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 2016**

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: **503-P, 5F Five E-com Center, Palm Coast Avenue cor. Pacific Drive, Mall of Asia, Pasay City**
   Postal Code **1300**

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 ("ACMDC" or the "Parent Company") and its subsidiaries (collectively, the "Group") for the nine-month period ended 30 September 2016 vis-à-vis those for the same period in 2015:

Results of Operations (Nine-Month Period)

Particulars *(in Php millions)*	30 September 2016	30 September 2015	Change
Consolidated Net Loss	(470)	(1,318)	-64%
Consolidated Gross Revenues	8,777	8,403	4%
Costs and operating expenses	(7,567)	(7,389)	2%
Net income (loss) attributable to:			
Equity holders of the parent	(470)	(1,318)	-64%
Carmen Copper	(162)	(1,260)	-87%

ACMDC registered a *Net loss* of Php470 million or 64% reduction in losses as compared to the same period in 2015. The improvement in the bottom line was attributable mainly to the elimination of foreign exchange loss in 2016 compared to Php1.1 billion foreign exchange loss in 2015. Moreover, higher volume of production and shipment and lower cost during the nine-month period mitigated the adverse impact of lower metal prices. *Gross Revenues* for the nine-month period reached Php8.7 billion, 4% higher year-on-year. Average realized copper price slid by 17% at USD2.13/lb. as of September 2016 from USD2.57/lb. of the same period last year. Meanwhile, average realized gold price increased to USD1,258/oz from USD1,174/oz of the previous year and also its shipment volume increased by 24%.

As of September 30, 2016, ACMDC's subsidiary, Carmen Copper Corporation ("CCC" or "Carmen Copper"), reached an average daily milling rate of 46,284 dry metric tons ("dmt") which is 3% higher year-on-year. Consequently, it produced a total of 130,978 dmt of copper concentrate for the period, which yielded 77,109 million pounds ("lbs") of gross copper metal content and realizing a 5% increase in output based on production for similar period last year. Gold yield was up by 20% to 26,039 ounces.

With the increase in production, Carmen Copper shipped a total of 131,336 dmt of copper concentrate representing 8% increase relative to the shipment volume for the same period in 2015. The gross copper metal contents of shipments likewise increased to 76,952 million lbs or 8% improvement from last year. Gold content significantly increased to 24,706 ounces or a 24% increase from last year.

Costs and operating expenses slightly decreased by 2% as the impact of higher production levels was tempered by the benefits realized from the cost containment initiatives being continuously implemented. Improvement in operating efficiencies and the decline in prices of key input costs resulted in lower costs of fuel, power, explosives, equipment rental, reagents, materials and spares. The lower waste to ore ratio contributed significantly also to the reduction in cost as more work was done on development waste stripping than on production waste stripping.

ACMDC recognized equity in net income of associates of Php82 million as of the period under review. 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 September 2016.

Finance charges (15% of gross revenues) increased due to the availment of additional loans for working capital requirements.

USD:Php Exchange rate closed at USD1.00:Php48.50 as at 30 September 2016 versus USD1.00:Php47.06 as at 31 December 2015. This triggered the recognition of *Net unrealized foreign exchange gain* of Php86 million primarily from the restatement of Philippine Peso denominated loans and other payables as Carmen Copper has adopted the US dollar as its functional currency.

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.

For the same period in 2015, a *Net unrealized foreign exchange loss* of Php1.1 billion was booked as Carmen Copper was still using the Philippine Peso as its functional currency.

No provisional pricing contracts were entered during the period. Hence, *Net realized mark-to-market gain (loss)* was nil.

Interest income earned from short-term deposit placements decreased by 10%. The 60% decrease in *Other income (charges) – net* refers to revenues earned from rent and scrap materials plus Asset Impairment Provision less Bond Issuance-related Costs.

Amortization of intangible assets decreased by 7% attributed to the recognition of depletion cost.

ACMDC incurred aggregate net deferred income tax for the third quarter of 2016 amounting to Php482 million.

Changes in Financial Condition

The discussion below pertains to the consolidated financial condition of the Group as of 30 September 2016 vis-à-vis that as of 31 December 2015:

Receivables decreased by 61% due to settlement of trade credit accounts including receivables arising from Related Parties and Staff & Employees. The 14% decrease in *Inventories* was mainly due to shipments of product inventory in 2016 and consumption of material and supplies. *Prepayments and other current assets* increased by 32% primarily due to increase in Creditable Withholding Tax arising from increased sales to PASAR and deferral of some mining and milling costs.

Movement of *Intangible assets* was due to depletion of mining rights during the quarter. *Property, plant and equipment* increased by 2% mainly due to expenses incurred for Hill 3 Carmen Stripping Cost. *Deferred tax assets* were recognized due to the net effect of unrealized foreign exchange gains (losses) for the year and consider it as temporary differences arising from Net Operating Loss Carry-Over (NOLCO) and Excess Minimum Corporate Income Tax (MCIT). *Investment in associate* pertains to ACMDC's effective interest on the net assets of the Nickel Corporations.

Decrease in *Accounts payable* by 40% mainly affects trade payables and accruals. *Current and non-current portions of long-term debt* (25% and 17% of total assets) increased by 233% and by 107%, respectively. This was a net effect of the payment of maturing debts and the availment of long-term loans for working capital requirements. *Income tax payable* pertains to the accrual of income tax liability for the three quarters of the year.

Bonds Payable decreased arising from the reclassification to current liability and effects of bond issuance costs.

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 ACMDC. TMC is owned and controlled by DMCI Mining Corporation.

ACMDC however has retained its authority to participate in the financial and operating policy decisions of the Nickel Corporations. Thus, the related investments of ACMDC in the Nickel Corporations were reclassified from investments in subsidiaries to investments in associates starting 2014.

The third quarter results of the Nickel Corporations were reported as *Equity in the net income of an associate* which amounted to Php82 million.

<u>Material Plans, Trends, Events or Uncertainties</u>

- Promissory Notes from SMIC

  In January, February, March and September 2016, the Parent Company availed from SMIC senior unsecured loan facilities covering the aggregate amounts of Php705,375,000, Php1,346,268,000, Php2,236,560,000 and Php1,660,925.00 respectively, to raise additional working capital. The loans are payable within 5 years from the dates of availment, accrued interest at the rate of 5% per annum subject to repricing at prevailing market rate and with prepayment option of all or part of the loan prior to maturity.

- Infusion of Additional Equity Capital by ACMDC to CCC

  In February 2016, ACMDC and CCC executed 2 Subscription Agreements for the equity capital infusion of ACMDC into CCC in the amounts of Php705,375,000 and Php1,146,268,000 respectively through subscription to CCC's unissued common shares at the subscription price of Php10.00 per share for a total of 70,537,500 common shares and 114,626,800 common shares. In June 2016 ACMDC subscribed to 19,103,950 common shares out of the unissued capital stock of CCC at the subscription price of Php100.00 per share for a total subscription price of Php1,910,395,000.

- Change in the Par Value of the Common Shares

  On 22 February 2016, the ACMDC Board of Directors (BOD) approved the change in the Par Value of the common shares from Php8.00 per share, with capital stock of Php24 billion divided into 3 billion common shares to Php1.00 per share, with capital stock of Php3 billion divided into 3 billion common shares, which was approved by the Stockholders of ACMDC on 29 April 2016.

  The reduction in par value is to effect a reduction in the unit price of the shares of stock, to widen the corporate base and to improve the marketability of primary share issuance. The lower par value of Php1.00 per share would allow the Parent Company to raise fresh funds through primary shares issuance if needed. The decrease in capital stock and par value reduction resulted in *Additional Paid-In Capital* (APIC) of Php14,609,229,418. The SEC approved the reduction in par value and capital stock on 29 June 2016.

- Change in Functional Currency of CCC

  The functional currency of CCC has changed from the Philippine Peso to US Dollar starting year 2015. Management established that US Dollar is the currency of the primary economic environment in which CCC operates. On the other hand, the Philippine peso is the currency of the primary economic environment in which the Group, except for CCC, operates. The change in functional currency was approved by the SEC on February 16, 2016.

- Reduction in mill throughput at the Carmen Copper Mine

  On 6 April 2016, the BODs of ACMDC and its subsidiary, CCC, approved and authorized the implementation of a comprehensive plan to reduce the mill throughput at the Carmen Copper Mine in Cebu, from its name plate capacity of 60,000 tonnes per day (“tpd”) throughput to 40,000 tpd. Impact of the plan is estimated to reduce 2016 and 2017 copper production by 33% after implementation. The revised milling and mining plan is in response to the recent decline in copper prices. LME copper prices averaged US$3.11/lb in 2014, $2.49/lb in 2015, $2.11/lb in Q1 2016, $2.15/lb in Q2 2016 and $2.17/lb in Q3 2016.

  ACMDC will be reducing its capital expenditures to $27 million from the original planned spending of $104 million as it lowers the throughput of its mine in Cebu. The planned capital spending is 74% lower than last year’s capex. ACMDC would continue to trim its capex to $12 million next year.

  On 5 May 2016, CCC notified its employees of the implementation to streamline operations, which is part of a broad restructuring it is undertaking to ensure its long term viability amid current market conditions.

  The comprehensive plan for the restructuring involved:
  1) Production levels being scaled back to 40k tpd;
  2) Mine site pre-stripping being reduced for 2016 and 2017;
  3) Capex levels reduced to focus on keeping the mine going; and
  4) Reduction in all operating costs which will affect 551 workers, equivalent to 15% of workforce

Key Performance Indicators

The key performance indicators of the Group are shown below:

Particulars	30 September 2016	31 December 2015
Current/Liquidity Ratio		
Current Ratio	0.23:1	0.42:1
Solvency Ratios		
Debt-to-Equity	1.05:1	0.91:1
Debt-to-Assets	0.51:1	0.48:1
Asset-to-Equity	2.05:1	1.91:1
Interest Rate Coverage	0.73:1	1.06:1
Profitability Ratios		
Return on Equity	-1.29%	-2.23%
Return on Sales	-5.96%	-8.20%
Return on Assets (Fixed Assets)	-1.34%	-2.48%

- 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 30 September 2016:

Particulars *(in Php million)*	Amount
Net cash flow provided by operating activities	(1,343)
Net cash flows used in investing activities	(2,912)
Net cash flows provided by financing activities	4,664
Net increase in cash and cash equivalents	1,092

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 2016 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 2016.

C. Results of operations of certain subsidiaries

Carmen Copper:

Particulars *(in Php millions)*	30 September 2016	30 September 2015	Change
Revenues	8,777	8,403	4%
Cash costs	6,516	6,622	-2%
EBITDA	2,261	1,781	26%
Net income (loss)	(162)	(1,260)	-87%

Carmen Copper's operations reported a *Net loss* of Php162 million, a decrease of 87%, due mainly to lower foreign exchange loss and partly by higher copper and gold production.

Revenues increased by 4% at Php8.7 billion against Php8.4 billion in 2015. Copper revenues of Php7.3 billion were 1% lower than last year's Php7.4 billion. This was attributable to the increase in shipment but lower price.

Copper production increased by 5% to 77,109 million lbs of copper metal in concentrate due to enhanced milling equipment availability which pushed average daily throughput to 46,284 tpd from 47,925 tpd for the same period last year. The realized copper grade also was higher by 7% to 0.318% due to higher copper content in the current mining area.

With increased production, total volume of copper concentrate shipments rose by 8% to 131,336 dmt during the third quarter. Copper metal content increased by 8% to 76,952 million lbs of copper metal in concentrate, while gold content spiked 24% to 24,706 ounces. The impact of higher volume shipped represented around 10% increase in revenues while lower prices caused a decline by 6%.

Average realized copper price was at USD2.13/lb vis-à-vis USD2.57/lb. Average realized gold price increased from USD1,174/oz as compared to USD1,258/oz the previous year. *Gold sales* stood at Php1.5 billion, which represents a 41% increase vis-a-vis the same period of 2015.

Total operating *cash costs* inched down slightly by 2% to Php6.6 billion during the period owing to higher volume of shipments. For the third quarter, average cash cost per lb of copper continued to decline, dropping by 21% to USD1.36 from USD1.71/lb. for the same period last year. Lower waste to ore ratio contributed to the reduction in cash cost as more work was done on development waste stripping. Reductions were also registered in cost to concentrate driven by power, materials and spares and labor and fuel.

For the same period in 2015, a *Net unrealized foreign exchange loss* of Php1 billion was booked as Carmen Copper was still using the Philippine Peso as its functional currency. The recognition of Net unrealized foreign exchange gain of Php64 million in 2016 was triggered primarily from the restatement of Philippine Peso denominated loans and other payables as Carmen Copper has since adopted the US dollar as its functional currency.

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 (ARMC) of the BOD 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:

		30 September 2016			31 December 2015	
		Original Currency	Peso Equivalent		Original Currency	Peso Equivalent
Cash and cash equivalents*	US$	10,290	498,872	US$	5,490	258,359
	JP¥	436	209	JP¥	1,066	418
	GB£			GB£	139	9,755
Short-term investments	US$	13,000	630,266	US$	33,186	1,561,733
Receivables	US$	36,550	1,772,030	US$	16,936	797,008
	US$	59,840	2,901,168	US$	55,612	2,617,100
	GB£			GB£	139	9,755
	JP¥	436	209	JP¥	1,066	418
Liabilities						
Trade payables and accrued expenses	US$	9,418	456,583	US$	54,871	2,582,229
	AU$	114	4,204	AU$	91	3,118
	EU€	(22)	(1,203)	EU€	3	155
	JP¥	6,103	2,913			
Long-term debt	US$	9,418	456,583	US$	372,866	17,547,074
Derivative liabilities	US$	52	2,533	US$	52	2,447
	US$	18,888	915,699	US$	427,789	20,131,750
	AU$	114	4,204	AU$	91	3,118

	EU€	(22)	(1,203)	EU€	3	155
	JP¥	6,103	2,913			
Net Liabilities in US$	US$	(40,953)	(1,985,470)	US$	372,177	17,514,650
Net Assets in GB£	GB£			GB£	139	9,755
Net Liabilities in JP¥	JP¥	5,667	(2,704)	JP¥	1,066	418
Net Liability in AU$	AU$	114	4,204	AU$	91	3,118
Net Liabilities in EU$	EU€	(22)	(1,203)	EU€	3	155

**Excluding cash on hand*

Foreign exchange closing rates are as follow:

Currency	30 September 2016	31 December 2015
US$	48.500	47.060
AU$	36.835	34.265
JP¥	0.477	0.392
EU€	54.169	51.741
CD$	36.723	33.932
GB£	62.599	70.178

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 2016

Change in Copper Prices	Effect on Income before Income Tax	
Increase by 10%	Php	794,016,968
Decrease by 10%		(794,016,968)

31 December 2015

Change in Copper Prices	Effect on Income before Income Tax	
Increase by 10%	Php	993,735
Decrease by 10%		(993,722)

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 2016		31 December 2015
Cash and cash equivalents*	Php	1,602,289	Php	510,186
Short-term investments		1,086,457		797,028
Trade receivables		324,023		385,724
Interest receivables		141,203		106,437
Nontrade receivables		111,464		62,577
Advances to officers and employees		11,934		18,901
Other noncurrent assets		81,431		28,542
AFS financial assets		5,965		4,326
Derivative assets		58		56
	Php	3,364,824	Php	1,913,777

**excluding cash on hand*

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 2016

	Neither past due nor impaired				
	High grade	Standard grade	Substandard grade	Past due but not impaired	Total
Cash and cash equivalents *	1,602,289	-	-	-	1,602,289
Short-term investments	1,086,457	-	-	-	1,086,457
Trade receivables	324,023	-	-	-	324,023
Interest receivables	141,203	-	-	-	141,203
Nontrade receivables	-	-	-	111,464	111,464
Advances to officers and employees	-	-	-	11,934	11,934

	Neither past due nor impaired				
	High grade	Standard grade	Substandard grade	Past due but not impaired	Total
MRF under "Other noncurrent assets"	81,431	-	-	-	81,431
Derivative assets	58	-	-	-	58
AFS financial assets	5,965				5,965
TOTAL	3,241,426	-	-	123,398	3,364,824

**excluding cash on hand*

31 December 2015

	Neither past due nor impaired				
	High grade	Standard grade	Substandard grade	Past due but not impaired	Total
Cash and cash equivalents *	510,186				510,186
Short-term investments	797,028				797,028
Trade receivables	385,724				385,724
Interest receivables	106,437				106,437
Nontrade receivables	-	1,248	39	61,290	62,577
Advances to officers and employees	-	684	607	17,610	18,901
MRF under "Other noncurrent assets"	28,542				28,542
Derivative assets	56				56
AFS financial assets	4,326				4,326
TOTAL	1,832,299	1,932	646	78,900	1,913,777

**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 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:

30 September 2016

	On demand	Within 1 year	1 to <3 years	> 3 years	Total
Loans and receivables:					
Cash in bank	1,602,289				1,602,289
Short-term investments	1,086,457				1,086,457
Trade receivables		324,023			324,023
Interest receivables		141,203			141,203
Advances to officers and employees		2,125		9,809	11,934
Nontrade receivables		209,182		(97,718)	111,464
Other noncurrent assets*		55,664	25,767		81,431
Available-for-sale (AFS) financial asset	5,965				5,965
Derivative Assets	58				58
	2,694,769	732,197	25,767	(87,909)	3,364,824
Financial liabilities:					
Accounts payable and accrued liabilities**	0	2,386,871	0	0	2,386,871
Long-term debt and other interest-bearing liabilities - net of current portion	0	18,478,156	3,814,036	8,695,655	30,987,847
Derivative liabilities	2,533	0	0	0	2,533
	2,533	20,865,027	3,814,036	8,695,655	33,377,251
	2,692,236	(20,132,830)	(3,788,269)	(8,783,564)	(30,012,427)

31 December 2015

	On demand	Within 1 year	1 to <3 years	> 3 years	Total
Loans and receivables:					
Cash and cash equivalents	510,186				510,186
Short-term investments	797,028				797,028
Trade receivables		385,724			385,724
Interest receivables		106,437			106,437
Advances to officers and employees		14,379		4,522	18,901
Nontrade receivables		62,577			62,577
Other noncurrent assets”		28,542			28,542
AFS financial asset	4,326				4,326
Derivative assets	56				56
	1,311,596	597,659		4,522	1,913,777
Financial liabilities:					
Accounts payable and accrued liabilities**		5,316,804			5,316,804
Long-term debt and other interest-bearing liabilities		5,552,671	20,077,362		25,630,033
Derivative liabilities		2,459			2,549
		10,871,934	20,077,362		30,949,296
	1,311,596	(10,274,275)	(20,077,362)	4,522	29,035,519

***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 September 2016	31 December 2015	30 September 2016	31 December 2015
Other Financial Liabilities				
Long-term debt and other interest-bearing liabilities:				
Bonds Payable	14,499,000	14,118,000	14,317,763	13,941,525
SMIC	7,857,563	927,000	7,857,563	1,021,035
UOB	1,175,265	1,176,500	1,293,305	1,294,665
Security Bank	2,079,584	1,100,000	2,359,188	1,247,897
MayBank	940,212	941,200	1,034,644	1,035,731
RCBC	1,400,007	917,670	1,540,619	1,009,838
APHC	700,000	700,000	700,000	771,008
BDO Leasing	402,972	630,477	420,119	657,304
SCB	959,121	391,916	990,865	404,887
Alakor Corporation	173,000	173,000	173,000	190,549
USD75 Million BDO Loan				
LBP Leasing	27,287		27,287	
SBM Leasing				
	30,214,010	21,075,763	30,714,353	21,574,439

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 2016

	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value :				
AFS financial assets	5,965			5,965
Derivative assets	58			58
	6,023			6,023
Liability measured at fair				

	Level 1	Level 2	Level 3	Total
value:				
Derivative liabilities		(2,533)		(2,533)
Liability for which fair values are disclosed:				
Long-term debt and other interest-bearing liabilities	(14,317,763)		(16,396,590)	(30,714,353)
	(14,317,763)	(2,533)	(16,396,590)	(30,716,886)

31 December 2015

	Level 1	Level 2	Level 3	Total
Assets measured at fair value :				
AFS financial assets	-	-	-	-
Liability measured at fair value:				
Derivative liabilities	-	(2,459)	-	(2,459)
Liability for which fair values are disclosed:				
Long-term debt and other interest-bearing liabilities	(13,941,525)	-	(7,632,914)	(21,574,439)
	(13,941,525)	(2,459)	(7,632,914)	(21,576,898)

.
There were no transfers between levels of fair value measurement as of 30 September 2016 and 31 December 2015.

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 – FINANCIAL 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 11th day of November 2016

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 2016
(Pesos in Thousands, Except Par Value)

	Unaudited September 2016	Audited December 2015
ASSETS		
Current Assets		
Cash and cash equivalents	**1,603,901**	512,037
Short-term investments	**1,086,457**	797,028
Receivable - net	**262,779**	677,620
Derivative assets	**58**	56
Inventories - net	**1,906,408**	2,212,668
Prepayments and other current assets	**637,304**	483,320
Total Current Assets	**5,496,907**	4,682,728
Noncurrent Assets		
Intangible assets, net	**27,418,082**	27,561,605
Property, plant and equipment - net	**35,410,931**	34,783,222
Available-for-sale (AFS) financial assets	**1,527**	0
Other noncurrent assets	**5,447,901**	2,350,248
Investment in associate	**279,740**	198,163
Total Noncurrent Assets	**68,558,181**	64,893,238
TOTAL ASSETS	**74,055,088**	69,575,967
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**5,616,045**	5,476,354
Current portion of long-term debt	**18,478,156**	5,552,671
Income tax payable	**8,096**	32
Derivative liabilities	**2,533**	2,459
Total Current Liabilities	**24,104,830**	11,031,517
Noncurrent Liabilities		
Bonds payable	**(42,024)**	14,012,844
Long-term debt – net of current portion	**12,541,732**	6,064,518
Retirement benefits liability	**308,391**	333,844
Liability for mine rehabilitation	**51,381**	48,172
Deferred income tax liabilities	**1,047,843**	1,604,845
Total Noncurrent Liabilities	**13,907,324**	22,064,223
Total Liabilities	**38,012,154**	33,095,739
Stockholders' Equity		
Capital stock	**2,087,033**	16,696,262
Additional paid in capital	**14,686,962**	77,733
Revaluation increment in land	**298,869**	298,869
Net unrealized gains on AFS investment	**5,088**	4,861
Remeasurement loss on retirement	**124,086**	128,681
Foreign currency translation reserve	**466,676**	456,736
Retained earnings	**18,397,487**	18,840,352
Attributable to equity holders of the Parent Company	**36,066,201**	36,503,494
Minority interests	**(0)**	(0)
Treasury Shares	**(23,267)**	(23,267)
Total Stockholders' Equity	**36,042,934**	36,480,227
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**74,055,088**	69,575,967

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED SEPTEMBER 2016
(Pesos in Thousands, Except Per Share Amounts)

	For the Three Months Ended		For the Nine Months Ended	
	30 September 2016	30 September 2015	**30 September 2016**	30 September 2015
REVENUES				
Copper	**2,185,644**	2,737,698	**7,280,030**	7,359,859
Gold	**434,923**	401,283	**1,468,728**	1,039,487
Silver	**78**	1,502	**2,279**	3,436
Magnetite	**25,553**	0	**25,553**	
	2,646,197	3,140,483	**8,776,590**	8,402,782
Marketing charges	**(261,418)**	(362,034)	**(901,424)**	(1,006,291)
	2,384,779	2,778,449	**7,875,165**	7,396,491
COSTS AND OPERATING EXPENSES				
Cost of sales	**(2,055,800)**	(2,159,448)	**(6,513,838)**	(6,365,682)
Operating expenses	**(366,860)**	(346,331)	**(1,053,086)**	(1,023,423)
	(2,422,660)	(2,505,779)	**(7,566,924)**	(7,389,105)
INCOME (LOSS) FROM OPERATIONS	**(37,882)**	**272,670**	**308,241**	**7,386**
OTHER INCOME (CHARGES)				
Share in net income from associates	**22,878**	77,571	**81,578**	259,873
Finance charges	**(442,175)**	(411,745)	**(1,304,260)**	(1,116,780)
Unrealized foreign exchange gain (loss)-net	**59,575**	(850,853)	**86,381**	(1,070,869)
Realized mark-to-market gain (loss) on derivative assets (liabilities) - net	**0**	76,459	**0**	289,346
Interest income	**18,735**	28,687	**43,252**	48,087
Other income (charges) - net	**(20,174)**	(18,723)	**(23,227)**	(57,758)
Amortization of intangible assets	**(41,904)**	(56,276)	**(143,523)**	(153,590)
	(403,065)	(1,154,880)	**(1,259,799)**	(1,801,691)
INCOME (LOSS) BEFORE INCOME TAX	**(440,947)**	(882,210)	**(951,558)**	(1,794,305)
BENEFIT FROM (PROVISION FOR) INCOME TAX				
Current	**(7,742)**	(14,530)	**(31,271)**	(36,716)
Deferred	**304,274**	189,273	**513,275**	512,666
NET INCOME (LOSS)	**(144,416)**	(707,467)	**(469,554)**	(1,318,355)
Net income (loss) attributable to:				
Equity holders of the parent	**(144,416)**	(707,467)	**(469,554)**	(1,318,356)
Minority interests	**-**	0	**-**	-
	(144,416)	(707,467)	**(469,554)**	(1,318,356)
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY			**(0.19)**	(0.58)
* Based on weighted average number of common shares outstanding			**2,492,088**	2,274,811

Annex B

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016 and 2015
(Pesos in Thousands)

	Capital Stock	Additional Paid -in Capital	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, 2015	16,696,262	28,886	218,559	6,081	(182,522)		19,654,791	(23,267)	36,398,790
Net Loss							(1,318,355)		(1,318,355)
Balance at September 30, 2015	**16,696,262**	**28,886**	**218,559**	**6,081**	**(182,522)**	**-**	**18,336,436**	**(23,267)**	**35,080,435**
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
Net Loss							(469,554)		(469,554)
Remeasurement loss on retirement					(4,596)		26,689		22,094
Cumulative translation adjustment						9,940			9,940
Net unrealized gains on AFS investment				227					227
Change in par value	(14,609,229)	14,609,229							0
Balance at September 30, 2016	**2,087,033**	**14,686,962**	**298,869**	**5,088**	**124,086**	**466,676**	**18,397,487**	**(23,267)**	**36,042,934**

Annex C

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016 and 2015
(Pesos in Thousands)

	For the Three Months Ended		For the Nine Months Ended	
	30 September 2016	30 September 2015	**30 September 2016**	30 September 2015
CASH FLOWS FROM OPERATING ACTIVITIES	**(440,947)**	(882,334)	**(951,558)**	(1,794,430)
Income before income tax				
Adjustments for:				
Interest expense	**(622,897)**	411,745	**239,188**	1,116,780
Depreciation and depletion	**745,840**	669,812	**2,116,982**	1,830,954
Unrealized foreign exchange losses (gains) - net	**(59,561)**	701,057	**(86,367)**	900,107
Unrealized losses (gains) on AFS	**(27,631.02)**	-	**-**	(4,706)
Provision on asset imapairment	**124,992.82**	-	**-**	-
Provision for mine rehabilitation	**2,128**	522	**3,209**	1,566
Retirement benefit cost	**(23,585)**	12,792	**(23,714)**	26,098
Interest income	**12,819**	(28,687)	**(11,698)**	(48,087)
Share in net income from associates	**(22,878)**	(77,447)	**(81,578)**	(259,749)
Operating income before working capital changes	**(408,983)**	807,460	**1,204,464**	1,768,533
Decrease (increase) in:				
Short-term investments	**257,721**	458,584	**185,239**	280,844
Receivable - net	**(26,226)**	(301,662)	**296,025**	(211,707)
Inventories - net	**108,118**	(202,302)	**299,331**	(738,175)
Prepayments and other current assets	**(69,048)**	(36,142)	**(55,807)**	109,633
Increase (decrease) in:				
Accounts payable and accrued liabilities	**(3,006,188)**	(424,226)	**(3,007,113)**	461,225
Derivative liabilities	**75**	(76,808)	**73**	(289,696)
Deferred tax liabilities	**465,996**	172,390	**470,218**	466,589
Retirement benefits payable	**37,194**	(4,676)	**(1,738)**	(4,676)
Income tax payable	**23,529**	(14,530)	**0**	(36,715)
Cash from operations	**(2,617,812)**	378,088	**(609,310)**	1,805,855
Interest received	**(12,819)**	28,687	**11,698**	48,087
Interest paid	**622,897**	(411,745)	**(239,188)**	(1,116,780)
Income taxes paid	**(518,884)**	(129)	**(505,979)**	(368)
Net cash provided by (used in) operating activities	**(2,526,618)**	(5,098)	**(1,342,779)**	736,793
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Other noncurrent assets	**3,253,620**	(166,266)	**(318,164)**	(517,690)
Additions to property, plant and equipment	**(1,301,323)**	(915,969)	**(2,594,238)**	(3,663,669)
Net cash used in investing activities	**1,952,297**	(1,082,236)	**(2,912,403)**	(4,181,359)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loans proceeds (payment)	**1,382,559**	754,555	**4,664,296**	3,629,744
Net cash provided by financing activities	**1,382,559**	754,555	**4,664,296**	3,629,744
EFFECT OF EXCHANGE RATE CHANGES	**(128,730)**	113,567	**682,750**	134,534
NET INCREASE (DECREASE) IN CASH	**679,508**	(219,212)	**1,091,864**	319,712
CASH AND CASH EQUIVALENTS AT 1 JANUARY			**512,037**	854,358
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER			**1,603,901**	1,174,070

Annex D

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE
FOR THE PERIOD ENDED 30 SEPTEMBER 2016
(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	324,023	157,543	77,866	88,614	-	-	-
Non-Trade Receivables							
Deposits and advances							
Scrap	736	31	30	(118)	793	-	-
With court cases	13,254	-	-	-	-	-	13,254
Others	(45,876)	(236,915)	12,116	15,558	163,365		-
Allowance for Doubtful Accounts	(29,359)	(29,359)					
Accounts Receivable - Net	**262,779**	**(108,700)**	**90,013**	**104,054**	**164,158**	**-**	**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