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 2018**

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: **5F Five E-com Center, Palm Coast Avenue cor. Pacific Drive Mall of Asia Complex, Pasay City** — Postal Code **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 the "Parent Company") and its subsidiaries (collectively, the "Group") for the nine-month period ending 30 September 2018 and 2017:

(amounts in PHP millions)	30-Sep-2018	30-Sep-2017	% Change
Consolidated net income/(loss)	(783)	(939)	-17%
Consolidated income/(loss) from operations	508	338	50%
Consolidated gross revenues	11,027	8,936	23%
Costs and operating expenses	9,851	7,911	25%
Net income/(loss) attributable to Equity holders of the parent	(783)	(939)	-17%

Atlas Consolidated Mining and Development Corporation ("Atlas Mining") reported a lower consolidated net loss of PHP783 million for the nine months of 2018 as revenues grew by 23% on the strength of higher shipment volume and higher metal prices.

Growth in gross revenues from PHP8.94 billion to PHP11.03 billion was mainly driven by the increase in shipment volume and by favorable metal prices. Copper metal content improved by 9% from 59.53 million pounds to 64.76 million pounds while gold content increased by 30% from 14,901 ounces to 19,382 ounces. The commodities market continued to be stable with average realized copper price higher by 11% from USD2.70/lb. to USD3.00/lb. and the average realized gold price higher by 2% from USD1,257/oz. to USD1,278/oz.

Carmen Copper Corporation, Atlas Mining's wholly-owned subsidiary, improved its milling tonnage by 14% from 10.50 million tons of ore to 12.02 million tons of ore which resulted in a 9% gain in copper metal production from 58.04 million pounds in 2017 to 63.14 million pounds in 2018. Gold production also improved year-on-year by 26% from 15,934 ounces to 20,088 ounces. Positive production trends continued in the third quarter as volume milled reached 4.35 million tons compared to the quarterly average of 3.83 million tons. This resulted in 23.59 million pounds of copper metal produced compared to the quarterly average of 19.78 million pounds of copper metal. This third quarter level of production was higher than production in the first two quarters of the year.

Due to higher volume of shipments, total *Costs and operating expenses* increased by 25% from PHP7.91 billion to PHP9.85 billion. *Cost of sales* and *Depletion of mining rights* increased by 32% and 18%, respectively.

Equity in net income of associates, this represents the Parent Company's share in the results of operations of Berong Nickel Corporation (BNC), improved to PHP80 million as compared to PHP4 million loss in the same period last year.

Finance charges (16% of gross revenues) increased by 42% arising from amortization of debt issue cost recognized in accordance with the use of the effective interest accounting method and higher interest rates from new availments and rollover of short-term loans.

USD:PHP Exchange rate closed at USD1.00:PHP54.02 as at 30 September 2018 versus USD1.00:PHP49.93 as at 31 December 2017. This triggered the recognition of *Foreign exchange loss-net* of PHP291 million primarily from the restatement of PHP-denominated bank placements, loans and other payables.

Mark-to-market gain on derivatives-net of PHP426 million represents the accounting valuation of commodity swap agreements and provisional pricing contracts.

Interest Income of PHP26 million accounts for the interest earned on cash in bank and time deposits.

PHP63 million in *other charges–net* consists of PHP30 million income from the sale of scrap materials net of asset impairment provision of PHP93 million.

Provision for Income Tax for the period of PHP107 million was based from the 2% minimum corporate income tax. *Deferred Income Tax* of PHP406 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 September 2018 vis-à-vis that as of 30 September 2017 as follows:

The increase in *Cash and cash equivalents* arise mainly from the collection of trade receivables, and reclassification of time deposits from short-term investments for those with maturity dates of three months or less at the time of purchase. *Short-term investments* amounted to NIL due to aforementioned reclassification. *Receivable-net* consists mostly of receivables from trade customers and receivables from associates. *Inventories* dropped by 8% due to higher sales of copper concentrates. *Prepayments and other current assets* consisted mostly of advances made to suppliers and creditable withholding tax from trade sales.

Movement in *Intangible assets* of PHP142 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* increased by 24% as a result of the net increase in NOLCO and MCIT. *Other noncurrent assets* consist significantly of input VAT from importations.

Investment in Associate, pertains to AT's ownership over BNC, TMMI, URHI, UNC and NRHI (the "Nickel Corporations"), increased by 42% representing its share in the net income in Nickel Corporation's operations of PHP80 million.

Accounts Payable and accrued liabilities declined by 18% due to settlement of advances from buyers, payment of interest and supplier invoices. *Current portion of long-term debt* increased due to rollover of loans and new loans availed from banks with shorter maturity dates. *Income tax payable* pertains to the minimum corporate income tax for the third quarter of 2018. *Derivative liabilities* from commodity swap transactions were NIL as of the third quarter of 2018.

Long-term debt (31% of total assets) increased due to amortization of debt issue cost recognized in accordance with the use of the effective interest accounting method. *Retirement benefits liability* increased by 17% due to accrual of pension cost. *Liability for mine rehabilitation* increased by 12% due to 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 PHP783 million account for the net loss for the period ended 30 September 2018. *Foreign currency translation reserve* relates to the impact of changes in foreign exchange rates.

Material Plans, Trends, Events or Uncertainties

- *Shareholders' approval and confirmation:* In 2017, AT's Shareholders approved and confirmed the: (i) Amendment to Article VII of AT's Articles of Incorporation (AOI) increasing the authorized capital stock (ACS), (ii) Share issue of 1.4725 billion shares, (iii) Waiver of the conduct of public or rights offering of the shares subscribed, and (iv) Issuance of Warrants and the underlying common shares as a result of the exercise of the Warrants to major Shareholders. The SEC approved the aggregate increase in AT's ACS from PHP3billion to PHP8.89 billion divided into 8.89 billion common shares, with a par value of PHP1.00 per share in November 2017.

- *Refinancing Program:* CCC successfully refinanced and settled its USD300 million bond that matured in March 2017 with a seven (7)-year term loan from BDO Unibank Inc. amounting to USD320 million. The refinancing program also covered the conversion of the Shareholders' advances to AT of PHP8.7 billion as loans of CCC, subordinated to the existing loans of CCC.

Key Performance Indicators

The key performance indicators of the Group are shown below:

	30-Sep-2018	31-Dec-2017
Current/Liquidity Ratio		
Current Ratio	0.52:1	0.44:1
Solvency Ratios		
Debt-to-Equity	1.24:1	1.09:1
Debt-to-Assets	0.53:1	0.51:1
Asset-to-Equity	2.32:1	2.14:1
Interest Rate Coverage	0.39:1	0.02:1
Profitability Ratios		
Return on Equity	-2.27%	-5.62%
Return on Sales	-7.56%	-17.78%
Return on Assets (Fixed Assets)	-2.04%	-5.26%

a. Current Ratio — $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

b. Debt-to-Equity — $\frac{\text{Total Liabilities}}{\text{Total Stockholders' Equity Attributable to Equity Holders of Parent Company}}$

c. Debt-to-Assets — $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

d. Asset-to-Equity — $\frac{\text{Total Assets}}{\text{Total Stockholders' Equity Attributable to Equity Holders of Parent Company}}$

e. Interest Rate Coverage — $\frac{\text{Earnings Before Income Tax}}{\text{Interest Expense}}$

f. Return on Equity — <u>Net Income Attributable to Equity Holders of Parent Company as of the Quarter</u>
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 September 2018 is summarized below:

(in PHP millions)	**Amount**
Net cash flow provided by operating activities	2,300
Net cash flows used in investing activities	(5,124)
Net cash flows provided by financing activities	2,710
Net decrease in cash and cash equivalents	1,545

The Group is not required to present a segment report.

Except as already reported herein, there is no material event occurring subsequent to the close of the third quarter of 2018 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 third 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, AFS financial asset, payable to related parties, long-term debts and other interest-bearing 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 the Group's operations.

The main risks arising from the Group's financial instruments are foreign currency risk, commodity price risk, credit risk, and liquidity risk. The Board Risk Oversight Committee (BROC) of the Board of Directors of AT reviews and guides the adoption of relevant policies for managing each of these risks described onto the succeeding paragraphs.

(All figures are in PHP thousands)

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, derivative assets, bank loans, accounts payable and accrued liabilities except, 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 equity investments and new projects. The Group also uses foreign currency forwards to hedge its risk exposures.

As at 30 September 2018 and 31 December 2017, foreign currency-denominated assets and liabilities are as follows:

	CONSO					
	30-Sep-2018			31-Dec-2017		
		Original Currency	Peso Equivalent		Original Currency	Peso Equivalent
Assets						
Cash and cash equivalents*						
	US$	16,276	879,236	US$	18,854	941,371
	JP¥	1,314	918	JP¥	2,885	1,276
	GB£	139	9,804	GB£	139	9,239
Short-term investments	US$	0	0	US$	15,899	793,841
Receivables	US$	11,476	619,911	US$	8,602	429,487
Derivative assets	US$	1,777	96,015	US$	1,131	56,482
	US$	29,529	1,595,162	US$	44,486	2,221,181
	GB£	139	9,804	GB£	139	9,239
	JP¥	1,314	918	JP¥	2,885	1,276
Liabilities						
Accounts payable and accrued expenses	US$	42,665	2,304,762	US$	40,742	2,034,259
	JP¥	49,322	23,154	JP¥	49,374	21,838
	AU$	94	3,663	AU$	143	5,578
	EU€	8	447	EU€	10	590
Long-term debt	US$	604,599	32,660,414	US$	545,021	27,212,916
Derivative liabilities	US$	-	-	US$	14,862	742,043
	US$	647,264	34,965,176	US$	600,625	29,989,218
	JP¥	49,322	23,154	JP¥	49,374	21,838
	AU$	94	3,663	AU$	143	5,578
	EU€	8	447	EU€	10	590
Net Liabilities in US$	US$	617,734	33,370,014	US$	556,139	27,768,037
Net Assets in GB£	GB£	139	9,804	GB£	139	9,239
Net Liabilities in AU$	AU$	94	3,663	AU$	143	5,578
Net Liabilities in JP¥	JP¥	48,009	22,235	JP¥	46,489	20,562
Net Liabilities in EU€	EU€	8	447	EU€	10	590

**Excluding cash on hand*

As at 30 September 2018 and 31 December 2017, foreign exchange closing rates used in converting foreign currency-denominated assets and liabilities are as follows:

Currency	30-Sep-2018	31-Dec-2017
US$	54.02	49.93
AU$	39.03	38.91
JP¥	0.48	0.44
EU€	62.70	59.61
GB£	70.41	67.12

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 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 2018 and 2017 as follows:

30-Sep-2018	
Change in Copper Prices	**Effect on Income before Income Tax**
Increase by 10%	PHP1,050,862
Decrease by 10%	PHP (1,050,862)

31-Dec-2017	
Change in Copper Prices	**Effect on Income before Income Tax**
Increase by 10%	PHP1,038,835
Decrease by 10%	PHP(1,038,835)

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 which is classified as AFS financial asset. Management believes that the fluctuation in the fair value of AFS financial assets will not have a significant effect on the consolidated financial statements.

Credit risk
Credit risk refers to the potential loss arising from failure by counterparties to fulfill their obligations, as and when these 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 in banks, trade receivables, interest receivables, AFS financial asset, derivative asset, receivables from related parties, advances to officers and employees and short-term investments with a maximum exposure equal to the carrying amount of these assets.

With respect to its cash in banks, short-term investments, 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 mitigation through use of master netting and collateral agreements.

	30-Sep-2018	31-Dec-2017
Cash and cash equivalents*	2,891,879	1,371,678
Short-term investments	-	793,841
Trade receivables	513,028	289,883
Interest receivables	2,870	2,244
Nontrade receivables	117,376	75,344
Advances to officers and employees	12,070	16,206
AFS financial assets	4,326	4,326
Derivative Assets	96,015	56,482
	3,637,564	**2,610,004**

** Excluding Cash on Hand*

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:

<u>**30 September 2018**</u>

	Neither past due nor impaired High grade	Past due but not impaired	Impaired	Total
Cash and cash equivalents*	2,891,879	-	-	2,891,879
Short-term investments	-	-	-	-
Trade receivables	513,028	-	-	513,028
Interest receivables	2,870	-	-	2,870
Nontrade receivables	-	117,376	-	117,376
Advances to officers and employees	-	12,070	-	12,070
AFS financial assets	-	-	4,326	4,326
Derivative Assets	96,015	-	-	96,015
TOTAL	3,503,792	129,446	4,326	3,637,564

** Excluding Cash on Hand*

31 December 2017

	Neither past due nor impaired High grade	Past due but not impaired	Impaired	Total
Cash and cash equivalents*	1,371,678	-	-	1,371,678
Short-term investments	793,841	-	-	793,841
Trade receivables	289,883	-	-	289,883
Interest receivables	-	2,244	-	2,244
Nontrade receivables	-	75,344	-	75,344
Advances to officers and employees		16,206		16,206
AFS financial assets	-	-	4,326	4,326
Derivative Assets	56,482	-	-	56,482
TOTAL	2,511,884	93,794	4,326	2,610,004

** 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 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 and other precious metals, 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 pertain mainly to receivables from contractors and suppliers, are already past due but not impaired.
- Advances to officers and employees, which pertain mainly to the unliquidated advances used in the Group's operations, consists of standard grade, substandard grade and past due but not impaired accounts.
- Quoted equity instruments are assessed as impaired since the Company has unable to establish its ownership on these investments.
- Derivative asset, which pertains to provisional pricing and commodity swap transactions, is assessed as high grade since this contains insignificant risk of default based on historical experience of the Group.

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 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-Sep-2018	On Demand	Within one year	1 to <3 Years	> 3 years	Total
Cash and cash equivalents*	2,891,879	-	-	-	2,891,879
Short-term investments	-	-	-	-	-
Trade receivables	-	513,028	-	-	513,028
Nontrade receivables	-	117,376	-	-	117,376
Interest receivable	-	2,870	-	-	2,870
Advances to officers and employees		12,070			12,070
AFS financial assets	-	-	-	4,326	4,326
Derivative Assets	96,015	-	-	-	96,015
	2,987,894	**645,344**	**-**	**4,326**	**3,637,564**
Accounts payable and accrued liabilities**	-	2,202,200	-	-	2,202,200
Long-term debt and other interest-bearing liabilities	-	9,558,026	494,279	24,283,793	34,336,098
	-	**11,760,226**	**494,279**	**24,283,793**	**36,538,298**
	2,987,894	**(11,114,883)**	**(494,279)**	**(24,279,467)**	**(32,900,734)**

**Excluding Cash on Hand*

***Excluding Government Payables*

31-Dec-2017	On Demand	Within one year	1 to <3 Years	> 3 years	Total
Cash and cash equivalents*	1,371,678	-	-	-	1,371,678
Short-term investments	793,841	-	-	-	793,841
Trade Receivables	289,883	-	-	-	289,883
Nontrade Receivables	-	75,344	-	-	75,344
Interest Receivables	-	2,244	-	-	2,244
Advances to officers and employees		16,206			16,206
Derivative assets	56,482	-	-	-	56,482
AFS financial assets	-	-	-	4,326	4,326
	2,511,884	**93,794**	**-**	**4,326**	**2,610,004**
Accounts payable and accrued liabilities**	-	2,766,930	-	-	2,766,930
Long-term debt and other interest-bearing liabilities	-	6,848,387	22,437,903	-	29,286,290
Derivative liabilities	-	742,043	-	-	742,043
	-	**10,357,360**	**22,437,903**	**-**	**32,795,263**
	2,511,884	**(10,263,566)**	**(22,437,903)**	**4,326**	**(30,185,259)**

**Excluding Cash on Hand*

***Excluding Government Payables*

Financial instruments

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

	Carrying Values		Fair Values	
	30-Sep-2018	31-Dec-2017	30-Sep-2018	31-Dec-2017
Other Financial Liabilities				
Long-term debt and other interest-bearing liabilities:				
BDO Unibank	15,995,878	14,427,427	21,850,490	20,196,130
SMIC	7,113,803	6,472,570	9,610,874	9,341,764
BDO Leasing	818,647	1,179,371	898,082	1,156,344
APHC	658,650	576,897	789,118	750,286
Alakor Corporation	156,297	142,209	194,521	184,949
LBP Leasing	34,795	-	40,499	-
	24,778,071	22,798,474	33,383,585	31,629,473

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. AFS financial asset is carried at fair value.

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

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, except for the Bonds Payable whose fair value is determined by reference to market prices at the end of the period.

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-Sep-2018	Level 1	Level 2	Level 3	Total
Assets measured at fair value :				
Derivative assets	-	96,015	-	96,015
Liability measured at fair value:				
Derivative liabilities	-	-	-	-
Liability for which fair values are disclosed:				

	Level 1	Level 2	Level 3	Total
Long-term debt and other interest-bearing liabilities	-	-	(33,383,585)	(33,383,585)
Total	**-**	**-**	**(33,383,585)**	**(33,383,585)**

31-Dec-2017	Level 1	Level 2	Level 3	Total
Assets measured at fair value :				
Derivative assets	-	56,482	-	56,482
Liability measured at fair value:				
Derivative liabilities	-	(742,043)	-	(742,043)
Liability for which fair values are disclosed:				
Long-term debt and other interest-bearing liabilities	-	-	(31,629,473)	(31,629,473)
Total	-	**(742,043)**	**(31,629,473)**	**(32,371,516)**

There were no transfers between levels of fair value measurement as of 30 September 2018 and 31 December 2017.

D. Accounting Policies and Disclosures

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for land, which is carried at revalued amounts, and derivative financial instruments and AFS financial asset, 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 (PFRS). Based on the economic substance of the underlying circumstances relevant to the Group, the functional currencies of the Parent Company, associates and subsidiaries is Philippine Peso, except for CCC whose functional currency is US$.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations based on International Financial Reporting Interpretations Committee (IFRIC) and improvements to PFRS which were effective beginning January 1, 2017. Adoption of these pronouncements did not have a significant impact on the Group's financial position or performance unless otherwise stated.

- Amendment to PFRS 12, *Clarification of the Scope of the Standard* (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)

  The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

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

- Amendments to PAS 7, *Statement of Cash Flows - Disclosure Initiative*
  The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

As allowed under the transition provisions of the standard, the Group did not present comparative information for the year ended December 31, 2016.

- Amendments to PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses*

  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions upon the reversal of the deductible temporary difference related to unrealized losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

  The Group applied the amendments retrospectively. However, their application has no effect on the Group's consolidated financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Effective beginning on or after January 1, 2018

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

  The amendments to PFRS 2 address three 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.

  On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

  The Group has assessed that the adoption of these amendments will not have any impact on the 2018 consolidated financial statements.

- PFRS 9, *Financial Instruments*

  PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9.

  The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

  The Group has assessed that the adoption of these amendments will not have significant impact on the interim consolidated financial statements.

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

  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 the 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 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized 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. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue.

  The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

  The Group has assessed that the adoption of these amendments will not have significant impact on the interim consolidated financial statements.

- 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.

  The amendments should be applied retrospectively, with earlier application permitted.

  The Group has assessed that the adoption of these amendments will not have significant impact on the interim 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. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application 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 interim consolidated financial statements upon adoption of these amendments.

- Philippine Interpretation based on International Financial Reporting Interpretations Committee (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 a date of the transactions for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis.

Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the consolidated financial statements of the reporting period in which the entity first applies the interpretation.

The Group has assessed that the adoption of these amendments will not have significant impact on the interim consolidated financial statements.

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 14th day of November 2018

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF 30 SEPTEMBER 2018
(Pesos in Thousands, Except Par Value)

	Unaudited September 2018	Audited December 2017
ASSETS		
Current Assets		
Cash and cash equivalents	**2,920,257**	1,374,801
Short-term investments	**-**	793,841
Receivable - net	**713,632**	484,118
Inventories - net	**1,981,451**	2,163,008
Prepayments and other current assets	**1,645,819**	627,689
Total Current Assets	**7,261,159**	5,443,457
Noncurrent Assets		
Intangible assets, net	**27,065,287**	27,207,762
Property, plant and equipment - net	**39,447,435**	37,400,268
Deferred tax assets	**2,907,939**	2,343,727
Other noncurrent assets	**2,166,217**	1,816,996
Investment in associate	**271,089**	190,665
Total Noncurrent Assets	**71,857,967**	68,959,417
TOTAL ASSETS	**79,119,126**	74,402,874
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**2,386,521**	2,903,635
Current portion of long-term debt	**9,558,026**	6,848,388
Income tax payable	**110,422**	29
Derivative liabilities	**-**	742,043
Other Current Liabilities	**2,023,518**	1,870,312
Total Current Liabilities	**14,078,487**	12,364,406
Noncurrent Liabilities		
Long-term debt – net of current portion	**24,778,071**	22,437,903
Retirement benefits liability	**368,729**	316,490
Liability for mine rehabilitation	**62,344**	55,849
Deferred income tax liabilities	**2,794,281**	2,837,022
Total Noncurrent Liabilities	**28,003,425**	25,647,265
Total Liabilities	**42,081,912**	38,011,671
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
Net unrealized gains on AFS investment	**4,861**	4,861
Remeasurement gain on retirement	**166,717**	166,717
Foreign currency translation reserve	**3,011,107**	1,582,447
Retained earnings	**15,210,260**	15,992,908
Attributable to equity holders of the Parent Company	**37,060,481**	36,414,469
Minority interests	-	-
Treasury Shares	**(23,267)**	(23,267)
Total Stockholders' Equity	**37,037,214**	36,391,203
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**79,119,126**	74,402,874

ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2018
(Pesos in Thousands, Except Per Share Amounts)

	For the Three Months Ended		For the Nine Months Ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
REVENUES				
Copper	3,044,322	3,332,669	9,742,595	7,969,862
Gold	375,855	424,294	1,283,028	949,373
Silver	641	12	1,420	12
Magnetite	-	-	-	17,018
	3,420,819	3,756,976	11,027,043	8,936,266
Marketing charges	(224,996)	(261,622)	(668,235)	(687,869)
	3,195,822	3,495,354	10,358,807	8,248,397
COSTS AND OPERATING EXPENSES				
Cost of sales	(2,811,363)	(2,503,496)	(8,373,491)	(6,367,373)
Operating expenses	(459,309)	(454,425)	(1,334,780)	(1,422,323)
Depletion of mining rights	(52,325)	(47,057)	(142,475)	(120,965)
	(3,322,997)	(3,004,978)	(9,850,746)	(7,910,661)
INCOME (LOSS) FROM OPERATIONS	(127,175)	490,376	508,062	337,736
OTHER INCOME (CHARGES)				
Share in net income from associates	(18,420)	6,989	80,424	(4,197)
Finance charges	(618,927)	(401,877)	(1,767,350)	(1,246,185)
Foreign exchange gain (loss)-net	(58,583)	(4,765)	(291,178)	63,140
Mark to Market gain/(loss) on Derivatives-net	121,627	(465,492)	425,594	(510,878)
Interest income	8,456	6,772	26,181	26,465
Other income (charges)-net	15,564	8,263	(63,405)	3,593
	(550,284)	(850,110)	(1,589,734)	(1,668,063)
INCOME (LOSS) BEFORE INCOME TAX	(677,459)	(359,734)	(1,081,673)	(1,330,327)
BENEFIT FROM (PROVISION FOR) INCOME TAX				
Current	(11,608)	(25,857)	(106,726)	(43,877)
Deferred	127,825	19,518	405,750	435,540
NET INCOME (LOSS)	(561,242)	(366,073)	(782,648)	(938,664)
Net income (loss) attributable to:				
Equity holders of the parent	(561,242)	(366,073)	(782,648)	(938,664)
Minority interests	-	-	-	-
	(561,242)	(366,073)	(782,648)	(938,664)
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY			(0.22)	(0.38)
Based on weighted average number of common shares outstanding			3,631,651	2,492,088

ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2018 and 2017
(Pesos in Thousands)

	Capital Stock	Additional Paid -in Capital	Deposit for future stock subscription	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 held by a Subsidiary	Total
Balance at January 1, 2017	2,087,033	14,686,962	-	-	298,869	4,861	178,868	1,475,910	17,960,856	(23,267)	36,670,092
Net Loss									(938,664)		(938,664)
Deposit for future stock subscription			1,613,934								1,613,934
Cumulative translation adjustment								296,035			296,035
Balance at September 30, 2017	**2,087,033**	**14,686,962**	**1,613,934**	**-**	**298,869**	**4,861**	**178,868**	**1,771,945**	**17,022,192**	**(23,267)**	**37,641,397**
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									(782,648)		(782,648)
Cumulative translation adjustment								1,428,659			1,428,659
Balance at September 30, 2018	**3,559,533**	**19,650,936**	**-**	**(4,841,801)**	**298,869**	**4,861**	**166,717**	**3,011,107**	**15,210,260**	**(23,267)**	**37,037,214**

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2018 and 2017
(Pesos in Thousands)

	For the Three Months Ended		For the Nine Months Ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	677,459	(340,216)	(1,081,673)	(894,787)
Adjustments for:				
Interest expense	(618,927)	401,877	1,767,350	1,246,185
Depreciation and depletion	(916,630)	829,918	2,776,647	2,129,158
Realized mark-to-market gain (loss) on derivative assets (liabilities) - net	121,627	380,697	(425,594)	400,681
Unrealized foreign exchange losses (gains) - net	(58,583)	(17,869)	291,178	(63,140)
Unrealized losses (gains) on AFS	-	(35)	-	(135)
Provision on asset imapairment	3,495	-	93,329	-
Provision for mine rehabilitation	(1,406)	904	6,495	2,976
Retirement benefit cost	-	9,584	-	19,567
Interest income	8,456	(6,772)	(26,181)	(26,465)
Share in net income from associates	(18,420)	(6,988)	(80,424)	4,197
Operating income before working capital changes	(802,931)	1,251,100	3,321,127	2,818,239
Decrease (increase) in:				
Short-term investments	(18,271)	(247,541)	803,455	(239,346)
Receivable - net	(146,349)	(348,371)	(336,007)	(185,403)
Derivative assets	70,644	-	(39,533)	-
Inventories - net	69,354	129,030	181,557	88,740
Prepayments and other current assets	(11,000)	30,733	(978,597)	(82,354)
Increase (decrease) in:				
Accounts payable and accrued liabilities	311,531	(286,732)	(517,114)	(81,340)
Other Current Liabilities	(25,472)	0	153,206	0
Derivative liabilities	0	1,950	(742,043)	2,816
Deferred tax liabilities	35,428	(448,825)	(201,204)	(484,971)
Retirement benefits payable	(15,003)	0	52,239	(610)
Income tax payable	(12,943)	25,856	110,422	11,509
Cash from operations	(545,012)	107,200	1,807,509	1,847,279
Interest received	(8,456)	6,772	26,181	26,465
Interest paid	(1,721,241)	(401,877)	572,818	(1,246,185)
Income taxes paid	11,608	(25,857)	(106,755)	(43,886)
Net cash provided by (used in) operating activities	(2,263,100)	(313,762)	2,299,755	583,673
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Other noncurrent assets	88,398	(30,886)	(349,222)	298,783
Additions to property, plant and equipment	951,940	(1,771,905)	(4,774,669)	(4,086,363)
Net cash used in investing activities	1,040,337	(1,802,791)	(5,123,891)	(3,787,580)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares of stock	-	1,270,184	-	1,613,934
Loans proceeds (payment)	2,044,103	(449,369)	2,709,640	246,151
Net cash provided by financing activities	2,044,103	820,814	2,709,640	1,860,084
EFFECT OF EXCHANGE RATE CHANGES	(309,149)	110,829	1,659,952	470,573
NET INCREASE (DECREASE) IN CASH	512,191	(1,184,909)	1,545,456	(873,251)
CASH AND CASH EQUIVALENTS AT 1 JANUARY			1,374,801	2,418,869
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER			2,920,257	1,545,618

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE
FOR THE PERIOD ENDED 30 SEPTEMBER 2018
(Pesos in Thousands)

Type of Accounts Receivable	**Total**	**Current**	**31 - 90 Days**	**91 - 120 Days**	**Over 121 Days**
Trade Receivable					
Various trade receivable	513,028	430,033	82,996	-	-
Non-Trade Receivables					
Deposits and advances	-	-	-	-	-
Scrap	-	-	-	-	-
With court cases	13,254	-	-	-	13,254
Others	220,098	43,758	1,813	392	174,135
Allowance for Doubtful Accounts	(32,748)	-	-	-	(32,748)
Accounts Receivable - Net	**713,632**	**473,790**	**84,809**	**392**	**154,641**

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	

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SECURITIES AND EXCHANGE COMMISSION

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