# COVER SHEET

115 PREWAR
S.E.C. Registration Number

ATLAS CONSOLIDATED MINING
AND DEVELOPMENT CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

9/F QUAD ALPHA CENTRUM
125 PIONEER STREET
MANDALUYONG CITY
(Business Address: No. Street City /Town / Province)

**FERNANDO A. RIMANDO**
Contact Person

**(632) 584-9788**
Company Telephone Number

| 12 | 31 | 17-Q | | |
|---|---|---|---|---|
| Month | Day | FORM TYPE | Month | Day |

Fiscal Year

Annual Meeting
**last Wednesday of April**

**N/A**
Secondary LicenseType, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

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To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. use black ink for scanning purposes

**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 September 2015**

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 [ ] (SEC Use Only)

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

8. Issuer's telephone number, including area code:
   **(632) 584-9788**

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

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

| Title of each Class | Number of shares of common stock outstanding and amount of debt outstanding |
|---|---|
| **Common Stock, PhP 8 par value** | **2,087,032,773** |

11. 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**

12. Indicate by check whether the registrant:

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

    Yes [ **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 Equity
Annex D - Unaudited Consolidated Statements of Cash Flows

### Item 2. Management's 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 ("Atlas Mining"; "Parent Company") and its subsidiaries (collectively, the "Group") for the period ended 30 September 2015 vis-à-vis those for the same period in 2014:

Results of Operations (NIne-Month Period)

| Particulars *(in PhP millions)* | 30 September 2015 | 30 September 2014 | Change |
|---|---|---|---|
| Consolidated Net Income/(Loss) | (1,318) | 841 | -257% |
| Consolidated Gross Revenues | 8,403 | 12,590 | -33% |
| Costs and operating expenses | (7,389) | (8,964) | -18% |
| Net income/(loss) attributable to: | | | |
| Equity holders of the parent | (1,318) | 566 | -333% |
| Carmen Copper | (1,260) | 759 | -266% |

Atlas Mining *registered a Net Loss* of PhP1.3 billion as *Gross Revenues* decreased by 33% to PhP8.4 billion as of the third quarter of 2015. The decline was attributable to lower average realized copper prices and lower copper production.

Total revenues were PhP8.4 billion as of 30 September 2015, against Php12.59 billion as of 30 September 2014. Copper revenues for September 2015 amounting to Php7.36 billion were 30% lower than last year's Php10.48 billion. This was attributable to the 19% decrease in Copper average price from US$3.16 to US$2.57/lb. Gold sales however stood at Php1.04 billion, which represents a 4% increase vis-a-vis the same period of 2014's Php995 million.

As of 30 September 2015, Atlas Mining registered a total production of 70.6million pounds of copper metal payable, 10% lower year-on-year, while its gold production increased by 9% to 21,677 ounces. Carmen Copper reached an average daily milling capacity of 47,925 tonnes per day, 3% lower year-on-year.

Carmen Copper shipped a total of 68.53 million pounds of copper metal payable, 9% lower than same period last year and 19,997 ounces of gold, representing a 13% increase against the same period in 2014.

*Costs and operating expenses* were lower by 18% due to recovery of inventories effected in the books. Operating efficiencies were also realized in the use of power and spare parts for machineries and equipment.

Atlas Mining recognized *Equity in Net Income of Associates* of PhP260 million as of the period. This represents the Parent Company's share in the results of operations of Ulugan Resources Holding, Inc. (URHI), TMM Management, Inc. (TMMI), Ulugan Nickel Corporation (UNC), Nickeline Resources Holdings, Inc. (NRHI), and Berong Nickel Corporation (BNC) (the "Nickel Corporations") as of the 3rd

quarter. The financial results of the Nickel Corporations were previously consolidated with those of the Parent Company.
Finance charges were higher by 3% due to the full charging of said costs to operations and availment of additional loans for working capital requirement.

USD:PhP Exchange rate closed at PhP46.93 as at 30 September 2015 versus PhP44.72 as at 31 December 2014. This triggered the recognition of *Net unrealized foreign exchange loss* of PhP1.07 billion primarily from the restatement of US dollar-denominated loans and other payables.

A net unrealized foreign exchange loss of PhP196 million was recognized during the same period in the previous year with USD:PhP Exchange rate at USD1.00:PhP44.875 as at 30 September 2014 versus USD1.00:PhP44.395 as at 31 December 2013.

Carmen Copper's debt obligations are mostly US dollar-denominated to match US dollar revenues. This establishes a natural hedge against foreign exchange fluctuations. As such, there will be no actual or real foreign exchange effect as the US dollar-denominated debts are settled using US dollar revenue receipts.

The 1538% increase in net unrealized mark-to-market gain ofPhP289 million was attributable to the recognition of derivative assets and liabilities from provisional pricing contracts for copper content.

*Interest income* earned from short-term deposit placements decreased by 46% to PhP48 million.

The 5% change in *Other income (charges)-net* to PhP58 million was caused by the drop in revenues earned from the disposal of scrap materials.

*Amortization of intangible assets* was down by 48% at PhP154 million because of lower production.

Atlas Mining incurred aggregate net deferred income tax for the first three quarters of 2015 amounting to PhP476 million.

**Changes in Financial Condition**

Upon the approval granted by its Board of Directors on 29 April 2014, the Parent Company declared cash dividends in the amount of PhP0.15 per share of its outstanding capital stock. The dividends were paid last 9 June 2014 to all stockholders of record as of 14 May 2014.

During the period from 1 January 2014 until 30 September 2014, Atlas Mining issued a total of 1,183,603 of its shares of stock (the "Option Shares") as a result of the exercise of stock subscription rights granted under the existing stock option plan covering directors, officers, and employees of Atlas Mining and Carmen Copper (the "Stock Option Plan"). The Option Shares were issued at the price of PhP10.00 per share.

The discussion below pertains to the consolidated financial condition of the Group as of 30 September 2015 vis-à-vis that as of 31 December 2014:

*Receivables* decreased by 40% due to the decline in trade credits. The 57% increase in *Inventories* was due to stockpiling of copper concentrates and inventory count adjustments made during the period. *Prepayments and other current assets* decreased by 16% due to the application of creditable withholding tax to current tax payables.

*Investment in associate* pertains to Atlas Mining's effective interest on the net assets of Berong Nickel and the Ulugan group. The 89% increase pertains to equity in net income of associates for the period. Movement of *Intangible assets*, which comprise 40% of total assets, was due to depletion of mining rights as of the quarter. *Property, plant and equipment* increased by 6% due to acquisition of mining machineries and equipment. Capital assets represent 47% of total assets. *Deferred tax assets* increased by 101% due to the net effect of unrealized foreign exchange gains (losses) for the year. *Other noncurrent assets* increased by 5% due to input value-added tax credits from trade purchases recognized this year.

At 7% of total assets, *Accounts payable* remained almost at last year's level. *Current portion of long term debt* (7% of total assets) increased by 53% due to the net effect of availment of loans for working capital requirements, foreign exchange translation adjustment on US dollar-denominated loans and reclassification of long-term debt. *Income tax payable* increased by 5900% due to accrual of taxes for the quarter. There are no *Derivative liabilities* as of the period due to the final pricing of shipped copper concentrate.

Covering 20% of total assets, *Bonds Payable* has increased due to the restatement of the US dollar-denominated liability. *Noncurrent portion of long-term debt* increased by 46% due to availment of senior unsecured convertible loan of PhP1.8 billion and unsecured loan of PhP981 million as discussed below.

On 4 June 2015, the Board of Directors authorized the availment of the senior unsecured convertible loan from its principal shareholders, particularly, Alakor Corporation, Anglo Philippine Holdings Corporation, and the SM Group. On 17 September 2015, Atlas Mining availed PhP981 million unsecured loan from the SM Group. Proceeds from both loans were utilized for working capital and to infuse funds to CCC.

**Nickel Corporations**

On 19 June 2014, Toledo Mining Corporation (TMC) gained Board and management control over the Nickel Corporations by having its nominees elected (i) to fill 71% or 60% (as applicable) of the Board seats of the Nickel Corporations, and (ii) to serve as principal officers of the Nickel Corporations. As a result, the Nickel Corporations are no longer controlled by Atlas. TMC is owned and controlled by DMCI Mining Corporation.

Atlas however continue to participate in the financial and operating policy decisions of the Nickel Corporations. Thus, the related investments of Atlas in the Nickel Corporations were reclassified from investments in subsidiaries to investments in associates in 2014.

The nine-month period results of the Nickel Corporations were reported as *Equity in the net income of an associate* which amounted to PhP260 million.

**Key Performance Indicators**

The key performance indicators of the Group as at 30 September 2015 (compared to those as at 31 December 2014) are shown below:

| Particulars | 30 September 2015 | 31 December 2014 |
|---|---|---|
| Current/Liquidity Ratio | | |
| Current Ratio | 0.56:1 | 0.60:1 |
| Solvency Ratios | | |
| Debt-to-Equity | 0.98:1 | 0.82:1 |
| Debt-to-Assets | 0.49:1 | 0.45:1 |
| Asset-to-Equity | 1.98:1 | 1.82:1 |
| Interest Rate Coverage | 0.10:1 | 1.70:1 |
| Profitability Ratios | | |
| Return on Equity | -3.7% | 0.34% |
| Return on Sales | -15.7% | 0.76% |
| Return on Assets (Fixed Assets) | -1.9% | 0.19% |

- 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 | = | Net Income Attributable to Equity Holders of Parent Company as of the Quarter / Average 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 | = | Net Income Attributable to Equity Holders of Parent Company as of the Quarter / Average Fixed Assets-Net |

## B. Liquidity and Capital Resources

Below is a summary of the Group's consolidated cash flow as of 30 September 2015:

| Particulars *(in PhP million)* | Amount |
|---|---|
| Net cash flow provided by operating activities | 737 |
| Net cash flows used in investing activities | (4,181) |
| Net cash flows provided by financing activities | 3,630 |
| Net increase in cash and cash equivalents | 320 |

The Group is not required to present a segment report.

Other than what is reported herein, there is no material event occurring subsequent to the close of the third quarter of 2015 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, except for the cyclicality of the demand for its copper metal output

The Group is not aware of any material off-balance sheet transactions that occurred as of the third quarter of 2015.

The uncertainty in the movement of world copper prices may significantly affect the liquidity, financial condition, and results of operations of the Group, particularly Carmen Copper.

Based on the financial results for the nine-month period ended 30 September 2015, Carmen Copper was unable to maintain certain financial ratios under its long-term loan agreements which compliance was duly waived by all the lenders. Carmen Copper settled the principal amounts and interests of the aforementioned long-term loans on a timely basis.

## C. Results of operations of certain subsidiaries

### Carmen Copper Corporation ("Carmen Copper")

| Particulars *(in PhP millions)* | 30 September 2015 | 30 September 2014 | Change |
|---|---|---|---|
| Revenues | 8,403 | 11,473 | -27% |
| Cash costs | 6,622 | 7,419 | -11% |
| EBITDA | 1,781 | 4,054 | -56% |
| Net income (loss) | (1,260) | 759 | -266% |

Carmen Copper's operations reported a *Net Loss* of PhP1.26 billion, a decline of 266%, due to lower realized metal prices and lower copper production.

*Revenues* decreased by 27% at PhP8.4 billion against PhP11.5 billion in 2014. *Copper revenues* of PhP7.4 billion were 30% lower than last year's PhP10.5 billion. This was attributable to the decline in average realized copper prices from US$3.16 to US$2.57 per pound. Average realized gold price dropped 9% to USD1,171.00 from USD1,289.64per ounce the previous year. *Gold sales* stood firm at PhP1.04 billion.

For the first three quarters of 2015, Carmen Copper registered a total production of 70.6million pounds of copper metal payable, 10% lower year-on-year, while its gold production increased by 9% to 21,677 ounces. Carmen Copper reached an average daily milling capacity of 47,925 tonnes per day, 3% lower year-on-year. Carmen Copper shipped a total of 68.53 million pounds of copper metal payable, 9% lower than same period last year and 19,997 ounces of gold, representing a 13% increase against the same period in 2014.

Compared to the same period last year, Cost of sales and Operating expenses decreased by 15% & 11%, respectively. The decrease in Cost of sales was partly due to recording of recovered inventories as well as efficiencies realized in the use of power and spare parts for machineries and equipment

As discussed in Part A of this report, proceeds of the PhP1.8 billion unsecured loan of Atlas Mining was mainly used to acquire additional equity in Carmen Copper, thereby increasing *Capital stock* and *Additional paid-in capital* by PhP170 million and PhP1.53 billion, respectively, covering 170 million shares of stock. *Deposit for future stock subscription* increased to Php657 million in the third quarter as a result of the cash infusion of Atlas mainly from the Php981 million loan.

## D. 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 foreign currency risk, commodity price risk, credit risk, and liquidity risk. The Audit and Risk Management Committee of the Board of Directors of Atlas Mining reviews and guides the adoption of relevant policies for managing each of these risks which are described below:

*(All figures are in thousands)*

### 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, derivative assets, accounts payable and accrued liabilities and long-term debt and derivative liabilities. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing investments and new projects. The Group also uses foreign currency forwards to hedge its risk exposures.

Foreign currency-denominated assets and liabilities are as follow:

| | | 30 September 2015 | | | 31 December 2014 | |
|---|---|---|---|---|---|---|
| | | Original Currency | Peso Equivalent | | Original Currency | Peso Equivalent |
| Cash and cash equivalents* | US$ | 9,382 | 440,317 | US$ | 11,194 | 500,442 |
| | JP¥ | 2,285 | 894 | JP¥ | 789 | 292 |
| | GB£ | 139 | 9,985 | GB£ | 139 | 9,640 |
| Short-term investments | US$ | 18,564 | 871.195 | US$ | 21,936 | 980,997 |
| Receivables | US$ | 10,182 | 477,840 | US$ | 23,903 | 1,068,920 |
| | US$ | 38,128 | 1,789,352 | US$ | 57,033 | 2,550,359 |
| | GB£ | 139 | 9,985 | GB£ | 139 | 9,640 |
| | JP¥ | 2,285 | 894 | JP¥ | 789 | 292 |
| Liabilities | | | | | | |
| Trade payables and accrued expenses | US$ | 7,310 | 343,070 | US$ | 22,554 | 1,008,622 |
| | AU$ | 114 | 3,762 | AU$ | 225 | 10,120 |
| | EU€ | 67 | 3,541 | EU€ | 34 | 3,634 |
| | JP¥ | 2,524 | 987 | JP¥ | - | - |
| | CD$ | | - | CD$ | - | - |
| Long-term debt | US$ | 436,589 | 20,489,118 | US$ | 402,832 | 19,191,550 |
| Derivative liabilities | US$ | | | US$ | 6,478 | 289,696 |
| | US$ | 443,899 | 20,832,188 | US$ | 431,864 | 20,489,868 |
| | AU$ | 114 | 3,762 | AU$ | 225 | 10,120 |
| | EU€ | 67 | 3,541 | EU€ | 34 | 3,634 |
| | JP¥ | 2,524 | 987 | JP¥ | -- | - |
| Net Liabilities in US$ | US$ | (405,771) | (19,042,836) | US$ | (374,831) | (17,939,509) |
| Net Assets in GB£ | GB£ | 139 | 9,985 | GB£ | 139 | 9,640 |
| Net Liabilities in JP¥ | JP¥ | (240) | (94) | JP¥ | 789 | 292 |
| Net Assets in AU$ | AU$ | (114) | (3,762) | AU$ | (225) | (10,120) |
| Net Liabilities in EU$ | EU€ | (67) | (3,541) | EU€ | (34) | (3,634) |

Foreign exchange closing rates are as follow:

| Currrency | 30 September 2015 | 31 December 2014 |
|---|---|---|
| US$ | 46.7400 | 44.7200 |
| AU$ | 32.8659 | 36.2063 |
| JP¥ | 0.3918 | 0.3706 |
| EU€ | 52.8011 | 54.3390 |
| CD$ | 34.9777 | 38.3967 |
| GB£ | 71.1164 | 69.4062 |

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**

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 gold and 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:

30 September 2015

| Change in Copper Prices | Effect on Income before Income Tax | |
|---|---|---|
| Increase by 10% | PhP | 645,698 |
| Decrease by 10% | | (913,885) |

31 December 2014

| Change in Copper Prices | Effect on Income before Income Tax | |
|---|---|---|
| Increase by 18% | PhP | 1,384,812 |
| Decrease by 18% | | (1,384,842) |

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 financial assets it holds that 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.

**Credit risk**

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions.

The Group's financial assets which are exposed to credit risk include its cash and cash equivalents, trade receivables, interest receivables, AFS financial assets and Mine rehabilitation fund under "Other noncurrent 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 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 mitigation through use of master netting and collateral agreements.

| | | 30 September 2015 | | 31 December 2014 |
|---|---|---|---|---|
| Cash and cash equivalents* | PhP | 1,196,336 | PhP | 951,358 |
| Short-term investments | | 871,195 | | 980,997 |
| Trade receivables | | 379,102 | | 496,273 |
| Interest receivables | | 98,738 | | 97,604 |
| Nontrade receivables | | 228,416 | | 40,330 |
| Advances to officers and employees | | 25,687 | | 32,700 |
| Other noncurrent assets | | 1,072,364 | | 16,632 |
| AFS financial assets | | 1,220 | | 6,102 |
| | PhP | 3,873,058 | PhP | 2,621,996 |

**excluding cash on hand*

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**Credit quality per class of financial assets**

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

30 September 2015

| | Neither past due nor impaired | | | | |
|---|---|---|---|---|---|
| | High grade | Standard grade | Substandard grade | Past due but not impaired | Total |
| Loans and Receivables | | | | | |
| Cash and cash equivalents * | 1,196,336 | | | | 1,196,336 |
| Short-term investments | 871,195 | | | | 871,195 |
| Trade receivables | 379,102 | | | | 379,102 |
| Interest receivables | 98,738 | | | | 98,738 |
| Nontrade receivables | | | | 228,416 | 228,416 |
| Advances to officers and employees | | | | 25,687 | 25,687 |
| MRF under "Other noncurrent assets" | 1,072,364 | | | | 1,072,364 |
| AFS financial assets | 1,220 | | | | 1,220 |
| TOTAL | 3,618,955 | - | - | 254,103 | 3,873,058 |

**excluding cash on hand*

31 December 2014

| | Neither past due nor impaired | | | | |
|---|---|---|---|---|---|
| | High grade | Standard grade | Substandard grade | Past due but not impaired | Total |
| Loans and Receivables | | | | | |
| Cash and cash equivalents * | 951,358 | - | - | - | 951,358 |
| Short-term investments | 980,997 | - | - | - | 980,997 |
| Trade receivables | 496,273 | - | - | - | 496,273 |
| Interest receivables | 97,604 | - | - | - | 97,604 |
| Nontrade receivables | - | 2,929 | | 37,401 | 40,330 |
| Advances to officers and employees | | 12,121 | - | 20,579 | 32,700 |
| Other noncurrent assets | 16,632 | - | - | - | 16,632 |
| AFS financial assets | 6,102 | - | - | - | 6,102 |
| TOTAL | 2,548,966 | 15,050 | - | 57,980 | 2,621,996 |

**excluding cash on hand*

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

- Cash and cash equivalents, short-term investments and related interest receivables and MRF are assessed as high-grade since these are deposited in reputable banks, which have low probability of insolvency.
- Trade receivables, which pertain mainly to receivables from sale of copper and other precious metals, are assessed as high-grade. These are assessed based on past collection experience of full settlement within two (2) months after invoice date with no history of default.

The above high grade credit quality financial assets pertain to financial assets with insignificant risk of default based on historical experience. Substandard grade credit quality financial assets pertain to financial assets with more than insignificant risk of default based on historical experience and/or counterparty credit standing.

**Liquidity Risk**

Liquidity risk is such risk where the Group becomes unable to meet its payment obligations when they fall due. 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 financing in order to maintain flexibility.

The tables below summarize 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 contractual obligations:

30 September 2015

| | On demand | Within 1 year | 1 to <3 years | > 3 years | Total |
|---|---|---|---|---|---|
| Loans and receivables: | | | | | |
| Cash and cash equivalents | 1,197,568 | - | | | 1,197,568 |
| Short-term investments | 871,195 | - | | | 871,195 |
| Trade receivables | - | 379,102 | | | 379,102 |
| Interest receivables | - | 98,738 | | | 98,738 |
| Advances to officers and employees | | 25,687 | | | 25,687 |
| Nontrade receivables | - | 228,416 | - | | 228,416 |
| Other noncurrent assets” | - | - | 1,072,364 | | 1,072,364 |
| AFS financial asset | 1,220 | - | - | | 1,220 |
| | 2,069,983 | 731,943 | 1,072,364 | - | 3,874,290 |
| Financial liabilities: | | | | | |
| Accounts payable and accrued liabilities** | | 4,969,409 | | | 4,969,409 |
| Long-term debt and other interest-bearing liabilities | 4,624,629 | 4,312,576 | 17,290,705 | | 26,227,910 |
| Derivative liabilities | | | | | |
| | 4,624,629 | 9,281,986 | 17,290,705 | - | 31,197,319 |
| | (2,554,646) | (8,550,043) | (16,218,341) | - | (27,323,029) |

***Excluding government payables*

31 December 2014

| | On demand | Within 1 year | 1 to <3 years | > 3 years | Total |
|---|---|---|---|---|---|
| Loans and receivables: | | | | | |
| Cash and cash equivalents | 951,358 | | | | 951,358 |
| Short-term investments | 980,997 | | | | 980,997 |
| Trade receivables | | 496,273 | | | 496,273 |
| Interest receivables | 97,604 | | | | 97,604 |
| Advances to officers and employees | 32,700 | | | | 32,700 |
| Nontrade receivables | 40,330 | | | | 40,330 |
| Other noncurrent assets” | 16,632 | | | | 16,632 |
| AFS financial asset | 1,220 | | | | 1,220 |
| | 2,120,841 | 496,273 | - | - | 2,617,114 |
| Financial liabilities: | | | | | |
| Accounts payable and accrued liabilities** | – | 4,656,278 | - | - | 4,656,278 |
| Long-term debt and other interest-bearing liabilities | – | 2,959,570 | 14,008,434 | 3,984,440 | 20,952,444 |
| Derivative liabilities | – | 289,696 | - | - | 289,696 |
| | - | 7,905,544 | 14,008,434 | 3,984,440 | 25,898,418 |
| | 2,120,841 | (7,409,271) | (14,008,434) | (3,984,440) | (23,281,304) |

***Excluding government payables*

**Financial instruments**

The following table shows the carrying values and fair values of the Company's financial instruments, whose carrying values do not approximate their fair values:

| | Carrying Values | | Fair Values | |
|---|---|---|---|---|
| | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 |
| Other Financial Liabilities | | | | |
| Long-term debt and other interest-bearing liabilities: | | | | |
| Bonds Payable | 14,079,000 | 13,231,369 | 14,079,000 | 13,288,548 |
| Unsecured convertible loan | 1,800,000 | - | 1,800,000 | - |
| SMIC | 981,435 | - | 981,435 | - |
| US$75 million BDO Loan | 976,431 | 1,300,531 | 976,431 | 1,376,839 |
| UOB | 1,173,250 | 1,118,000 | 1,173,250 | 1,272,619 |
| UCPB | 797,810 | - | 797,810 | - |
| Security Bank | 1,311,185 | 1,100,000 | 1,311,185 | 1,303,662 |
| BDO Leasing | 954,589 | 995,884 | 954,589 | 1,041,022 |
| MayBank | 938,600 | 894,400 | 938,600 | 1,018,095 |
| RCBC | 1,384,435 | 872,040 | 1,384,435 | 992,643 |
| SCB | 703,950 | 316,059 | 703,950 | 329,597 |
| LBP | 497,458 | - | 497,458 | - |
| LBP Leasing | 132,123 | 206,408 | 132,123 | 220,863 |
| SBM Leasing | 52,329 | 122,376 | 52,329 | 128,329 |
| SCB Leasing | 445,315 | - | 445,315 | - |
| | 26,227,910 | 20,157,067 | 26,227,910 | 20,972,217 |

The carrying values of cash, receivables, trade and other payables, advances from and due to related parties, and long-term debt approximate their fair values 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.

The fair values of long-term debt and bonds payable are 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.

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 September 2015

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Assets measured at fair value : | | | | |
| AFS financial assets | 1,220 | - | - | 1,220 |
| Liability measured at fair value: | | | | |
| Liability for which fair values are disclosed: | | | | |
| Long-term debt and other interest-bearing liabilities | (14,079,000) | - | (12,148,910) | (26,227,910) |
| | (14,079,000) | - | (12,148,910) | (26,227,910) |

31 December 2014

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Assets measured at fair value : | | | | |
| AFS financial assets | 1,220 | - | - | 1,220 |
| Liability measured at fair value: | | | | |
| Derivative liabilities | - | (289,696) | - | (289,696) |
| Liability for which fair values are disclosed: | | | | |
| Long-term debt and other interest-bearing liabilities | (13,288,548) | - | (7,683,669) | (20,972,217) |
| | (13,288,548) | (289,696) | (7,683,669) | (21,261,913) |

.
There were no transfers between levels of fair value measurement as of 30 September 2015 and 31 December 2014.

**E. Accounting Policies and Disclosures**

*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.

The Group has decided not to early adopt PFRS 9 for its interim financial reporting.

*PAS 27, Separate Financial Statements (as revised in 2011)*

As a consequence of the issuance of the new PFRS 10, and PFRS 12, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The Group's adoption of the amended PAS 27 will not have a significant impact on the separate financial statements of the entities in the Group. The amendment became effective for annual periods beginning on or after January 1, 2013.

*PAS 28, Investments in Associates and Joint Ventures (as revised in 2011)*

As a consequence of the issuance of the new PFRS 11, and PFRS 12, PAS 28 has been renamed PAS 28, Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment became effective for annual periods beginning on or after January 1, 2013. The Group's adoption of the amended PAS 27 will not have a significant impact on the separate financial statements of the entities in the Group.

*Amendments to PFRS 1, Government Loans*

This is not applicable to the Group and will not have a significant impact on the separate financial statements of the entities in the Group.

*Amendments to PFRS 7, Disclosures – Offsetting Financial Assets and Financial Liabilities*

This is not applicable to the Group and will not have a significant impact on the separate financial statements of the entities in the Group.

*PFRS 10, Consolidated Financial Statements*

This has been adopted by the Group and has a significant impact on the separate financial statements of the entities in the Group.

*PFRS 11, Joint Arrangements*

This has been adopted by the Group and has a significant impact on the separate financial statements of the entities in the Group.

*PFRS 12, Disclosure of Interest in Other Entities*

The amendments clarify the transition guidance in PFRS 10 and provide additional transition relief in PFRS 10, PFRS 11 and PFRS 12, which is to limit the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments also remove the requirement to present comparative information for disclosures related to unconsolidated structured entities, for periods before PFRS 12 is first applied. This was adopted by the Group in its 2011 and 2012 audited financial statements and has a significant impact on the separate financial statements of the entities in the Group.

*PFRS 13, Fair Value Measurement*

PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard is applicable but has no significant impact on the separate financial statements of the entities in the Group. It should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13. The standard becomes effective for annual periods beginning on or after January 1, 2013.

## 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 Financial Officer |

*Signed this* 13th *day of November 2015*

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT**
**CORPORATION AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2015 AND 31 DECEMBER 2014**
***(Pesos in Thousands)***

| | **Unaudited**<br>**30 September 2015** | Audited<br>30 December 2014 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | **1,174,070** | 854,358 |
| Short-term investments | **809,240** | 1,077,997 |
| Receivable - net | **538,127** | 898,805 |
| Inventories - net | **2,204,878** | 1,406,931 |
| Prepayments and other current assets | **527,321** | 629,025 |
| **Total Current Assets** | **5,253,636** | 4,867,116 |
| **Noncurrent Assets** | | |
| Investment in associate | **551,954** | 292,082 |
| Intangible assets, net | **27,619,560** | 27,773,151 |
| Property, plant and equipment - net | **32,804,216** | 30,865,603 |
| Deferred tax assets | **930,002** | 463,413 |
| Available-for-sale (AFS) financial assets | **1,220** | 1,220 |
| Other noncurrent assets | **2,231,939** | 2,115,954 |
| **Total Noncurrent Assets** | **64,138,891** | 61,511,423 |
| **TOTAL ASSETS** | **69,392,527** | 66,378,539 |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | **4,833,456** | 4,873,269 |
| Current portion of long-term debt | **4,519,674** | 2,959,570 |
| Advances from and due to related parties | **-** | (156) |
| Income tax payable | **14,401** | 240 |
| Derivative liabilities | **-** | 289,696 |
| **Total Current Liabilities** | **9,367,531** | 8,122,619 |
| **Noncurrent Liabilities** | | |
| Bonds payable | **13,953,304** | 13,231,369 |
| Long-term debt – net of current portion | **7,629,236** | 5,240,648 |
| Retirement benefits liability | **643,781** | 622,359 |
| Liability for mine rehabilitation | **46,541** | 44,748 |
| Deferred income tax liabilities | **2,671,701** | 2,717,778 |
| **Total Noncurrent Liabilities** | **24,944,563** | 21,856,902 |
| **Total Liabilities** | **34,312,094** | 29,979,521 |
| **Stockholders' Equity** | | |
| Capital stock | **16,696,262** | 16,696,262 |
| Additional paid in capital | **28,886** | 28,886 |
| Revaluation increment in land | **218,559** | 218,559 |
| Net unrealized gains on AFS investment | **6,081** | 6,081 |
| Remeasurement loss on retirement | **(182,524)** | (182,522) |
| Retained earnings | **18,336,436** | 19,655,019 |
| Attributable to equity holders of the Parent Company | **35,103,700** | 36,422,285 |
| Treasury Shares | **(23,267)** | (23,267) |
| **Total Stockholders' Equity** | **35,080,433** | 36,399,018 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | **69,392,527** | 66,378,539 |

**ANNEX A**

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2015 AND 2014**
***(Pesos in Thousands, Except Per Share Amounts)***

| | **For Three Months Ended** | | **For Nine Months Ended** | |
|---|---|---|---|---|
| | **30 September 2015** | 30 September 2014 | **30 September 2015** | 30 September 2014 |
| **REVENUES** | | | | |
| **Sales** | | | | |
| Copper | **2,737,698** | 3,564,402 | **7,359,859** | 10,477,057 |
| Gold | **401,283** | 356,485 | **1,039,487** | 994,888 |
| Silver | **1,502** | (224) | **3,436** | 1,469 |
| Nickel | **-** | - | **-** | 1,114,250 |
| Miscellaneous | **-** | - | **-** | 2,336 |
| | **3,140,483** | 3,920,663 | **8,402,782** | 12,590,000 |
| Marketing charges | **(362,034)** | (278,411) | **(1,006,291)** | (1,019,131) |
| | **2,778,449** | 3,642,252 | **7,396,491** | 11,570,868 |
| **COSTS AND OPERATING EXPENSES** | | | | |
| Cost of sales | **(2,159,448)** | (2,690,122) | **(6,365,682)** | (7,724,921) |
| Operating expenses | **(346,331)** | (383,726) | **(1,023,423)** | (1,238,643) |
| | **(2,505,779)** | (3,073,848) | **(7,389,105)** | (8,963,564) |
| **INCOME FROM OPERATIONS** | **272,670** | 568,404 | **7,386** | 2,607,304 |
| **OTHER INCOME (CHARGES)** | | | | |
| Share in net income from associates | **77,571** | 146,087 | **259,873** | 146,087 |
| Finance charges | **(411,745)** | (366,834) | **(1,116,780)** | (1,088,953) |
| Unrealized foreign exchange gain (loss)-net | **(850,853)** | (480,623) | **(1,070,869)** | (195,618) |
| Realized mark-to-market gain (loss) on derivative assets (liabilities) - net | **76,459** | (20,870) | **289,346** | 17,662 |
| Interest income | **28,687** | 39,849 | **48,087** | 89,445 |
| Other income (charges) - net | **(18,723)** | (24,483) | **(57,758)** | (60,850) |
| Amortization of intangible assets | **(56,276)** | (103,922) | **(153,590)** | (295,197) |
| | **(1,154,880)** | (810,795) | **(1,801,691)** | (1,387,424) |
| **INCOME (LOSS) BEFORE INCOME TAX** | **(882,210)** | (242,392) | **(1,794,305)** | 1,219,880 |
| **BENEFIT FROM (PROVISION FOR) INCOME TAX** | | | | |
| Current | **(14,530)** | (17,071) | **(36,716)** | (448,041) |
| Deferred | **189,273** | 111,333 | **512,666** | 68,670 |
| **NET INCOME (LOSS)** | **(707,467)** | (148,130) | **(1,318,355)** | 840,509 |
| **Net income (loss) attributable to:** | | | | |
| Equity holders of the parent | **(707,467)** | (148,130) | **(1,318,355)** | 565,691 |
| Minority interests | **-** | - | **-** | 274,817 |
| | **(707,467)** | (148,130) | **(1,318,355)** | 840,509 |
| **DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO PARENT COMPANY** | | | **(0.58)** | 0.25 |
| * Based on weighted average number of common shares outstanding | | | **2,274,811** | 2,264,849 |

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2015 AND 2014**
***(Pesos in Thousands)***

| | Capital Stock | Additional Paid -in Capital | Revaluation Increment in Property | Net Unrealized Gains on AFS Investments | Remeasurement Gain (Loss) on Retirement Plan | Retained Earnings (Deficit) | Attributable to Equity Holders of the Parent Company | Minority Interest | Shares Held by a Subsidiary | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2014 | 16,608,969 | 7,063 | 218,559 | 10,459 | (96,760) | 19,842,996 | 36,591,286 | 283,725 | (23,267) | 36,851,743 |
| Loss of control in the former subsidiary | - | - | - | - | - | - | - | (558,542) | - | (558,542) |
| Issuance of shares | 9,469 | 2,367 | - | - | - | - | 11,836 | - | - | 11,836 |
| Dividend declaration | - | - | - | - | - | (311,121) | (311,121) | - | - | (311,121) |
| Net Income | - | - | - | - | - | 565,691 | 565,691 | 274,817 | - | 840,509 |
| **Balance at 30 September 2014** | 16,618,438 | 9,430 | 218,559 | 10,459 | (96,760) | 20,097,566 | 36,857,692 | (0) | (23,267) | 36,834,425 |
| Balance at 1 January 2015 | 16,696,262 | 28,886 | 218,559 | 6,081 | (182,522) | 19,654,791 | 36,422,057 | - | (23,267) | 36,398,789 |
| Net income | - | - | - | - | - | (1,318,355) | (1,318,355) | - | - | (1,318,356) |
| **Balance at 30 September 2015** | 16,696,262 | 28,886 | 218,559 | 6,081 | (182,522) | 18,336,436 | 35,103,702 | - | (23,267) | 35,080,427 |

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2015 AND 2014**
**(Pesos in Thousands)**

| | For Three Months Ended | | For Nine Months Ended | |
|---|---|---|---|---|
| | **30 September 2015** | 30 September 2014 | **30 September 2015** | 30 September 2014 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| **Income before income tax** | **(882,334)** | (242,390) | **(1,794,430)** | 1,219,880 |
| **Adjustments for:** | | | | |
| Interest expense | **411,745** | 360,811 | **1,116,780** | 1,052,073 |
| Depreciation and depletion | **669,812** | 948,194 | **1,830,954** | 2,210,551 |
| Realized mark-to-market gain (loss) on derivative assets (liabilities) - net | **-** | 20,870 | **-** | - |
| Unrealized foreign exchange losses (gains) - net | **701,057** | 493,271 | **900,107** | 142,270 |
| Unrealized losses (gains) on AFS | **-** | - | **(4,706)** | - |
| Provision for mine rehabilitation | **522** | 487 | **1,566** | 1,461 |
| Retirement benefit cost | **12,792** | 7,651 | **26,098** | 48,169 |
| Interest income | **(28,687)** | (11,460) | **(48,087)** | (47,470) |
| Prior period adjustments | **-** | - | **-** | (9) |
| Gain on loss of control of subsidiaries | **-** | (14,185) | **-** | (14,185) |
| Share in net income from associates | **(77,447)** | (146,087) | **(259,749)** | (146,087) |
| **Operating income before working capital changes** | **807,460** | 1,417,162 | **1,768,533** | 4,466,653 |
| **Decrease (increase) in:** | | | | |
| Short-term investments | **458,584** | 1,153,255 | **280,844** | 1,047,879 |
| Receivable - net | **(301,662)** | 310,338 | **(211,707)** | 969,301 |
| Inventories - net | **(202,302)** | (201,486) | **(738,175)** | (320,438) |
| Prepayments and other current assets | **(36,142)** | (110,514) | **109,633** | (119,283) |
| **Increase (decrease) in:** | | | | |
| Accounts payable and accrued liabilities | **(424,226)** | (751,492) | **461,225** | 602,037 |
| Derivative liabilities | **(76,808)** | 3,239 | **(289,696)** | 11,257 |
| Deferred tax liabilities | **172,390** | 80,157 | **466,589** | (13,258) |
| Retirement benefits payable | **(4,676)** | - | **(4,676)** | - |
| Income tax payable | **(14,530)** | 294,826 | **(36,715)** | (135,865) |
| **Cash from operations** | **378,088** | 2,195,485 | **1,805,855** | 6,508,283 |
| Interest received | **28,687** | 11,460 | **48,087** | 47,470 |
| Interest paid | **(411,745)** | (360,811) | **(1,116,780)** | (1,052,073) |
| Income taxes paid | **(129)** | (311,861) | **(368)** | (159,010) |
| **Net cash provided by (used in) operating activities** | **(5,098)** | 1,534,273 | **736,793** | 5,344,670 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| **Decrease (increase) in:** | | | | |
| Other noncurrent assets | **(166,266)** | (95,225) | **(517,690)** | (64,278) |
| Additions to property, plant and equipment | **(915,969)** | (1,427,575) | **(3,663,669)** | (5,753,898) |
| **Net cash used in investing activities** | **(1,082,236)** | (1,522,800) | **(4,181,359)** | (5,818,176) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Issuance of shares of stock | **-** | 23,910 | **-** | 25,010 |
| Dividend declaration | **-** | - | **-** | (311,418) |
| Loans proceeds (payment) | **754,555** | 272,455 | **3,629,744** | 911,740 |
| Net changes in amounts owed to related parties | **-** | (277) | **-** | (433) |
| **Net cash provided by financing activities** | **754,556** | 296,088 | **3,629,744** | 624,899 |
| **NET INCREASE (DECREASE) ASSOCIATED W/ LOSS OF CONTROL OF SUBSIDIARIES** | **-** | (410,973) | **-** | (410,973) |
| **EFFECT OF EXCHANGE RATE CHANGES** | **113,567** | (12,648) | **134,534** | 46,501 |
| **NET INCREASE (DECREASE) IN CASH** | **(219,212)** | (116,060) | **319,712** | (213,079) |
| **CASH AND CASH EQUIVALENTS AT 1 JANUARY** | | | **854,358** | 866,359 |
| **CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER** | | | **1,174,070** | 653,280 |

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE**
**SEPTEMBER 30, 2015**
**(Pesos in Thousands)**

| counts Receivable | Total | Current | 31 - 90 Days | 91 - 180 Days | 181 - 365 Days | Over 1 yr | Accounts in Litigation |
|---|---|---|---|---|---|---|---|
| Trade Receivable | | | | | | | |
| Various trade receivable | 379,102 | 123,104 | 96,707 | 75,500 | 83,791 | | |
| Non-Trade Receivables | | | | | | | |
| Deposits and advances | 124,290 | 11,391 | 9,084 | 6,913 | 96,901 | | |
| Scrap | | | | | | | |
| With court cases | 13,254 | | | | | | 13,254 |
| Others | 50,577 | 3,288 | 5,764 | 75 | 2,010 | 39,440 | |
| Allowance for Doubtful Accounts | (29,095) | (29,095) | | | | | |
| **Accounts Receivable - Net** | **538,127** | **108,688** | **111,555** | **82,488** | **182,702** | **39,440** | **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