,224
Marketing charges	**(233,551)**	(203,838)	**(532,688)**	(443,239)
	3,868,971	3,301,147	**8,044,146**	7,162,985
COSTS AND OPERATING EXPENSES				
Cost of sales	**(2,846,633)**	(2,642,499)	**(6,021,031)**	(5,562,127)
Operating expenses	**(466,129)**	(389,453)	**(930,397)**	(875,471)
Depletion of mining rights	**(41,970)**	(43,681)	**(95,768)**	(90,150)
	(3,354,733)	(3,075,633)	**(7,047,196)**	(6,527,748)
INCOME (LOSS) FROM OPERATIONS	**514,238**	225,514	**996,950**	635,237
OTHER INCOME (CHARGES)				
Share in net income from associates	**47,572**	73,929	**87,331**	98,844
Finance charges	**(567,441)**	(603,209)	**(1,138,599)**	(1,148,422)
Unrealized foreign exchange gain (loss)-net	**113,136**	(88,658)	**126,442**	(232,595)
Mark to Market gain/(loss) on Derivatives - Net	**278**	(21,992)	**513**	303,967
Interest income	**17,643**	8,735	**32,918**	17,726
Other income (charges) - net	**(20,530)**	(85,827)	**(33,930)**	(78,969)
	(409,343)	(717,022)	**(925,325)**	(1,039,450)
INCOME (LOSS) BEFORE INCOME TAX	**104,895**	(491,508)	**71,625**	(404,214)
BENEFIT FROM (PROVISION FOR) INCOME TAX				
Current	**(27,172)**	(72,670)	**(56,187)**	(95,118)
Deferred	**(108,613)**	(131,876)	**(80,969)**	277,925
NET INCOME (LOSS)	**(30,890)**	**(696,054)**	**(65,531)**	**(221,406)**
Net income (loss) attributable to:				
Equity holders of the parent			**(65,531)**	**(221,406)**
Minority interests			-	-
			(65,531)	**(221,406)**
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY			(0.018)	(0.06)
*Based on weighted average number of common shares outstanding			**3,557,553**	**3,631,651**

Annex B

ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019 and 2018
(Pesos in Thousands)

	Capital Stock	Additional Paid -in Capital	Subscription Receivable	Revaluation Increment on Land	Unrealized Gain on AFS financial asset	Remeasurement gain (loss) on Retirement Plan	Cumulative Translation Adjustments	Retained Earnings	Treasury shares	Total
Balance at January 1, 2018	3,559,533	19,650,936	(4,841,801)	298,869	4,861	166,717	1,582,447	15,992,908	(23,267)	36,391,203
Net Loss								(221,407)		(221,407)
Cumulative translation adjustment							1,196,140		-	1,196,140
Balance at June 30, 2018	3,559,533	19,650,936	(4,841,801)	298,869	4,861	166,717	2,778,587	15,771,501	(23,267)	37,365,935
Balance at January 1, 2019	3,559,533	19,650,936	(4,841,801)	298,869	-	204,741	2,485,632	14,278,108	(23,267)	35,612,750
Net Loss								(65,531)		(65,531)
Cumulative translation adjustment							(461,590)			(461,590)
Balance at June 30, 2019	3,559,533	19,650,936	(4,841,801)	298,869	-	204,741	2,024,042	14,212,577	(23,267)	35,085,629

Annex C

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019 and 2018
(Pesos in Thousands)

	For the Three Months Ended		For the Six Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**104,894**	(491,508)	**71,625**	(404,214)
Adjustments for:				
Current and Deferred Tax	**(137,156)**	-	**(137,156)**	-
Interest expense	**567,440**	603,209	**1,138,598**	1,148,422
Depreciation and depletion	**921,428**	890,722	**1,925,002**	1,860,017
Marked to market gains (losses)-unrealized	**(513)**	21,992	**(513)**	(303,967)
Unrealized foreign exchange losses (gains) - net	**(113,135)**	88,658	**(126,442)**	232,595
Provision on asset imapairment	-	96,823	-	96,823
Provision for mine rehabilitation	**(1,729)**	1,967	**(1,708)**	5,089
Retirement benefit cost	**(2,359)**	-	**3,255**	-
Interest income	**(17,643)**	(8,735)	**(32,918)**	(17,726)
Share in net income from associates	**(47,572)**	(73,929)	**(87,331)**	(98,844)
Operating income before working capital changes	**1,273,657**	1,129,198	**2,752,414**	2,518,197
Decrease (increase) in:				
Short-term investments	-	2,339,626	-	785,184
Receivable - net	**1,358,200**	(87,484)	**512,162**	(482,356)
Inventories - net	**142,447**	(18,903)	**211,113**	250,911
Prepayments and other current assets	**178,169**	(855,535)	**234,293**	(989,596)
Increase (decrease) in:				
Accounts payable and accrued liabilities	**(220,742)**	167,205	**382,259**	(77,849)
Derivative liabilities	-	(216,165)	-	(710,932)
Deferred tax liabilities	**(13,022)**	(62,268)	**(29,161)**	(165,775)
Retirement benefits payable	-	14,213	-	37,236
Income tax payable	-	74,815	-	97,479
Cash from operations	**2,718,710**	2,484,701	**4,063,081**	1,262,498
Interest received	**16,176**	8,735	**32,080**	17,726
Interest paid	**(465,252)**	(603,209)	**(1,217,263)**	(1,148,422)
Income taxes paid	-	(72,699)	-	(95,147)
Net cash provided by (used in) operating activities	**2,269,634**	1,817,529	**2,877,897**	36,654
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Other noncurrent assets	**(1,078,668)**	(160,785)	**(447,086)**	(260,824)
Additions to property, plant and equipment	**(21,776)**	(1,462,690)	**(717,852)**	(3,822,729)
Net cash used in investing activities	**(1,100,444)**	(1,623,475)	**(1,164,937)**	(4,083,553)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loans proceeds (payment)	**(408,838)**	1,031,475	**(394,849)**	4,753,742
Net cash provided by financing activities	**(408,838)**	1,031,475	**(394,849)**	4,753,742
	-	-		
EFFECT OF EXCHANGE RATE CHANGES	**(1,310,441)**	329,350	**(1,394,041)**	1,350,803
	-	-		
NET INCREASE (DECREASE) IN CASH	**(550,090)**	1,554,880	**(75,931)**	2,057,647
CASH AND CASH EQUIVALENTS AT 1 JANUARY			**1,225,699**	1,374,801
CASH AND CASH EQUIVALENTS AT 30 JUNE			1,149,768	3,432,447

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE
FOR THE PERIOD ENDED 30 June 2019
(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	36,440	13,154	23,286	-	-	-	-
Non-Trade Receivables							
Deposits and advances	-	-	-	-	-	-	-
Scrap	-	-	-	-	-	-	-
With court cases	13,254	-	-	-	-	-	13,254
Others	122,676	4,547	3,677	880	(1,128)	114,700	-
Allowance for Doubtful Accounts	(32,748)	-	-	-	-	(32,748)	-
Accounts Receivable - Net	**139,622**	**17,701**	**26,963**	**880**	**(1,128)**	**81,952**	**13,254**

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	