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: **31 March 2017**

2. Commission Identification No. **PW0000115A**

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

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

   ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION

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

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

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

8. Issuer's telephone number, including area code:
   (632) 831-8000 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, PhP 1 par value	**2,087,032,774**

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'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 ("AT" or the "Parent Company") and its subsidiaries (collectively, the "Group") for the three-month period ended 31 March 2017 vis-à-vis those for the same period in 2016:

Results of Operations (Three-Month Period)

Particulars *(in PhP millions)*	31 March 2017	31 March 2016	Change
Consolidated Net Loss	(211)	(135)	+56%
Consolidated Income from Operations	74	55	+34%
Consolidated Gross Revenues	2,814	3,351	-16%
Costs and operating expenses	2,512	2,908	-14%
Net income (loss) attributable to:			
Equity holders of the parent	(211)	(135)	+56%

AT registered a *Net Loss* of PhP211 million due mainly to lower volume. *Income from operations*, however, increased by 34% from PhP55 million to PhP74 million.

Gross Revenues for the three-month period dropped by 16% year-on-year, from Php3.3 billion to PhP2.8 billion mainly due to lower volumes in line with the company's cash-optimal mine plan to reduce stripping costs which started in the second quarter of 2016. The related *Marketing charges* decreased due to lower smelting charges and lower volume shipped.

AT's wholly owned subsidiary, Carmen Copper Corporation ("Carmen Copper") milled 3.135 million tonnes of ore resulting to copper metal production of 17.55 million pounds, 41% lower than last year of 29.9 million pounds. Gold production also decreased by 59% from 10,015 ounces to 4,120 ounces due mainly to lower realized grade.

Meanwhile, metal prices improved during the period as average realized copper price increased by 25% to USD2.63/lb for the quarter from USD2.10/lb of the same period last year. Average realized gold price increased by 2% to USD1,225/oz from USD1,198/oz of the previous year.

Costs and operating expenses fell by 14% due to lower volumes and impact of other efficiency and cost containment measures. One-time costs were incurred in relation to the refinancing of debts such as documentary stamp taxes.

Equity in net loss of associates during the first quarter of 2017 amounted to PhP15 million. 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 BNC (the "Nickel Corporations") as of March 2017.

Finance charges (18% of gross revenues) increased due to the availment of new loans for working capital requirements.

USD:PhP Exchange rate closed at USD1.00:PhP50.16 as at 31 March 2017 versus USD1.00:PhP49.72 as at 31 December 2016. This triggered the recognition of *Net unrealized foreign exchange gain* of PhP62 million primarily from the restatement of PhP-denominated bank and loans and other payables.

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.

Realized mark-to-market gain amounts to PhP51 million due to provisional pricing contracts and commodity swap agreement entered during the period.

Other income (charges) – net decreased due to the non-recurring income realized in the first quarter of 2016 from the sale of equipment, recovered crane engines and other parts. Only minimal income from rent and scrap materials were realized during the current quarter.

Amortization of intangible assets refers to the depletion of mining rights which is directly related to volume.

AT incurred aggregate net deferred income tax of PhP121 million for the first quarter of 2017.

Changes in Financial Condition

The discussion below pertains to the consolidated financial condition of the Group as of 31 March 2017 vis-à-vis that as of 31 December 2016:

Cash and cash equivalents increased due to the additional loan from BDO Unibank Inc related to the refinancing of the bond and also due to refunds claimed related to Input Tax Credits. *Receivable-net* pertains mainly to trade receivables. *Inventories* decreased due to shipments of product inventory in 2017 and consumption of material and supplies. *Prepayments and other current assets* increased due to prepaid insurance paid during the quarter. *Derivative assets* arise from commodity swap transaction.

Movement in *Intangible assets* of PhP35 million arose from the depletion of mining rights during the quarter. Decrease in *property, plant and equipment-net* of 2% were attributable to depreciation. *Other noncurrent assets* decreased mainly due to monetization of tax credits certificates.

Investment in associate decreased by 8% due to the net loss recognized as equity from Nickel Corporations.

The decrease in *Accounts Payable and accrued liabilities* were mostly associated to accruals on interest. *Current portion of long-term debt* decreased due to the payment of the USD300 million bond. *Income tax payable* pertains to the accrual of income tax liability for the first quarter of 2017. *Derivative liabilities* are related to the Copper Asian Swap agreement with Standard Chartered Bank (SCB).

Long-term debt (37% of total assets) increased by 151% as a result of the refinancing the USD300 million bond with a term loan of USD320 million. *Deferred income tax liabilities* arise from temporary differences which are not deductible in the current year but deductible in future years.

Deposit for future stock subscription increased due to additional subscription of shares by shareholders as a result of the increase in authorized capital stock which was approved by the Board during its Special Stockholders' Meeting held on 21 February 2017.

Material Plans, Trends, Events or Uncertainties

- Increase in Authorized Capital Stock

During the Special Shareholders' Meeting (SSM) on 21 February 2017, AT's Shareholders approved and confirmed the: (i) Increase in the authorized capital stock (ACS) and consequent amendment to article VII of AT's Articles of Incorporation (AOI), (ii) Issuance of primary shares out of the increase in ACS, and (iii) Issuance of Warrants and the underlying common shares as a result of the exercise of the Warrants to major Shareholders. The approved ACS increase is from Php6billion to Php8.5 billion divided into 8.5 billion common shares with a par value of Php1.00 per share.

- Refinancing of the USD300 million bond of Carmen Copper Corporation

Carmen Copper has successfully refinanced and settled its USD300 million bond that matured in March 2017 with a seven-year term loan from BDO Unibank Inc. amounting to USD320 million.

Key Performance Indicators

The key performance indicators of the Group are shown below:

Particulars	31 March 2017	31 March 2016
Current/Liquidity Ratio		
Current Ratio	0.79:1	0.69:1
Solvency Ratios		
Debt-to-Equity	1:1	0.99:1
Debt-to-Assets	0.49:1	0.50:1
Asset-to-Equity	2.04:1	2:1
Interest Rate Coverage	0.33:1	0.10:1
Profitability Ratios		
Return on Equity	-0.60%	-0.37%
Return on Sales	-7.50%	-4.00%
Return on Assets (Fixed Assets)	-0.58 %	-0.39%

- 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 as of the Quarter / Total Consolidated Net Revenues as of the Quarter
- Return on Assets (Fixed 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 31 March 2017:

Particulars *(in PhP thousands)*	Amount
Net cash flow provided by operating activities	2,221
Net cash flows used in investing activities	(902,897)
Net cash flows provided by financing activities	912,768
Net increase in cash and cash equivalents	236,095

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 first quarter of 2017 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 first quarter of 2017.

C. 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 (ARMC) of the Board of Directors of ACMDC 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 follows:

		31 March 2017			31 December 2016	
		Original Currency	Peso Equivalent		Original Currency	Peso Equivalent
Cash and cash equivalents*						
	US$	10,528	528,517	US$	35,816	1,780,772
	JP¥	1,372	323	JP¥	1,372	583
	GB£	139	8,714	GB£	139	8,461
Short-term investments	US$	13,135	659,380	US$	13,000	646,360

Receivables	US$	5,798	291,045	US$	8,432	419,239
Derivative assets	US$	623	31,283	US$	250	12,409
	US$	30,084	1,510,224	US$	57,498	2,858,780
	GB£	139	8,714	GB£	139	8,461
	JP¥	1,372	323	JP¥	1,372	583
Liabilities						
Accounts payable and accrued expenses	US$	8,086	405,913	US$	18,842	936,824
	JP¥	82,131	36,695	JP¥	5,901	2,509
	AU$	126	4,822	AU$	127	4,544
	EU€	2	124	EU€	5	259
Long-term debt	US$	610,291	30,636,599	US$	427,477	21,254,156
Derivative liabilities	US$	0	0	US$	641	31,889
	US$	618,377	31,042,512	US$	446,960	22,222,869
	JP¥	82,131	36,695	JP¥	5,901	2,509
	AU$	126	4,822	AU$	127	4,544
	EU€	2	124	EU€	5	259
Net Liabilities in US$	US$	588,293	29,532,288	US$	389,462	19,364,089
Net Assets in GB£	GB£	139	8,714	GB£	139	8,461
Net Liabilities in AU$	AU$	126	4,822	AU$	127	4,544
Net Liabilities in JP¥	JP¥	80,760	36,371	JP¥	4,529	1,926
Net Liabilities in EU€	EU€	2	124	EU€	5	259

**Excluding cash on hand*

Foreign exchange closing rates are as follow:

Currency	31 March 2017	31 December 2016
US$	50.200	49.769
AU$	38.369	35.904
JP¥	0.449	0.427
EU€	53.599	52.181
SGD	35.895	34.343
GB£	62.583	60.968

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:

31 March 2017

Change in Copper Prices	Effect on Income before Income Tax
Increase by 10%	PhP 250,130,316
Decrease by 10%	(250,130,316)

31 December 2016

Change in Copper Prices	Effect on Income before Income Tax
Increase by 10%	PhP 1,095,220,638
Decrease by 10%	(1,095,220,638)

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.

		31 March 2017		31 December 2016
Cash and cash equivalents*	PhP	2,653,177	PhP	2,417,352
Short-term investments		659,380		646,360
Trade receivables		339,496		276,367

Interest receivables		150,135		141,024
Nontrade receivables		234,901		73,726
Advances to officers and employees		14,930		16,547
Other noncurrent assets**		151,968		75,115
AFS financial assets		6,176		4,326
Derivative Assets		31,283		12,409
	PhP	4,241,446	PhP	3,663,226

** Excluding Cash on Hand*
*** Excluding Input VAT*

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:

31 March 2017

	Neither past due nor impaired				
	High grade	Standard grade	Substandard grade	Past due but not impaired	Total
Cash and cash equivalents*	2,653,177				2,653,177
Short-term investments	659,380				659,380
Trade receivables	0	339,496			339,496
Interest receivables	150,135				150,135
Nontrade receivables				234,901	234,901
Advances to officers and employees				14,930	14,930
Other noncurrent assets**	151,968				151,968
AFS financial assets	6,176				6,176
Derivative Assets	31,283				31,283
TOTAL	3,652,119	339,496	-	249,831	4,241,446

** Excluding Cash on Hand*
*** Excluding Input VAT*

31 December 2016

	Neither past due nor impaired				
	High grade	Standard grade	Substandard grade	Past due but not impaired	Total
Cash and cash equivalents*	2,417,352				2,417,352
Short-term investments	646,360				646,360
Trade receivables	276,367	-			276,367
Interest receivables	141,024				141,024
Nontrade receivables				73,726	73,726
Advances to officers and employees				16,547	16,547
Other noncurrent assets**	75,115				75,115
AFS financial assets	4,326				4,326

Derivative Assets	12,409				12,409
TOTAL	3,572,953	-	-	90,273	3,663,226
** Excluding Cash on Hand*					-
*** Excluding Input VAT*					

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 pertain to receivables from sale of copper and other precious metals. 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 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 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:

31 March 2017

	On Demand	Within 1 Year	1 to < 3 Years	< 3 Years	Total
Loans and Receivables					
Cash in banks	2,653,177	-	-	-	2,653,177
Short-term investments	659,380	-	-	-	659,380
Trade Receivables	-	339,496	-	-	339,496
Interest Receivables	-	150,135	-	-	150,135
Nontrade Receivables	-	234,901	-	-	234,901
Advances to officers and employees	-	4,307	-	10,623	14,930
Other noncurrent assets*	-	151,968	-	-	151,968
Derivative assets	31,283	-	-	-	31,283
AFS Financial Assets	6,176	-	-	-	6,176
	3,350,016	880,807	-	10,623	4,241,446
Other Financial Liabilities					
Accounts payable and accrued liabilities**	-	2,288,283	-	-	2,288,283
Long-term debt and other interest-bearing liabilities	-	20,845,405	11,048,247	-	31,893,652
Derivative liabilities	-	-	-	-	-
	-	23,133,688	11,048,247	-	34,181,935
	3,350,016	(22,252,881)	(11,048,247)	10,623	(29,940,489)

* Excluding Input VAT

** Excluding Statutory Payables

31 December 2016

	On Demand	Within 1 Year	1 to < 3 Years	< 3 Years	Total
Loans and Receivables					
Cash in banks	2,417,352	-	-	-	2,417,352
Short-term investments	646,360	-	-	-	646,360
Trade Receivables	276,367	-	-	-	276,367
Interest Receivables	-	141,024	-	-	141,024
Nontrade Receivables	-	73,726	-	-	73,726
Advances to officers and employees	-	14,030	-	2,517	16,547
Other noncurrent assets*	-	75,115	-	-	75,115
Derivative assets	12,409	-	-	-	12,409
AFS Financial Assets	4,326	-	-	-	4,326
	3,356,814	303,895	-	2,517	3,663,226
Other Financial Liabilities					
Accounts payable and accrued liabilities**	-	2,421,349	-	-	2,421,349
Long-term debt and other interest-bearing liabilities	-	20,817,950	10,540,433		31,358,383
Derivative liabilities	-	31,889	-	-	31,889
	-	23,271,188	10,540,433	-	33,811,621
	3,356,814	(22,967,293)	(10,540,433)	2,517	(30,148,395)

* Excluding Input VAT

** Excluding Statutory 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	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Other Financial Liabilities				
Long-term debt and other interest-bearing liabilities:				
Bonds Payable	-	14,916,000	-	14,636,325
SMIC	7,564,764	6,876,128	7,564,764	8,218,862
UOB	1,162,005	1,197,755	1,162,005	1,276,034
Security Bank	1,219,274	1,059,960	1,219,274	1,152,702
MayBank	929,604	-	929,604	-
RCBC	1,408,364	934,249	1,408,364	995,311
APHC	673,977	700,000	673,977	742,541
BDO Leasing	238,579	262,272	238,579	272,199
SCB	896,090	-	896,090	-
Alakor Corporation	166,490	173,000	166,490	183,514
BDO	16,340,100	-	16,340,100	-
LBP Leasing	498,737	-	498,737	-
UCPB	795,670	-	795,670	-
	31,893,652	26,119,364	24,328,888	27,477,488

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:

31 March 2017

March 31, 2017	Level 1	Level 2	Level 3	Total
Assets measured at fair value :				
Derivative assets	-	31,283		31,283
Liability for which fair values are disclosed:				
Long-term debt and other interest-bearing liabilities	-	-	(31,893,652)	(31,893,652)
Total	-	-	(31,893,652)	(31,893,652)

31 December 2016

	Level 1	Level 2	Level 3	Total
Assets measured at fair value :				
Derivative assets	-	12,409	-	12,409
Liability measured at fair value:				
Derivative liabilities	-	(31,889)		(31,889)
Liability for which fair values are disclosed:				
Long-term debt and				-
other interest-bearing liabilities	(14,636,325)		(12,841,163)	(27,477,488)
Total	(14,636,325)	(31,889)	(12,841,163)	(27,509,377)

There were no transfers between levels of fair value measurement as of 31 March 2017 and 31 December 2016.

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, 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, 2016. Adoption of these pronouncements did not have a significant impact on the Group’s financial position or performance unless otherwise stated.

- Amendments to PFRS 10, PFRS 12 and PAS 28, Investment Entities: Applying the Consolidation Exception
- Amendments to PFRS 11, Accounting for Acquisitions of Interests in Joint Operations
- PFRS 14, Regulatory Deferral Accounts
- Amendments to PAS 1, Disclosure Initiative
- Amendments to PAS 16 and PAS 38, Clarification of Acceptable Methods of Depreciation and Amortization
- Amendments to PAS 16 and PAS 41, Agriculture: Bearer Plants
- Amendments to PAS 27, Equity Method in Separate Financial Statements
- Annual Improvements to PFRSs 2012 - 2014 Cycle
    - Amendment to PFRS 5, Changes in Methods of Disposal
    - Amendment to PFRS 7, Servicing Contracts
    - Amendment to PFRS 7, Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements
    - Amendment to PAS 19, Discount Rate: Regional Market Issue
    - Amendment to PAS 34, Disclosure of Information 'Elsewhere in the Interim Financial Report'

Future Changes in Accounting Policies
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements to have a significant impact on its consolidated financial statements. The Group intends to adopt the applicable standards, interpretations, amendments and improvements when these become effective.

Effective beginning on or after January 1, 2017

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

  These 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.

- Amendments to PAS 7, *Statement of Cash Flows, Disclosure Initiative*
  The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted.

  Application of amendments will result in additional disclosures in the 2017 consolidated financial statements of the Group.

- 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 on the reversal of that deductible temporary difference. 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.

  Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application of the amendments is permitted.

The Group is currently assessing the impact of adopting the amendments to the standard.

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
President

FERNANDO A. RIMANDO
Vice-President/Chief Financial Officer

Signed this 15th day of May 2017

CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 2017
(Pesos in Thousands, Except Par Value)

	Unaudited March 2017	Audited December 2016
ASSETS		
Current Assets		
Cash and cash equivalents	**2,654,964**	2,418,869
Short-term investments	**659,380**	646,360
Receivable - net	**806,924**	678,989
Derivative assets	**31,283**	12,409
Inventories - net	**1,627,793**	1,690,524
Prepayments and other current assets	**452,672**	441,398
Total Current Assets	**6,233,015**	5,888,549
Noncurrent Assets		
Intangible assets, net	**27,337,263**	27,373,233
Property, plant and equipment - net	**36,790,097**	36,188,086
Other noncurrent assets	**1,745,660**	2,100,842
Investment in associate	**183,149**	198,137
Total Noncurrent Assets	**66,056,169**	65,860,297
TOTAL ASSETS	**72,289,184**	71,748,846
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**2,411,411**	2,571,634
Current portion of long-term debt	**5,468,092**	20,817,950
Income tax payable	**33,718**	21,222
Derivative liabilities	**-**	31,889
Total Current Liabilities	**7,913,222**	23,442,695
Noncurrent Liabilities		
Long-term debt – net of current portion	**26,425,560**	10,540,433
Retirement benefits liability	**291,706**	284,109
Liability for mine rehabilitation	**54,378**	53,266
Deferred income tax liabilities	**605,974**	758,250
Total Noncurrent Liabilities	**27,377,618**	11,636,058
Total Liabilities	**35,290,840**	35,078,754
Stockholders' Equity		
Capital stock	**2,087,033**	2,087,033
Additional paid in capital	**14,686,962**	14,686,962
Deposit for future stock subscription	**343,750**	-
Revaluation increment in land	**298,869**	298,869
Net unrealized gains on AFS investment	**4,861**	4,861
Remeasurement gain on retirement	**178,868**	178,868
Foreign currency translation reserve	**1,671,334**	1,475,910
Retained earnings	**17,749,934**	17,960,856
Attributable to equity holders of the Parent Company	**37,021,611**	36,693,359
Minority interests	-	-
Treasury Shares	**(23,267)**	(23,267)
Total Stockholders' Equity	**36,998,344**	36,670,092
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**72,289,184**	71,748,846

Annex A

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED MARCH 2017
(Pesos in Thousands, Except Per Share Amounts)

	For the Three Months Ended	
	31 March 2017	31 March 2016
REVENUES		
Copper	**2,540,955**	2,803,388
Gold	**255,829**	546,778
Silver	**-**	910
Magnetite	**17,018**	-
	2,813,802	3,351,075
Marketing charges	**(227,507)**	(387,094)
	2,586,295	2,963,981
COSTS AND OPERATING EXPENSES		
Cost of sales	**(2,055,373)**	(2,534,600)
Operating expenses	**(420,817)**	(316,944)
Depletion of mining rights	**(35,970)**	(57,104)
	(2,512,160)	(2,908,648)
INCOME (LOSS) FROM OPERATIONS	**74,135**	**55,333**
OTHER INCOME (CHARGES)		
Share in net income from associates	**(14,987)**	(18,844)
Finance charges	**(496,372)**	(433,994)
Unrealized foreign exchange gain (loss)-net	**62,269**	68,364
Realized mark-to-market gain (loss) on derivative assets (liabilities) - net	**51,026**	-
Interest income	**11,049**	10,632
Other income (charges) - net	**(18,952)**	7,962
	(405,968)	(365,881)
INCOME (LOSS) BEFORE INCOME TAX	**(331,833)**	(310,547)
BENEFIT FROM (PROVISION FOR) INCOME TAX		
Current	**(12,262)**	(10,880)
Deferred	**133,173**	186,571
NET INCOME (LOSS)	**(210,922)**	(134,857)
Net income (loss) attributable to:		
Equity holders of the parent	**(210,922)**	(134,857)
Minority interests	**-**	-
	(210,922)	(134,857)
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY	**(0.08)**	**(0.06)**
* Based on weighted average number of common shares outstanding	**2,492,088**	**2,338,642**

Annex B

ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017 and 2016
(Pesos in Thousands)

	Capital Stock	Additional Paid -in Capital	Deposit for future stock subscription	Revaluation Increment in Property	Net Unrealized Gains on AFS Investments	Remeasurement	Cumulative Translation Adjustments	Retained Earnings (Deficit)	Shares Held by a Subsidiary	Total
Balance at January 1, 2016	16,696,262	77,733	-	298,869	4,861	128,681	456,736	18,840,352	(23,267)	36,480,227
Cumulative translation adjustment							(137,441)			(137,441)
Net Loss								(134,857)		(134,857)
Balance at March 31, 2016	**16,696,262**	**77,733**	**-**	**298,869**	**4,861**	**128,681**	**319,295**	**18,705,495**	**(23,267)**	**36,207,930**
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								(210,922)		(210,922)
Deposit for future stock subscription			343,750							343,750
Cumulative translation adjustment							195,424			195,424
Balance at March 31, 2017	**2,087,033**	**14,686,962**	**343,750**	**298,869**	**4,861**	**178,867**	**1,671,334**	**17,749,934**	**(23,267)**	**36,998,344**

Annex C

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2017 and 2016
(Pesos in Thousands)

	For the Three Months Ended	
	31 March 2017	31 March 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**(331,833)**	(310,547)
Adjustments for:		
Interest expense	**444,910**	60,601
Depreciation and depletion	**692,037**	741,410
Realized mark-to-market gain (loss) on derivative assets (lia	**(51,026)**	-
Unrealized foreign exchange losses (gains) - net	**(62,269)**	(531,911)
Unrealized losses (gains) on AFS	**(59)**	-
Provision for mine rehabilitation	**1,111**	(547)
Retirement benefit cost	**7,598**	10,657
Interest income	**(11,049)**	(800)
Equity conversion option	**-**	48,847
Share in net income from associates	**14,987**	18,844
Operating income before working capital changes	**704,408**	36,555
Decrease (increase) in:		
Short-term investments	**(13,020)**	(811,099)
Receivable - net	**(127,935)**	(724,135)
Inventories - net	**62,731**	374,465
Prepayments and other current assets	**(11,273)**	30,727
Increase (decrease) in:		
Accounts payable and accrued liabilities	**(160,222)**	(839,188)
Derivative liabilities	**263**	-
Deferred tax liabilities	**(19,103)**	214,331
Retirement benefits payable	**0**	5,085
Income tax payable	**233**	(10,880)
Cash from operations	**436,081**	(1,724,141)
Interest received	**11,049**	800
Interest paid	**(444,910)**	(60,601)
Income taxes paid	-	32
Retirement benefits paid	**-**	-
Net cash provided by (used in) operating activities	**2,221**	(1,783,909)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Other noncurrent assets	**355,182**	198,819
Additions to property, plant and equipment	**(1,258,079)**	(891,584)
Net cash used in investing activities	**(902,897)**	(692,765)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares of stock	**343,750**	-
Loans proceeds (payment)	**569,018**	3,710,189
Net cash provided by financing activities	**912,768**	3,710,189
EFFECT OF EXCHANGE RATE CHANGES	**224,003**	-
NET INCREASE (DECREASE) IN CASH	**236,095**	1,233,515
CASH AND CASH EQUIVALENTS AT 1 JANUARY	2,418,869	512,037
CASH AND CASH EQUIVALENTS AT 31 MARCH	2,654,964	1,745,552

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE
FOR THE PERIOD ENDED 31 MARCH 2017
(Pesos in Thousands)

Type of Accounts Receivable	Total	Current	31 - 90 Days	91 - 180 Days	181 - 365 Days	Over 1 yr	Accounts in Litigation
Trade Receivable							
Various trade receivable	339,496	268,059	71,437	-	-	-	-
Non-Trade Receivables							
Deposits and advances							
Scrap	940	467	(116)	360	228	-	-
With court cases	13,254	-	-	-	-	-	13,254
Others	485,957	292,963	1,306	7,271	177,841	6,576	-
Allowance for Doubtful Accounts	(32,723)	(31,139)	-	-	(1,584)	-	-
Accounts Receivable - Net	**806,924**	**530,349**	**72,627**	**7,631**	**176,486**	**6,576**	**13,254**

Type of Receivable	Nature/Description of Receivable	Collection Period
Various trade receivable	Sale of copper concentrates, gold, magnetite, and nickel	
Deposits & Advances	Deposits on rentals	
Scrap	Sale of excess and scrap materials	
With Court Cases	Various claims	
Others	Non-trade receivables, advances to employees and others	

Normal Operating Cycle Calendar year

Annex E