



05 November 2020

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Attention: Mr. Vicente Graciano P. Felizmenio, Jr.
Director, Markets & Securities Regulation Department

Philippine Stock Exchange, Inc.
6th Floor PSE Tower
28th Street corner 5th Avenue
BGC, Taguig City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: Third Quarter 2020 unaudited Financial and Operating Results

Gentlemen:

Please see attached press release on the unaudited financial and operations results of Atlas Consolidated Mining and Development Corporation (AT) for the third quarter of 2020.

Very truly yours,


Maria Eleonor A. Santiago
Asst. Compliance Officer

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PRESS RELEASE

Atlas Mining attained Php490 million Net Income in 3Q 2020

05 November 2020
Manila, Philippines

Atlas Consolidated Mining and Development Corporation (“Atlas Mining”) reported a net income of Php490 million for the three quarters of 2020. This is a complete turn-around performance compared to the net loss of Php45 million for the same period in 2019. The significant improvement in the bottom line is attributed to the sustained stability of operation and production, the significant increase in gold volume, the increase in metal prices in the third quarter and the decrease in operating costs.

Atlas Mining’s wholly-owned subsidiary, Carmen Copper Corporation, reported copper metal production of 81.54 million pounds in 2019 to 81.62 million pounds in 2020. Gold production also increased by 25% from 28,704 ounces to 35,814 ounces. The increase in copper and gold production resulted from higher tonnage milled and higher realized gold grades, respectively. Milling tonnage increased by 5% from 13.07 million tonnes to 13.73 million tonnes. On the other hand, copper grades decreased by 5% from 0.325% to 0.309%; and gold grade improved by 30% from 6.19 grams/dmt to 8.05 grams/dmt. With stable production, all shipment commitments were met. Copper metal content of concentrate shipped decreased by 4% to 79.77 million pounds while gold content increased by 19% to 31,821 ounces due to higher gold grade.

The increase in metal prices that started in June 2020 continued to improve in the third quarter when Copper price increased by 20% to \$2.97/lb versus the six-month realized average price of USD2.47/lb. Gold price also continued to improve in the third quarter by 16% to USD1,905/oz compared to the six-month average of USD1,647. Year-on-year, the average realized copper price for the three quarters this year decreased by 4% to USD2.64/lb from USD2.73/lb in 2019; while the average realized gold price increased by 27% to USD1,740/oz in 2020 from USD1,367 in 2019.

The improvement in operating performance from increased throughput, the increase in by-product credits from gold due to higher gold production and higher gold prices, and the decrease in operating costs resulted in a lower average cost per pound by 35% from USD1.35/lb in 2019 to USD0.88/lb in 2020. Cash costs decreased by 16% from Php8.35 billion in 2019 to Php7.01 billion in 2020. The decrease in cash costs was due primarily to significant decreases in waste stripping, fuel, power, explosives and maintenance parts.

Earnings before interest, tax, depreciation and amortization (EBITDA) settled at Php6.129 billion, 29% higher compared to Php4.765 billion in the third quarter of 2019 on the strength of operating efficiencies resulting in lower cash costs on flat revenues. This pushed core income for the period higher by 275% to Php1.642 billion in 2020 from Php438 million core income in 2019. Accordingly, cash generated from operations improved which enabled the payment of \$40 million of Atlas Mining’s loans this year in addition to \$52.7 million of loan payments in 2019.

According to Atlas Mining President, Adrian Ramos, *“The return to profitability of Atlas Mining has validated the strategies that were diligently implemented over recent years. We have focused on stabilizing operations and sustaining efficiencies by investing in maintenance, safety and optimizing our mine plan that resulted in sustained higher volumes of production and lower cost per pound of copper. This has positioned our company not only to withstand any downturn in the commodities market but also to maximize earnings when metal prices improve as we have experienced this year.”*

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION
FINANCIAL AND OPERATING HIGHLIGHTS
AS OF 30 September 2020

ATLAS MINING SUMMARY OF FINANCIAL RESULTS

Year-on-Year (In Million Pesos)	3Q 2019	3Q 2020	Change
Revenues-gross	13,028	13,054	0%
Cash Cost	8,346	7,007	-16%
EBITDA	4,765	6,129	29%
Core Income	438	1,642	275%
Net Income (Loss)	(45)	490	NA

CARMEN COPPER SUMMARY OF OPERATIONS

Year-on-Year	3Q 2019	3Q 2020	Change
Production			
Milling Tonnage ('000 dmt)	13,070	13,726	5%
Daily Milling Average (dmt per day)	47,876	50,095	5%
Ore Grade	0.325%	0.309%	-5%
Copper Concentrate ('000 dmt)	142	138	-3%
Copper Metal Gross (in million lbs)	81.54	81.62	0%
Gold (ounces)	28,704	35,814	25%
Shipment			
Number of Shipments	29	27	-7%
Copper Concentrate ('000 dmt)	147	136	-7%
Copper Metal Gross (in million lbs)	83.45	79.77	-4%
Gold (payable ounces)	26,716	31,821	19%

CARMEN COPPER SUMMARY OF COSTS

Year-on-Year (US\$/lb Cu)	3Q 2019	3Q 2020	Change
C1	1.35	0.88	-35%
C2	2.02	1.64	-19%
C3	2.50	2.17	-13%

C1 = Production cost, G&A, smelting and related charges less by-product credits

C2 = C1 + depreciation and depletion costs

C3 = C2+ mine product tax and royalties, financing charges net of interest income and other charges

METAL PRICES (AVERAGE INVOICED PRICE)

Year-on-Year	3Q 2019	3Q 2020	Change
Copper (US\$/lb)	2.73	2.64	-4%
Gold (US\$/once)	1,367	1,740	27%

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