COVER SHEET

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S.E.C. Registration Number

ATLAS CONSOLIDATED MINING
AND DEVELOPMENT CORPORATION

(Company's Full Name)

5F FIVE E-COM CENTER, PALM
COAST AVENUE COR. PACIFIC
DRIVE, MALL OF ASIA, PASAY
CITY

(Business Address: No. Street City /Town / Province)

FERNANDO A. RIMANDO

Contact Person

(632) 8403-0813 local 25001

Company Telephone Number

1	2		3	1

Month Day

Fiscal Year

17-Q

FORM TYPE

Month Day

Annual Meeting

last Wednesday of April

N/A

Secondary LicenseType, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. use black ink for scanning purposes

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 2020**

2. Commission Identification No. **PW0000115A**

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

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

   ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION

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

6. Industry Classification Code ______ (SEC Use Only)

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

8. Issuer's telephone number, including area code: **(632) 84030813 local 25001**

9. Former name, former address and former fiscal year, if changed since last report

8. Securities registered pursuant to Section 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, PHP1 par value	**3,559,532,774**

9. Are any or all of the securities listed on a Stock Exchange?

   Yes [**x**] No [ ]

   If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

   Philippine Stock Exchange **Common Stock**

10. Indicate by check whether the registrant:

   (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports).

   Yes [**x**] No [ ]

   (b) has been subject to such filing requirements for the past 90 days.

   Yes [**x**] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The following financial statements are integrally appended hereto and form part of this report:

Annex A - Unaudited Consolidated Statements of Financial Position
Annex B - Unaudited Consolidated Statements of Comprehensive Income
Annex C - Unaudited Consolidated Statements of Changes in Stockholders' Equity
Annex D - Unaudited Consolidated Statements of Cash Flows

Item 2. Management Discussion and Analysis

A. Results of Operations and Changes in Financial Condition

The table below shows the consolidated results of operations of Atlas Consolidated Mining and Development Corporation ("AT" or "Atlas Mining" or the "Parent Company") and its subsidiaries (collectively, the "Group") for the nine-month period ending 30 September 2020 and 2019:

(amounts in PHP millions)	**9/30/2020**	**9/30/2019**	**% Change**
Consolidated net income/(loss)	490	(45)	NA
Consolidated income/(loss) from operations	2,920	1,722	70%
Consolidated gross revenues	13,054	13,028	0%
Consolidated net revenues	12,426	12,279	1%
Costs and operating expenses	9,506	10,558	-10%
Net income/(loss) attributable to Equity holders of the parent	490	(45)	NA

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.

Equity in net income of associates, this represents the Parent Company's share in the results of operations of Berong Nickel Corporation (BNC), decreased to PHP82 million as compared to PHP83 million income in the same period last year.

Finance charges (13% of net revenues) decreased by 11% due to lower amortization of debt issue cost.

USD:PHP Exchange rate closed at USD1.00:PHP48.49 as at 30 September 2020 versus USD1.00:PHP50.635 as at 31 December 2019. This triggered the recognition of *Foreign exchange gain-net* of PHP215 million primarily from the restatement of receivables, loans and other payables.

Mark to market gain/(loss) on derivatives-net, this represents accounting valuation of copper price hedges.

Interest Income of PHP18 million accounts for the interest earned on cash in bank and time deposits.

Other income (charges)-net of PHP57 million includes sales of scrap materials net of bank and other charges.

Provision for Income Tax for the period of PHP97 million was based from the 2% minimum corporate income tax. *Deferred Income Tax* of PHP740 million resulted mainly from future tax provision impact of unrealized forex gains on foreign currency denominated accounts and from utilized/expired Net Operating Loss Carry-Over (NOLCO).

Changes in Financial Condition

The succeeding discussions pertain to the consolidated financial condition of the Group as of 30 September 2020 vis-à-vis that as of 31 December 2019 as follows:

The increase in *Cash and Cash Equivalents* arose mainly from collection of trade receivables. *Short-term investments* of Php492 million decreased mainly due to termination of time deposits to meet working capital requirement and for partial settlement of loans. *Receivable-net* consists mostly of receivables from trade customers and receivables from associates. A 65% decrease was due to collection of 2019 trade receivables. *Inventories* slightly increased by 2% due to purchase of materials to support higher production. *Prepayments and other current assets* consisted mostly of advances made to suppliers, prepaid insurance, creditable withholding tax from trade sales and investment in pooled funds.

Movement in *Intangible assets* of PHP177 million pertains to depletion of mining rights. *Property, plant and equipment-net* composed of mine development costs, machineries and equipment used in operations. *Deferred tax assets* decreased due to utilized NOLCO against RCIT and amortization of expiring NOLCO. *Other noncurrent assets* consist significantly of input VAT from importations, deposit to suppliers for PPE items and other statutory funding requirements.

Investment in Associate, pertains to AT's ownership over BNC, TMMI, URHI, UNC and NRHI (the "Nickel Corporations"), increased by 37% or PHP83 million representing its share in the net income in Nickel Corporation's operations.

Accounts Payable and accrued liabilities decreased by 31% mainly due to payment of trade payables and advances from buyers. *Current portion of long-term debt* decreased due to the settlement of loans, including the payment of $20 million short- term loan. *Income tax payable* pertains to the minimum corporate income tax for the third quarter of 2020. *Leased Liability* pertains to the obligation recognized for office space, parking lot and other equipment under lease contracts.

Other current liabilities of Php1.816 billion represent the recognition of a non-cash financing activity pertaining to the financial guarantee by a shareholder on CCC's term loan.

Long-term debt (30% of total assets) slightly decreased by 7% due to amortization of debt issue cost recognized in accordance with the use of the effective interest accounting method and partial settlement of loans of $20 million. *Retirement benefits liability* pertains to provision of pension cost. *Liability for mine rehabilitation* composed of accretion of asset retirement obligation. *Deferred income tax liabilities* consist of the tax impact of temporary differences which are not taxable in the current year.

Movement in *Retained Earnings* of PHP490 million accounts for the net income for the period ended 30 September 2020. *Foreign currency translation reserve* relates to the impact of changes in foreign exchange rates.

Material Plans, Trends, Events or Uncertainties

- In May 2020, CCC paid a total of US$20 million as partial settlement of its short-term loan with China Bank Corp.
- In July 2020, CCC paid a total of US$10 million as partial settlement of its Shareholder Loans.
- In September 2020, CCC paid a total of US$10 million as partial settlement of its long-term loan with BDO.
- The operation of AT was not adversely affected by COVID-19. The operation of its wholly owned subsidiary, CCC, continued as it is an export oriented business and operated at 100% level even during the implementation of the Enhance Community Quarantine (ECQ) and the General Community Quarantine (GCQ). Shipments of its products went unhampered during the ECQ/GCQ wherein CCC made 9 shipments each for Q1, Q2 and Q3. Sourcing of services, materials and supplies needed for its operation were not also adversely affected. To manage the risk on its operations, the Atlas Group established early and constant consultation with its key suppliers, local government units and government agencies and implemented health, safety and communication protocols to ensure compliance with guidelines recommended by health and government authorities.

Key Performance Indicators

The key performance indicators of the Group are shown below:

	30-Sep-20	31-Dec-19
Current/Liquidity Ratio		
Current Ratio	0.34:1	0.35:1
Solvency Ratios		
Debt-to-Equity	1.12:1	1.27:1
Debt-to-Assets	0.52:1	0.54:1
Asset-to-Equity	2.16:1	2.33:1
Interest Rate Coverage	1.84:1	1.07:1
Profitability Ratios		
Return on Equity	1.50%	-1.72%
Return on Sales	3.95%	-3.50%
Return on Assets (Fixed Assets)	1.30%	-1.45%

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

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

c. Debt-to-Assets — Total Liabilities / Total Assets

d. Asset-to-Equity — Total Assets / Total Stockholders' Equity Attributable to Equity Holders of Parent Company

e. Interest Rate Coverage — Earnings Before Income Tax / Interest Expense

f. 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

g. Return on Sales — Consolidated Net Income as of the Quarter / Total Consolidated Net Revenues as of the Quarter

h. Return on Assets (Fixed Assets) — Net Income Attributable to Equity Holders of Parent / Average Fixed Assets-Net

B. Liquidity and Capital Resources

The Group's consolidated cash flow as of 30 September 2020 is summarized below:

(in PhP millions)	Amount
Net cash flow provided by operating activities	4,334
Net cash flows used in investing activities	(607)
Net cash flows provided by financing activities	(1,836)
Net decrease in cash and cash equivalents	(203)

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 2020 that should be disclosed in this report.

The Group has no significant seasonality or cyclicality in its business operations that will have a material effect on its financial condition or results of operations.

The Group is not aware of (i) any uncertainties, trends, events or seasonal aspects that will significantly influence its liquidity or financial condition or the results of its operations; (ii) any high-probability event that will trigger direct or contingent financial obligation that is material to the Group; or (iii) any material off-balance sheet transactions that occurred as of the third quarter of the year.

C. Financial Risk Management Objectives and Policies

The Group's main financial instruments are cash and cash equivalents, short-term investments, quoted equity instrument, investment in unit investment trust fund and refundable security deposits under other noncurrent assets, bank loans, long-term debts and other interest-bearing liabilities, and derivatives. It has various other financial assets and liabilities such as receivables, and accounts payable and accrued liabilities, which mainly arise from the Group's operations.
The main risks arising from the Group's financial instruments are market risk, credit risk, and liquidity risk. The Board of Directors (BOD) reviews and adopts relevant policies for managing each of these risks and these are summarized onto the succeeding paragraphs *(All figures are in PHP thousands):*

Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in foreign currency exchange rates, interest rates, equity prices and other market changes.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has foreign currency risk arising from its cash in banks, short-term investments, receivables, bank loans, accounts payable and accrued liabilities except, long-term debt and derivatives. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects. The Group also uses foreign currency forwards to hedge its risk exposures.

As at 30 September 2020 and 31 December 2019, foreign currency-denominated assets and liabilities are as follows:

		30-Sep-20			**31-Dec-19**	
		Original Currency	**Peso Equivalent**		Original Currency	Peso Equivalent
Assets						
Cash in banks	USD	**12,593**	**610,708**	USD	7,232	366,197
	JPY	**1,075**	**493**	JPY	16	7
	GBP	**139**	**8,679**	GBP	183	12,277
Short-term investments	USD	**10,143**	**491,868**	USD	18,475	935,468
Receivables	USD	**36,095**	**1,750,429**	USD	55,577	2,814,139
	USD	**58,831**	**2,853,005**	USD	81,284	4,115,804
	GBP	**139**	**8,679**	GBP	183	12,277
	JPY	**1,075**	**493**	JPY	16	7
Liabilities						
Accounts payable and accrued expenses	USD	**20,290**	**983,982**	USD	31,809	1,610,661
	JPY	**5**	**2**	JPY	48	22
	AUD	**510**	**17,554**	AUD	286	10,150
	EUR	**285**	**16,143**	EUR	0	0
Long-term debt	USD	**433,114**	**21,003,867**	USD	447,364	22,652,271
Bank Loans	USD	**150,000**	**7,274,250**	USD	170,000	8,607,950
	USD	**603,404**	**29,262,099**	USD	649,173	32,870,882
	JPY	**5**	**2**	JPY	48	22
	AUD	**510**	**17,554**	AUD	286	10,150
	EUR	**285**	**16,143**	EUR	0	0
Net liabilities	**USD**	**544,573**	**26,409,094**	USD	567,889	28,755,078
Net assets	**GBP**	**139**	**8,679**	GBP	183	12,277
Net liabilities	**AUD**	**510**	**17,554**	AUD	286	10,150
Net liabilities	**JPY**	**1,070**	**491**	JPY	32	15
Net liabilities	**EUR**	**285**	**16,143**	EUR	0	0

As at 30 September 2020 and 31 December 2019, foreign exchange closing rates used in converting foreign currency-denominated assets and liabilities are as follows:

Currency	30-Sep-2020	31-Dec-2019
US$	48.495	50.635
AU$	34.410	35.499
JP¥	0.458	0.465
EU€	56.652	56.842
GB£	62.227	66.574

There is no other impact on the Group's equity other than those already affecting the consolidated statement of comprehensive income.

Commodity Price Risk
The Group's copper concentrate revenues are based on international commodity quotations (i.e., primarily on the LME) over which the Group has no significant influence or control.

This exposes the Group's results of operations to commodity price volatilities that may significantly impact its cash inflows. The Group enters into derivative transactions as a means to mitigate the risk of fluctuations in the market prices of its mine products. An analysis is made based on the assumption that copper prices move using the implied volatility based on one year historical LME copper prices, with all other variables held constant.

Shown below is the Group's sensitivity to changes in the copper prices arising from its copper derivatives in 2020 and 2019 as follows:

30-September-20	
Change in Copper Prices	**Effect on Income before Income Tax**
Increase by 3%	PHP 372,973
Decrease by 3%	PHP(372,973)

31-Dec-19	
Change in Copper Prices	**Effect on Income before Income Tax**
Increase by 3%	PHP 497,527
Decrease by 3%	PHP(497,527)

The sensitivity analyses are performed for risk management purposes and do not represent a prediction or forecasting of Carmen Copper's future income.

Equity Price Risk
Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to equity price risk because of its investment in shares of stock of an entity listed in the local stock exchange, and its investment in unit investment trust fund, which are classified as financial asset at fair value through profit or loss will not have a significant effect on the consolidated financial statements, and as such, did not present a sensitivity analysis.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's financial assets which are exposed to credit risk include its cash in banks, cash equivalents, short term investments and related interest receivables, trade receivables, investment in unit investment trust fund, and refundable security deposits with a maximum exposure equal to the carrying amount of these assets.

With respect to its cash in banks, short-term investments, investment in unit investment trust fund, receivables, derivative assets, bank loans, accounts payable and accrued liabilities except, long-term debt and derivative liabilities, credit risk is mitigated by the short-term and/or liquid nature of its cash investments placed with financial institutions of high credit standing.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the consolidated statements of financial position.

The following table summarizes the gross maximum exposure to credit risk for the components of the consolidated statements of financial position. The maximum exposure is shown gross, before the effect of any allowance for impairment.

	30-Sep-20	31-Dec-19
Cash and cash equivalents		
Cash in banks	**883,451**	642,573
Short-term investments	**491,868**	935,468
Receivables		
Trade	**444,839**	1,309,809
Nontrade	**86,392**	148,868
Interest	**249**	1,259
Advances to		
Related parties	**17,830**	69,261
Advances to Officers and employees	**8,776**	9,921
Other current asset		
Investment in pooled funds	**158,051**	81,241
Other noncurrent assets		
Investment in unit investment trust fund	**27,166**	27,865
Refundable security deposits	**3,101**	3,149
	2,121,723	3,229,414

Credit quality per class of financial assets

The table below shows the credit quality by class of assets for the Group's financial asset based on credit rating system:

30 September 2020

	Neither Past due nor impaired High Grade	**Past Due But Not Impaired**	**Impaired**	**Total**
Cash and cash equivalents				
Cash in banks	883,451			883,451
Short-term investments	491,868			491,868
Receivables				
Trade	444,839			444,839
Nontrade		53,560	32,832	86,392
Interest	249			249
Advances to				
Related parties		17,830		17,830
Officers and employees		8,776		8,776
Other current asset				
Investment in pooled funds	158,051			158,051
Other noncurrent assets				
Investment in unit investment trust fund	27,166			27,166
Refundable security deposits	3,101			3,101
	2,008,725	**80,166**	**32,832**	**2,121,723**

31 December 2019

	Neither Past due nor impaired High Grade	Past Due But Not Impaired	Impaired	Total
Cash and cash equivalents				
Cash in banks	642,573			642,573
Short-term investments	935,468			935,468
Receivables				
Trade	1,309,809			1,309,809
Nontrade		115,883	32,985	148,868
Interest	1,259			1,259
Advances to				
Related parties		69,261		69,261
Officers and employees		9,921		9,921
Other current asset				
Investment in pooled funds	81,241			81,241
Quoted equity instrument				
Other noncurrent assets				
Investment in unit investment trust fund	27,865			27,865
Refundable security deposits	3,149			3,149
	3,001,364	**195,065**	**32,985**	**3,229,414**

The credit quality of the financial assets was determined as follows:

- Cash, short-term investments and related interest receivables are assessed as high-grade since these are deposited in reputable banks, which have a low probability of insolvency.
- Trade receivables, which pertain mainly to receivables from sale of copper concentrate, are assessed as high-grade. These are assessed based on past collection experience of full settlement within two months after invoice date with no history of default.
- Nontrade receivables, which mainly pertain to main operations, consist of past due but not impaired and impaired accounts.
- Advances to related parties are assessed as past due but not impaired since the Group still expects to collect the balance from its related parties.
- Advances to officers and employees, which pertain mainly to advances subject to payroll deduction, consist of both past due but not impaired, and impaired accounts.
- Derivative assets, which pertains to provisional pricing, is assessed as high grade since this contains insignificant risk of default based on historical experience of the Group.
- Quoted equity instruments is assessed as impaired since the Group no longer expects future benefits from the said equity instrument.
- Investment in unit investment trust fund is assessed as high grade since this is deposited in a reputable bank.
- Refundable security deposits are assessed as high grade since these are still expected to be received after the completion/ performance of the Group's contracts with various counterparties.

The above high grade credit quality financial assets pertain to financial assets with insignificant risk of default based on historical experience.

Liquidity Risk

Liquidity risk is the risk where the Group becomes unable to meet its payment obligations when these fall due under normal and stress circumstances. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group also manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The tables below 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 2020

	On demand	Within one year	1 to < 3 years	> 3 years	Total
Cash and cash equivalents					
Cash in banks	883,451				883,451
Short-term investments		491,868			491,868
Receivables					-
Trade		444,839			444,839
Nontrade	86,392				86,392
Interest		249			249
Advances to					-
Related parties	17,830				17,830
Officers and employees	8,776				8,776
Other current asset					
Investment in pooled funds		158,051			158,051
Other noncurrent assets					-
Investment in unit investment trust fund				27,166	27,166
Refundable security deposits				3,101	3,101
	996,449	**1,095,007**	**-**	**30,267**	**2,121,723**
Financial liabilities:					
Accounts payable and accrued liabilities**		2,333,958			2,333,958
Bank loans		7,274,250			7,274,250
Other current liability		1,816,559			1,816,559
Long-term debt and other interest-bearing liabilities		47,048	328,749	20,961,922	21,337,719
Lease Liability		1,355	-		1,355
	-	**11,473,170**	**328,749**	**20,961,922**	**32,763,841**
	996,449	**(10,378,163)**	**(328,749)**	**(20,931,655)**	**(30,642,118)**

*** Excluding Government Payables*

31 December 2019

	On demand	Within one year	1 to < 3 years	> 3 years	Total
Cash and cash equivalents					
Cash in banks	642,573				642,573
Cash equivalents					
Short-term investments		935,468			935,468
Receivables					
Trade		1,309,809			1,309,809
Nontrade	148,868				148,868
Interest		1,259			1,259
Advances to					
Related parties	69,261				69,261
Officers and employees	9,921				9,921
Other current asset					
Investment in pooled funds		81,241			81,241
Quoted equity instrument					
Other noncurrent assets					
Investment in unit investment trust fund				27,865	27,865
Refundable security deposits				3,149	3,149
	870,623	**2,327,777**		**31,014**	**3,229,414**
Financial liabilities:					
Accounts payable and accrued liabilities**		3,396,121			3,396,121
Bank loans		8,607,950			8,607,950
Other current liability		1,896,720			1,896,720
Long-term debt and other interest-bearing liabilities		222,233	328,750	22,612,004	23,162,987
Lease Liability		2,160	782		2,942
		14,125,184	**329,532**	**22,612,004**	**37,066,720**
	870,623	**(11,797,407)**	**(329,532)**	**(22,580,990)**	**(33,837,306)**

*** Excluding Government Payables*

Financial instruments
The following table shows the carrying amounts and fair value of the Group's financial instruments other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Values		Fair Values	
	30-Sep-20	31-Dec-19	**30-Sep-20**	31-Dec-19
Other Financial Liabilities				
Long-term debt and other interest-bearing liabilities:				
BDO	**14,757,378**	15,657,816	**18,268,558**	19,659,860
SMIC	**5,584,153**	6,257,326	**7,735,899**	8,258,646
APHC	**375,785**	557,713	**377,321**	691,665
BDO Leasing	**497,714**	552,652	**652,163**	554,946
Alakor Corporation	**122,689**	137,480	**160,761**	170,499
	21,337,719	23,162,987	**27,194,702**	29,335,616

The carrying amounts of cash and cash equivalents, short-term investments, and trade and interest receivables approximate their fair value due to the relatively short-term maturities of these financial instruments. The fair value of quoted equity instrument is determined by reference to market bid quotes at the end of the reporting period and is carried at fair value. The fair value of the investment in unit investment trust fund is determined by the movements of its net asset value per unit, which is computed as the total market value of the assets, less fees, taxes, and other qualified expenses divided by total outstanding units.

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

Derivatives liability are initially recorded at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial liabilities when the fair value is negative.

Fair value of long-term debt and other interest-bearing liabilities is estimated using the discounted cash flow methodology using the benchmark risk free rates for similar types of long-term debt and other interest-bearing liabilities.

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 2020

	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:				
Trade receivables		444,839		444,839
Investment in pooled funds	158,051			158,051
Investment in unit investment trust fund	27,166			27,166
Total	**185,217**	**444,839**		**630,056**

Liability for which fair values are disclosed:		
Long-term debt and other interest-bearing liabilities	(27,194,702)	(27,194,702)
Total	**(27,194,702)**	**(27,194,702)**

31 December 2019

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Trade receivables		1,309,809		1,309,809
Investment in pooled funds	81,241			81,241
Investment in unit investment trust fund	27,865			27,865
Total	**109,105**	**1,309,809**		**1,418,914**
Liability for which fair values are disclosed:				
Long-term debt and other interest-bearing liabilities			(29,335,616)	(29,335,616)
Total	**-**	**-**	**(29,335,616)**	**(29,335,616)**

There were no transfers between levels of fair value measurement as of 30 September 2020 and 31 December 2019.

D. Accounting Policies and Disclosures

Basis of Preparation
The consolidated financial statements have been prepared on a historical cost basis, except for certain parcels of land, which are carried at revalued amounts, and derivatives and financial assets at fair value through profit or loss, 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 (PFRSs). Based on the economic substance of the underlying circumstances relevant to Atlas Consolidated Mining and Development Corporation and Subsidiaries (collectively, the Group), the functional currencies of the Parent Company and its associates and subsidiaries is the Philippine Peso, except for CCC whose functional currency is the US$. All values are rounded to the nearest thousands (P=000), except when otherwise indicated.

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2019. Adoption of these pronouncements did not have any significant impact on the Group’s financial position or performance, unless otherwise stated.

- PFRS 16, *Leases*

  PFRS 16 supersedes PAS 17, *Leases*, Philippine Interpretation IFRIC 4, *Determining whether an Arrangement contains a Lease*, Philippine Interpretation SIC-15, *Operating Leases-Incentives* and Philippine Interpretation SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases. Therefore, PFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted PFRS 16 using the modified retrospective approach upon adoption of PFRS 16 in 2019 and elects to apply the standard to contracts that were previously identified as leases applying PAS 17 and Philippine Interpretation IFRIC-4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying PAS 17 and Philippine Interpretation IFRIC-4.

The effect of adoption PFRS 16 as at January 1, 2019 is, as follows:

	Increase (decrease)
Assets	
Property, plant and equipment	₱4,827
Liabilities	
Lease liability	4,827

The Group has lease contracts for office space, parking lot and other equipment**.** Before the adoption of PFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets.

Leases previously accounted for as operating leases
The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets and lease liability were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use asset was adjusted for any related prepaid and accrued lease payments previously recorded.

The Group also applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application.

Based on the above, as at January 1, 2019:
- Property, plant and equipment was recognized amounting to ₱4,827, representing the amount of right-of-use assets set up on transition date.
- Additional lease liability of ₱4,827 was recognized.
- Deferred tax liabilities increased by ₱5 because of the deferred tax impact of the changes in assets and liabilities.

The lease liability as at January 1, 2019 as can be reconciled to the operating lease commitments as of December 31, 2018 follows:

Operating lease commitments as at December 31, 2018	**₱5,322**
Incremental borrowing rate at January 1, 2019	8.07%
Discounted operating lease commitments at January 1, 2019	**4,827**
Lease liability recognized at January 1, 2019	**₱4,827**

Due to the adoption of PFRS 16, the Group's operating profit in 2019 will improve, while its interest expense will increase. This is due to the change in the accounting for rent expense related to leases that were classified as operating leases under PAS 17.

The adoption of PFRS 16 did not have a significant impact on equity on January 1, 2019, since the Group elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the consolidated statement of financial position immediately before the date of initial application.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12, *Income Taxes*. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

  The Group applies significant judgment in identifying uncertainties over income tax treatments. Since the Group operates in a complex operational environment, it assessed whether the interpretation had an impact on its consolidated financial statements.

  Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance and study, that its tax treatments (including those for its subsidiaries) will be accepted by the taxation authorities. Therefore, the interpretation did not have an impact on the consolidated financial statements.

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

  Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

  These amendments had no impact on the consolidated financial statements of the Group.

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

  The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

The amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

- *Annual Improvements to PFRSs* 2015-2017 Cycle

  - *Amendments to PFRS 3, Business Combinations, and PFRS 11, Joint Arrangements, Previously Held Interest in a Joint Operation*

  The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

  A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

  An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

  These amendments had no impact on the consolidated financial statements as there is no transaction where joint control is obtained.

- *Amendments to PAS 12, Income Tax Consequences of Payments on Financial Instruments Classified as Equity*
  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

  An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted. These amendments had no impact on the consolidated financial statements of the Group because dividends declared by the Group do not give rise to tax obligations under the current tax laws.

  These amendments had no impact on the consolidated financial statements of the Group as dividends declared by the Group do not give rise to tax obligations under the current tax laws.

- *Amendments to PAS 23, Borrowing Costs, Borrowing Costs Eligible for Capitalization*

  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

  Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

  These amendments will apply on future business combinations of the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, *Definition of Material*

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

  An entity shall apply amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Standard Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group company does not expect that the future adoption of the said pronouncements to have a significant impact on its financial statements. The Group intends to adopt the following pronouncements when these become effective.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2020
(Pesos in Thousands, Except Par Value)

	Unaudited September 2020	Audited December 2019
ASSETS		
Current Assets		
Cash and cash equivalents	885,610	645,459
Short-term investments	491,868	935,468
Receivable - net	525,253	1,506,370
Inventories - net	1,477,478	1,452,710
Prepayments and other current assets	523,253	442,513
Total Current Assets	**3,903,462**	**4,982,520**
Noncurrent Assets		
Intangible assets, net	26,640,013	26,816,925
Property, plant and equipment - net	36,464,019	38,874,015
Deferred tax assets	1,986,176	2,830,475
Other noncurrent assets	1,765,339	1,887,208
Investment in associate	308,885	226,189
Total Noncurrent Assets	67,164,432	70,634,812
TOTAL ASSETS	71,067,894	75,617,332
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	2,423,012	3,536,615
Current portion of long-term debt	7,321,296	8,830,183
Income tax payable	44,795	54
Lease Liability- Current	1,355	2,159
Other Current Liabilities	1,816,559	1,896,720
Total Current Liabilities	11,607,017	14,265,731
Noncurrent Liabilities		
Long-term debt – net of current portion	21,290,673	22,940,754
Retirement benefits liability	481,856	482,230
Liability for mine rehabilitation	66,017	68,334
Lease Liability- Non Current	-	782
Deferred income tax liabilities	3,451,319	3,504,337
Total Noncurrent Liabilities	25,289,865	26,996,437
Total Liabilities	36,896,882	41,262,168
Stockholders' Equity		
Capital stock	3,559,533	3,559,533
Additional paid in capital	19,650,936	19,650,936
Subscription Receivable	(4,841,801)	(4,841,801)
Revaluation increment in land	298,869	298,869
Remeasurement gain on retirement	94,069	94,069
Foreign currency translation reserve	1,229,367	1,903,902
Retained earnings	14,203,306	13,712,923
Attributable to equity holders of the Parent Company	34,194,279	34,378,431
Minority interests		
Treasury Shares	(23,267)	(23,267)
Total Stockholders' Equity	34,171,012	34,355,164
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	71,067,894	75,617,332

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED SEPTEMBER 2020
(Pesos in Thousands, Except Per Share Amounts)

	For the Three Months Ended		For the Nine Months Ended	
	30 September 2020	30 September 2019	**30 September 2020**	30 September 2019
REVENUES				
Copper	**3,910,728**	3,681,315	**10,161,177**	11,103,518
Gold	**1,094,428**	769,418	**2,870,821**	1,922,321
Silver	**(417)**	426	**16,778**	2,154
	5,004,684	4,451,159	**13,053,559**	13,027,994
Marketing charges	**(177,745)**	(215,847)	**(627,501)**	(748,535)
	4,826,939	4,235,312	**12,426,058**	12,279,458
	-			
COSTS AND OPERATING EXPENSES	**-**			
Cost of sales	**(2,595,814)**	(2,995,883)	**(8,027,023)**	(9,016,914)
Operating expenses	**(458,456)**	(460,119)	**(1,302,373)**	(1,390,515)
Depletion of mining rights	**(59,037)**	(54,460)	**(176,912)**	(150,227)
	(3,113,307)	(3,510,461)	**(9,506,308)**	(10,557,657)
	-			
INCOME (LOSS) FROM OPERATIONS	**1,713,632**	**724,851**	**2,919,750**	1,721,801
OTHER INCOME (CHARGES)	**-**			
Share in net income from associates	**12,046**	(4,088)	**82,697**	83,243
Finance charges	**(458,879)**	(632,060)	**(1,569,990)**	(1,770,659)
Unrealized foreign exchange gain (loss)-net	**141,222**	(45,597)	**215,829**	80,846
Mark to Market gain/(loss) on Derivatives - Net	**(278,649)**	**90,323**	**(282,791)**	90,323
Interest income	**2,437**	19,833	**18,283**	52,751
Other income (charges) - net	**(22,035)**	(55,986)	**(57,231)**	(89,403)
	(603,858)	(627,574)	**(1,593,203)**	(1,552,900)
INCOME (LOSS) BEFORE INCOME TAX	**1,109,774**	97,277	**1,326,547.00**	168,902
BENEFIT FROM (PROVISION FOR) INCOME TAX	**-**			
Current	**(76,911)**	(29,106)	**(96,663)**	(85,293)
Deferred	**(352,552)**	(47,464)	**(739,495)**	(128,432)
	-			
NET INCOME (LOSS)	**680,311**	20,707	**490,389**	(44,823)
Net income (loss) attributable to:				
Equity holders of the parent			**490,389**	(44,823)
Minority interests			**-**	-
			490,389	(44,823)
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY			**0.138**	(0.013)
* Based on weighted average number of common shares outstanding			**3,557,553**	3,557,553

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020 and 2019
(Pesos in Thousands)

	Capital Stock	Additional Paid -in Capital	Deposit for future stock subscription	Subscription Receivable	Revaluation Increment on Land	Unrealized Gain on AFS financial asset	Remeasurement gain (loss) on Retirement Plan	Cumulative Translation Adjustments	Retained Earnings	Treasury shares held by a Subsidiary	Total
Balance at January 1, 2019	3,559,533	19,650,936	-	(4,841,801)	298,869	-	204,741	2,485,632	14,278,108	(23,267)	35,612,751
Net Income	-	-	-	-	-	-	-	-	(44,823)	-	(44,823)
Cumulative translation adjustment	-	-	-	-	-	-	-	(201,747)	-	-	(201,747)
Balance at September 30, 2019	**3,559,533**	**19,650,936**	**-**	**(4,841,801)**	**298,869**	**-**	**204,741**	**2,283,885**	**14,233,285**	**(23,267)**	**35,366,181**
Balance at January 1, 2020	**3,559,533**	**19,650,936**	-	**(4,841,801)**	**298,869**	-	**94,069**	1,903,902	13,712,923	(23,267)	34,355,164
Net Income	-	-	-	-	-	-	-	-	490,383		490,383
Cumulative translation adjustment	-	-	-	-	-	-	-	(674,535)			(674,535)
Balance at September 30, 2020	**3,559,533**	**19,650,936**	**-**	**(4,841,801)**	**298,869**	**-**	**94,069**	**1,229,367**	**14,203,306**	**(23,267)**	**34,171,012**

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020 and 2019
(Pesos in Thousands)

	For the Three Months Ended		For the Nine Months Ended	
	30 September 2020	30 September 2019	**30 September 2020**	30 September 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**1,109,772**	97,277	**1,326,545**	168,902
Adjustments for:				
Current and Deferred Tax	**(429,463)**	(76,569)	**(836,158)**	(213,725)
Interest expense	**458,879**	632,062	**1,569,990**	1,770,659
Depreciation and depletion	**1,030,444**	1,035,352	**3,126,843**	2,960,354
Realized mark-to-market gain (loss) on derivative assets (liabil	**-**	(91,404)	**-**	(91,917)
Unrealized foreign exchange losses (gains) - net	**(141,222)**	45,597	**(215,829)**	(80,846)
Loss on retirement of property, plant and	**697**	-	**697**	-
Provision for mine rehabilitation	**(1,617)**	1,082	**(2,317)**	(626)
Retirement benefit cost	**(7,471)**	(3,255)	**(374)**	-
Interest income	**(2,437)**	(19,833)	**(18,283)**	(52,751)
Share in net income from associates	**(12,045)**	4,087	**(82,697)**	(83,243)
Operating income before working capital changes	**2,005,538**	**1,624,395**	**4,868,417**	4,376,809
Decrease (increase) in:				
Receivable - net	**(140,657)**	(918,245)	**1,233,805**	(406,083)
Inventories - net	**(10,855)**	240,423	**39,769**	451,536
Prepayments and other current assets	**650,642**	19,927	**892,895**	254,221
Increase (decrease) in:				
Accounts payable and accrued liabilities	**(644,715)**	1,257,951	**(873,969)**	1,640,210
Deferred tax liabilities	**(17,656)**	(15,907)	**(53,018)**	(45,068)
Retirement benefits payable	**-**	16,545	**-**	16,545
Income tax payable	**-**		**-**	-
Cash from operations	**1,842,296**	**2,225,088**	**6,107,898**	6,288,169
Interest received	**2,676**	20,523	**19,293**	52,603
Interest paid	**(759,232)**	(813,722)	**(1,793,454)**	(2,030,985)
Net cash provided by (used in) operating activities	**1,085,740**	**1,431,890**	**4,333,738**	4,309,787
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Other noncurrent assets	**-**	304,170	**-**	(142,916)
Additions to property, plant and equipment	**6,638**	(2,218,091)	**(606,881)**	(2,935,942)
Net cash used in investing activities	**6,638**	**(1,913,921)**	**(606,881)**	(3,078,858)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loans proceeds (payment)	**(911,223)**	(768,865)	**(1,836,440)**	(1,163,715)
Net cash provided by financing activities	**(911,223)**	**(768,865)**	**(1,836,440)**	(1,163,715)
EFFECT OF EXCHANGE RATE CHANGES	**(1,313,702)**	709,962	**(2,093,866)**	(684,079)
NET INCREASE (DECREASE) IN CASH	**(1,132,546)**	**(540,934)**	**(203,449)**	(616,865)
CASH AND CASH EQUIVALENTS AT 1 JANUARY			**1,580,927**	1,225,699
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER			**1,377,478**	608,834

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE
FOR THE PERIOD ENDED 30 SEPTEMBER 2020
(Pesos in Thousands)

Type of Accounts Receivable	**Total**	**Current**	**31 - 90 Days**	**91 - 120 Days**	**Over 121 Days**
Trade Receivable					
Various trade receivable	444,839	396,926	47,913	-	-
Non-Trade Receivables					
Deposits and advances	-	-	-	-	-
Scrap	-	-	-	-	-
With court cases	13,254	-	-	-	13,254
Others	99,908	5,322	5,356	5,238	83,991
Allowance for Doubtful Accounts	(32,747)	-	-	-	(32,747)
Accounts Receivable - Net	**525,253**	**402,247**	**53,270**	**5,238**	**64,498**

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	

PART II – OTHER INFORMATION

None

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION
Issuer

ADRIAN PAULINO S. RAMOS	**FERNANDO A. RIMANDO**
President	Vice President/Chief Finance Officer

Signed this 5th *day of* November 2020