



ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION

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5 April 2011

PHILIPPINE STOCK EXCHANGE

3F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1226

Attention:

Ms. JANET A. ENCARNACION

Head, Disclosures Department

Dear Madam:

Please see attached press release of Atlas Consolidated Mining and Development Corporation regarding the results of its operations for fiscal year 2010.

Very truly yours,

**ATLAS CONSOLIDATED MINING
AND DEVELOPMENT CORPORATION**

By:

CARMEN-ROSE A. BASALLO-ESTAMPADOR

Assistant Corporate Secretary and Assistant Compliance Officer



**ATLAS CONSOLIDATED MINING AND
DEVELOPMENT CORPORATION**

NEWS RELEASE

5 April 2011

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION
2010 ANNUAL REPORT SUMMARY**

Key Highlights:

- 2010 Consolidated Core Income Before Income Tax of P947 million, with P305 million attributable to the Parent Company.
- Consolidated Reported Net Loss for 2010 of P429 million versus a net loss of P2.773 billion in 2009.
- Reported Net Loss attributable to the parent for 2010 of P757 million versus a net loss of P2.122 billion in 2009.
- Consolidated revenues nearly doubled from P4.690 billion to P8.851 billion.
- Consolidated operating income for 2010 of P1.418 billion from an operating loss a year ago.
- The Company's stock price grew 86% through the year, versus 40% for the PSEi.
- Total liabilities over total equity has been reduced from 4.85x to 2.06x
- The Company's 54.46% owned subsidiary Carmen Copper Corporation (CCC) posted a Core Net Income of P1.431 billion and a Reported Net Income of P670 million, reversing 2009's Reported Net Loss of P1.662 billion.
- CCC shipped 58.7 million lbs. of copper in 2010 versus 36.6 million lbs. of copper in 2009, an increase of 60%.

Comparison between consolidated core and reported net income

	Php millions
Consolidated Reported Net Income (Loss)	(429)
Less: Net Foreign Exchange Gain	(298)
Other Comprehensive Income	(1)
Add: MTM and Other Non-cash Losses on Convertible Loans	900
Non-Recurring Costs of Restructuring Senior Debt in CCC	650
Other MTM and Non-Recurring Charges	128
Less: Net Provision for Income Tax	(3)
Consolidated Core Income Before Income Tax	947
Attributable to:	
Parent	305
Minority Interests	642

SUBSIDIARIES



**CARMEN
COPPER
CORPORATION**



**BERONG
NICKEL
CORPORATION**



AQUATLAS



**ATLAS
EXPLORATION
INCORPORATION**



**TMM
MANAGEMENT**

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MANILA, Philippines, 05 April 2011 – Atlas Consolidated Mining and Development Corporation (“Atlas” or the “Company) (PSE: AT) today announced its audited financial and operating results for 2010 with Consolidated Core Income Before Income Tax of P947 million, of which P305 million (Core EPS of P0.29) is attributable to Atlas.

Due to mark-to-market and other non-cash losses (“paper charges”) from Atlas’s convertible loans and non-recurring costs such as those incurred by the Company’s subsidiary Carmen Copper Corporation (“CCC”) in relation to the restructuring of its senior debt, the Company posted a Consolidated Reported Net Loss of P429 million. This, however, is a significant improvement from 2009’s Consolidated Reported Net loss of P2.773 billion. The reported net loss for 2010 that is attributable to Atlas amounts to P757 million, also an improvement from a net loss of P2.122 billion in 2009.

While the paper charges and non-recurring costs negatively impacted Atlas’s income report, the circumstances that gave rise to them had an over-all positive effect on Atlas. Triggered by the strong performance of the Company’s stock especially during the 2nd half of 2010¹, the \$25 million and \$11.5 million convertible loans owed by Atlas to Banco de Oro Unibank, Inc. (BDO) and Anglo Philippine Holdings, Inc. (Anglo), respectively, were converted into equity of Atlas². Although the terms of conversion generated nearly P900 million in paper charges, they also improved Atlas’s balance sheet and will save Atlas P171.2 million in annual interest expense going forward. Moreover, the paper charges themselves will have a net zero impact on the Company’s balance sheet due to the nature of their accounting. Consequently, Atlas’s ratio of total liabilities to total equity went down to 2.06 times from 4.85 times last year.

The significant non-recurring charges incurred by CCC resulted from the refinancing of its \$100 million loan obligation to Deutsche Bank. The refinancing facility covering the amount of \$140 million was provided by BDO in December 2010.

The BDO facility allowed CCC to lower its cost of borrowing from a rate of around 10.5% to 8%. It also covered funding for the working capital requirements of CCC. Most importantly, the BDO facility gave CCC the opportunity to forge a partnership with a financial institution as dynamic as BDO.

Carmen Copper Corporation (CCC)

Atlas’s 54.46% owned subsidiary CCC is well on its way to completing its turnaround. CCC’s 2010 Core Net Income was P1.248 billion, and its Reported Net

¹ Atlas’s stock price grew 86% in 2010, outpacing the growth of the PSE index.

² Pursuant to the terms of the \$25 million Atlas-BDO Loan Agreement, conversion was effectuated through the transfer by Alakor Corporation (Alakor) to BDO of 117,050,000 of its Atlas shares as full payment for the loan. In consideration of such conveyance, Alakor assumed BDO’s rights under the loan agreement. It is the obligation to Alakor which resulted from such transaction that was directly converted into Atlas equity *via* the assignment to Atlas of the loan obligation as payment for Alakor’s subscription to Atlas shares.

Income was P670 million versus a Reported Net Loss of P1.662 billion in the previous year.

Copper shipments increased 60% from 36.6 million lbs. of copper in 2009 to 58.7 million lbs. of copper in 2010. As a result, gross revenue increased 96% from P4.519 billion to P8.851 billion.

CCC's earnings before interest taxes, depreciation and amortization (EBITDA) for 2010 is P2.564 billion, or 264% of 2009's EBITDA of P704 million.

Average daily milling throughput increased from 21,864 dry metric tonnes (DMT) per day in 2009 to 33,524 DMT per day in 2010. Average daily milling throughput peaked at 39,320 DMT per day in the fourth quarter of 2010.

In 2010, the average grade milled was 0.3% and the average copper price realized was \$7,034/tonne.

This year, CCC is continuing to invest in improving its throughput and average grade, and in lowering its costs. The main areas of investment are accessing the higher-grade Carmen ore body *via* open pit which was begun in the first quarter of 2011, and upgrading key mill components. CCC expects an unaudited and unadjusted net income of around \$24 million for the first quarter of 2011.

Atlas is bullish on the long-term prospects for CCC and cautiously optimistic on the continuing strength of copper prices. As added insurance, however, CCC has purchased put options for 2011 giving it an average floor price of \$8,148/tonne for 30,250 tonnes of copper metal.

Berong Nickel Corporation (BNC)

The Berong Nickel Project continued to be on care and maintenance for 2010. As a consequence, BNC incurred a net loss of P129 million versus a net loss of P142.4 million in 2009. Atlas is vigorously working with its partners Toledo Mining Corporation and European Nickel PLC to restart mining and direct shipping operations in 2011 given higher nickel prices.

Other areas

Atlas plans to aggressively conduct an exploration program of its most highly prospective properties beginning this year. It likewise plans to finalize studies on the best possible use for its Malubog Dam asset.

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands, Except Par Value Per Share)

	December 31	
	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents	₱2,476,170	₱301,355
Receivables	314,743	292,156
Derivative assets	29,862	32,720
Inventories	637,684	778,493
Prepayments and other current assets	322,102	563,219
Total Current Assets	3,780,561	1,967,943
Noncurrent Assets		
Property, plant and equipment:		
At cost	11,344,897	10,446,504
At revalued amount	376,088	376,088
Mining rights	76,128	76,128
Goodwill	15,011	15,011
Available-for-sale (AFS) financial assets	4,927	5,215
Other noncurrent assets	1,343,600	1,042,570
Derivative assets	703,295	-
Total Noncurrent Assets	13,863,946	11,961,516
TOTAL ASSETS	17,644,507	₱13,929,459
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	₱-	₱977,585
Accounts payable and accrued liabilities	2,624,821	2,737,515
Current portion of long-term debt	1,662,395	924,000
Income tax payable	1,286	2,015
Derivative liabilities	147,044	772,818
Advances from and due to related parties	1,330,760	1,851,725
Total Current Liabilities	5,766,306	7,265,658
Noncurrent Liabilities		
Long-term debt - net of current portion	5,824,466	3,992,792
Liability for mine rehabilitation cost	96,146	121,973
Retirement benefits liability	100,209	70,952
Deferred income tax liabilities	93,668	102,626
Total Noncurrent Liabilities	6,114,489	4,288,343
Total Liabilities	11,880,795	11,554,001

(Forward)

	December 31	
	2010	2009
Equity		
Capital stock - ₱10 par value	11,388,139	10,489,319
Additional paid-in capital	975,485	934,382
Premium on deemed disposal of an investment in a subsidiary	633,258	633,258
Deposits for future stock subscriptions	3,028,293	150,960
Revaluation increment on land	218,559	218,559
Net unrealized gain on AFS financial assets	1,464	1
Deficit	(13,354,974)	(12,596,363)
	2,890,224	(169,884)
Non-controlling interest	2,873,488	2,545,342
Equity	5,763,712	2,375,458
TOTAL LIABILITIES AND EQUITY	₱17,644,507	₱13,929,459

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands, Except Per Share Amounts)

	Years Ended December 31		
	2010	2009	2008
REVENUE			
Copper	₱8,423,182	₱4,308,244	₱201,619
Gold	422,769	210,766	6,377
Silver	5,000	-	-
Beneficiated nickel ore and others	-	171,295	714,992
	8,850,951	4,690,305	922,988
Less marketing charges	618,032	504,707	152,255
	8,232,919	4,185,598	770,733
COSTS AND EXPENSES			
Mining and milling costs	5,597,565	3,635,185	838,745
Mine products taxes	184,614	73,321	40,868
General and administrative expenses	1,033,078	953,560	687,159
	6,815,257	4,662,066	1,566,772
OTHER INCOME (CHARGES)			
Net foreign exchange gain (loss)	298,424	120,418	(553,827)
Interest income	1,138	988	25,211
Finance charges	(1,446,142)	(427,893)	(106,445)
Realized mark-to-market gains (losses) on derivatives	(501,340)	(270,734)	720,670
Unrealized mark-to-market gains (losses) on derivatives	(135,836)	(1,161,974)	876,819
Security fee	(32,450)	(28,146)	(13,109)
Indemnity loss	-	(465,000)	(100,000)
Probable losses	-	(59,526)	-
Provision for impairment loss on AFS financial assets	-	(15,891)	-
Loss on asset disposal	-	(1,007)	-
Other income (expenses) - net	(34,695)	24,177	76,836
	(1,850,901)	(2,284,588)	926,155
INCOME (LOSS) BEFORE INCOME TAX	(433,239)	(2,761,056)	130,116
PROVISION FOR INCOME TAX			
Current	6,601	3,176	1,772
Deferred	(9,377)	8,558	(398)
	(2,776)	11,734	1,374
NET INCOME (LOSS)	(430,463)	(2,772,790)	128,742
OTHER COMPREHENSIVE INCOME	1,463	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(429,000)	(₱2,772,790)	₱128,742
Total comprehensive income (loss)/net income (loss) attributable to:			
Equity holders of the Parent Company	(₱757,148)	(₱2,121,598)	(₱812)
Non-controlling interest	328,148	(651,192)	129,554
	(₱429,000)	(₱2,772,790)	₱128,742
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Basic/diluted loss per share	(₱0.7128)	(₱2.0226)	(₱0.0008)