



# Investor Presentation

November 2014

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# About Atlas Mining

- *Incorporated in 1935, Publicly listed on the PSE since 1970*
- *AT PM : 2.076bn shares*

## Main Business Interests:

### Carmen Copper Corporation (100%)

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- Operational area: 1,676 has. in Toledo, Cebu
  - JORC reserve: 412M @ 0.34% Cu
  - 2013 Production: 155 dmt copper concentrate
  - 9M2014 Production: 137 dmt copper concentrate
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### Berong Nickel Corporation (25%)

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- Operational area: 1,069 hectares in Palawan
  - JORC resource: 9M tonnes @1.55% Ni using 1% cut-off grade
  - 2013 Production: 609k wmt ore
  - 9M2014 Production: 1,107k wmt ore
- 



Source: Company data

# Key Investment Considerations

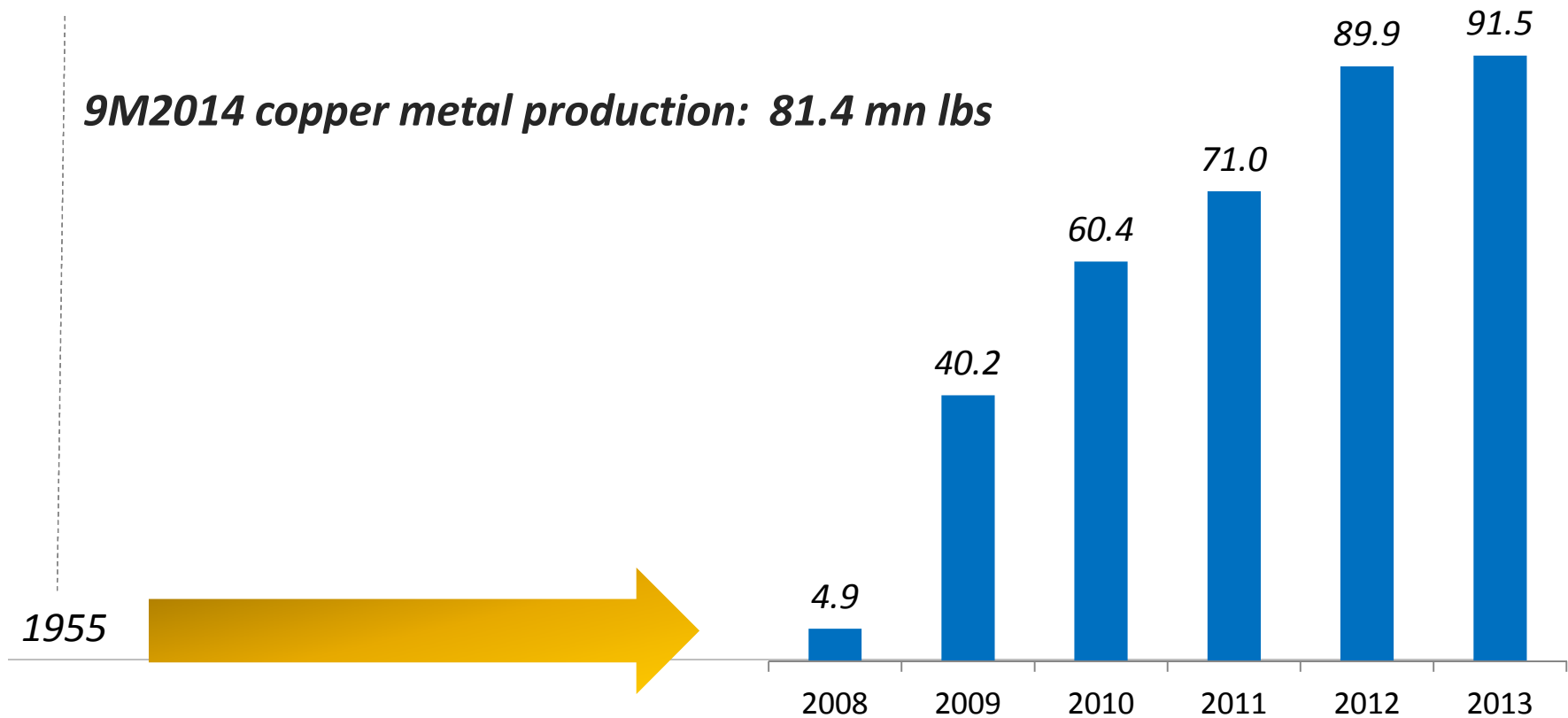
- Largest copper producer in the Philippines underpinned by a large resource base and highly demandable concentrate
- Expanded mining and processing capacity – the main engine that will increase productivity and improve cost efficiencies
- Solid financial performance
- Growth platform in place



# Largest copper producer in the Philippines

## Carmen Copper: Toledo Mine production

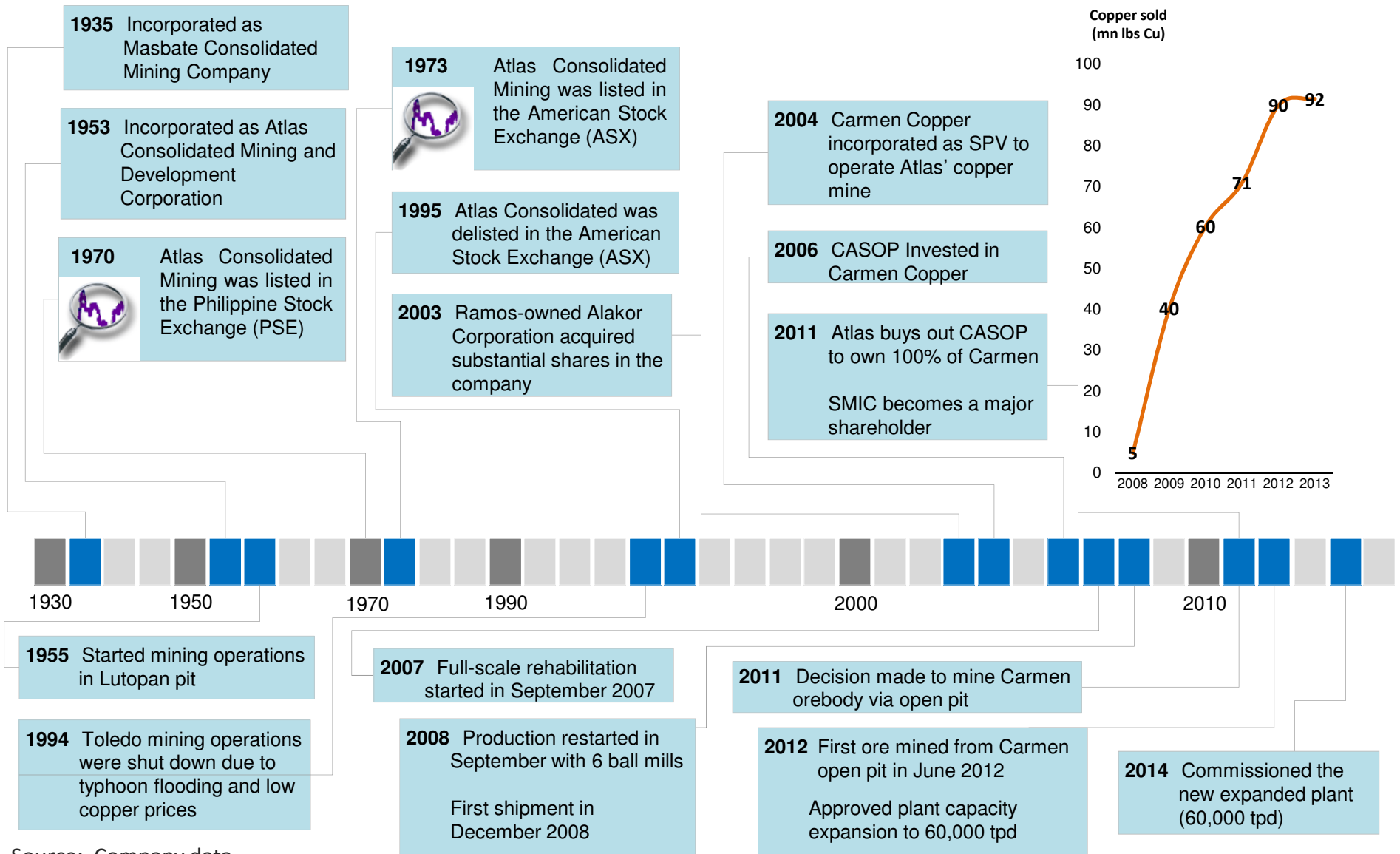
(in million pounds of Copper, (LHS))



- Produced nearly 6 billion pounds of copper in concentrate since 1955
- At its peak, it has reached mill throughput of 110,000 tons per day

Source: Company data

# With over 45 years of production history



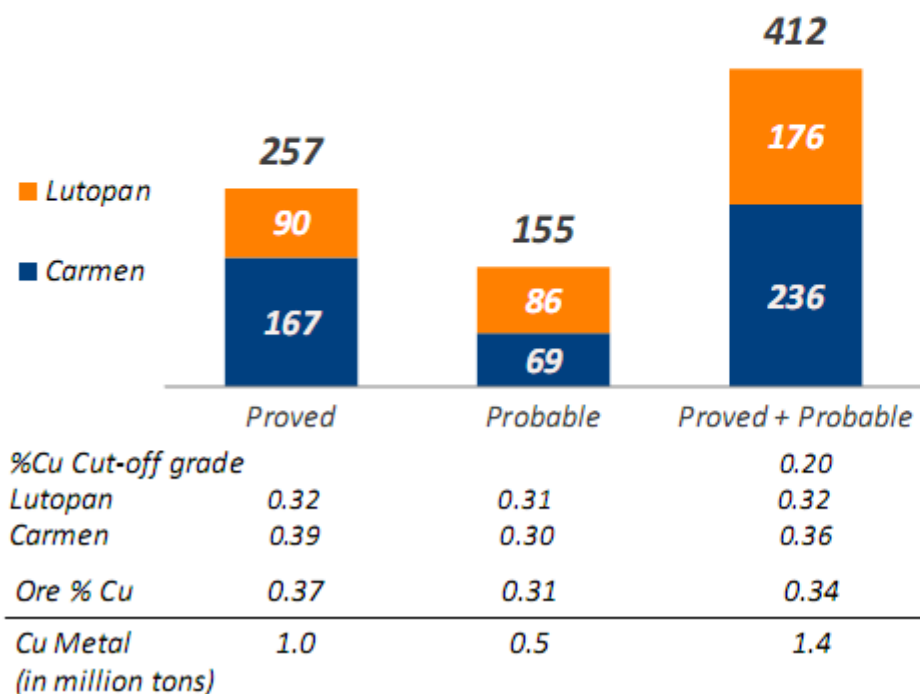
Source: Company data

# Underpinned by a large resource base

## JORC proved and probable reserves

(in million tons)

Combined proved and probable reserves:  
**412 million tonnes at average 0.34% Cu**



Note:

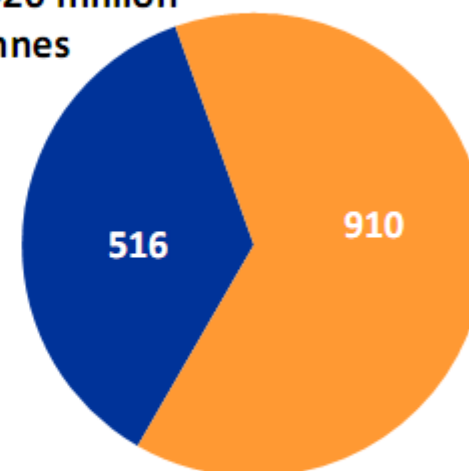
"Cu" denotes the chemical symbol for copper.

Updated estimates of ore reserves and copper mineral resources as of 30 June 2014.

## JORC measured, indicated and inferred resources

(in million tons)

**1,426 million tonnes**



%Cu Cut-off grade	0.15
Ore % Cu	0.29
Cu Metal (in million tons)	4.10

Source: Company data



# Fully integrated operations and logistics

## **Reliable and Cost Efficient Power and Water Supply**

Toledo Power (40mw)  
+ New plant (88mw)  
Malubog Dam (35mld)

Malubog Dam

**MALUBOG DAM**

## **Safe and Secure Tailings Disposal**

94 mcm, +335 masl

**BIGA PIT**

Carmen Pit

**CARMEN PIT**

## **Infrastructure Reliability**

Carmen concentrator (Mill)  
40k tpd expanded to 60k

**LUTORAN PIT**

Sangi Pier

**SANGI PORT**

## **Logistical Efficiency**

16 kms from the mine site  
Sangi Port; more than 1 mtpa capacity



# Highly demandable copper concentrate (low in impurities)

## Impurity content and penalty thresholds

	CCC <sup>(1)</sup>	Mine A <sup>(2)</sup>	Mine B <sup>(2)</sup>	Penalty Limit <sup>(3)</sup>	China Minimum Requirement <sup>(3)</sup> <sup>(5)</sup>
Arsenic (%)	< 0.003	0.2 - 0.5	0.8 - 1.5	< 0.2 < 0.5 < 1.0	< 0.5
Lead (%)	< 0.03	3 to 6	6 - 8.5	< 1.0	< 6
Zinc (%)	< 0.14	6 to 10	5 - 8.5	< 3.0	na
Mercury (ppm)	< 0.04	4 to 6	< 10	< 5.0	< 100
Cadmium (%)	< 0.02		0.04 - 0.08	< 0.03	< 0.05
Antimony (%)	< 0.02	0.02 - 0.05	0.1 - 0.2	< 0.05	na

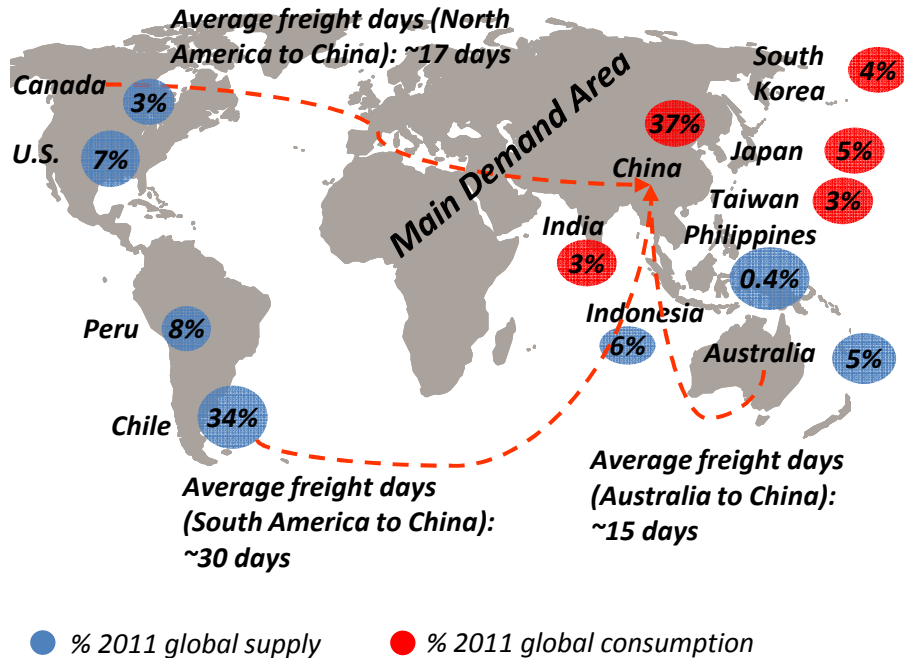
## Carmen Copper's clean copper concentrate is highly demanded by regional smelters

Note: "ppm" denotes parts per million. (1) Company (2) MRI Trading (3) Brook Hunt (4) Different penalty limits would be applied for different levels of arsenic (5) Minimum quality level required by Chinese smelters. "n.a." denotes not applicable, where there is no mention of minimum impurity thresholds by the Chinese (Source: Brook Hunt, January 2011).



# Close proximity to key markets

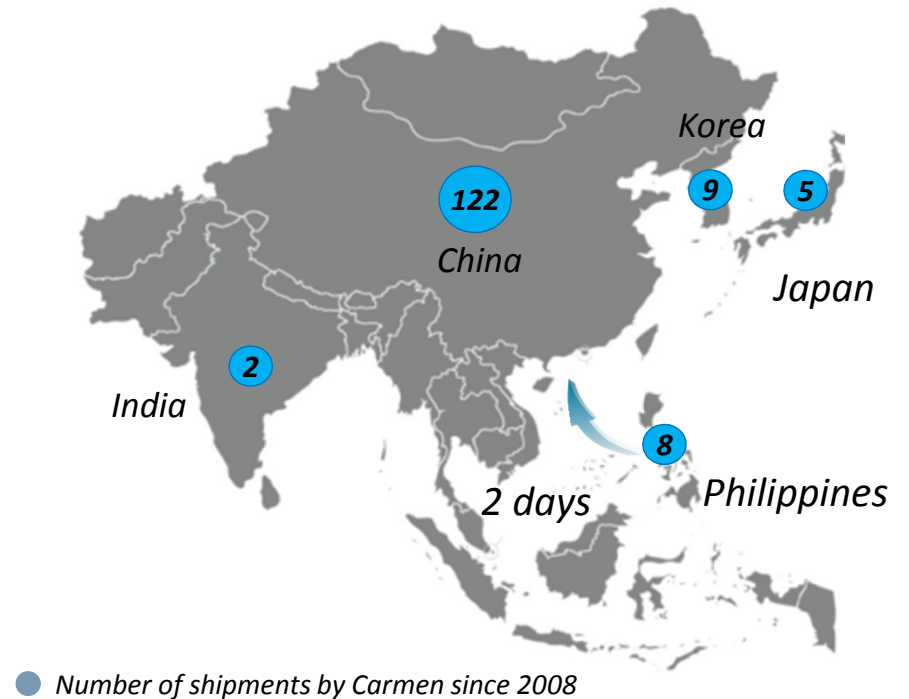
## Proximity to North Asia Customers



### Freight time advantage vs. US and Australia

- 2 days average from Philippines to China
- 30 days average from South America to China

## ...and smelters in Asia



# Key Investment Considerations

- Largest copper producer in the Philippines underpinned by a large resource base and highly demandable concentrate
- Expanded mining and processing capacity – the main engine that will increase productivity and improve cost efficiencies
- Solid financial performance
- Growth platform in place



## Carmen Open Pit producing commercially



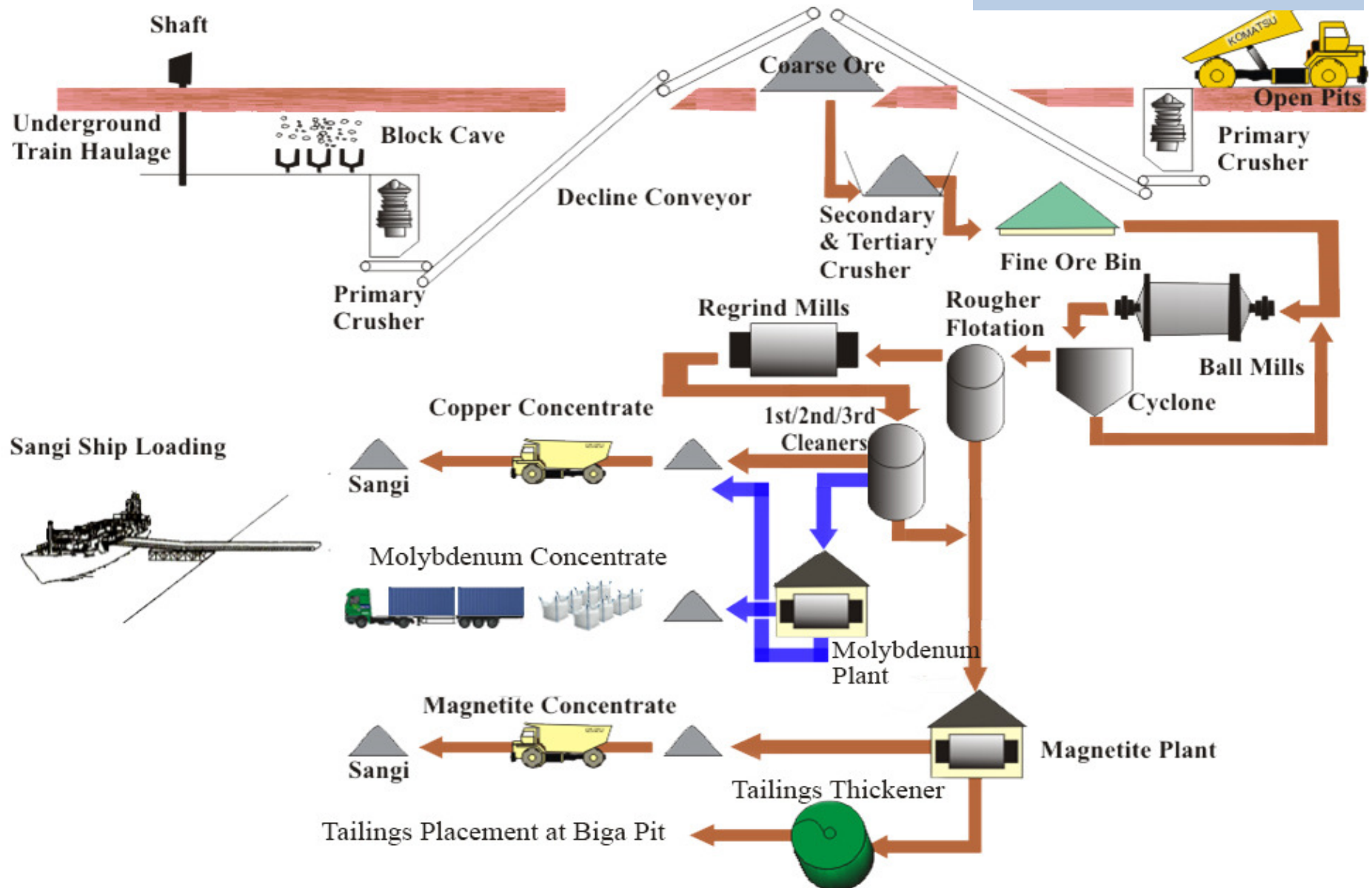






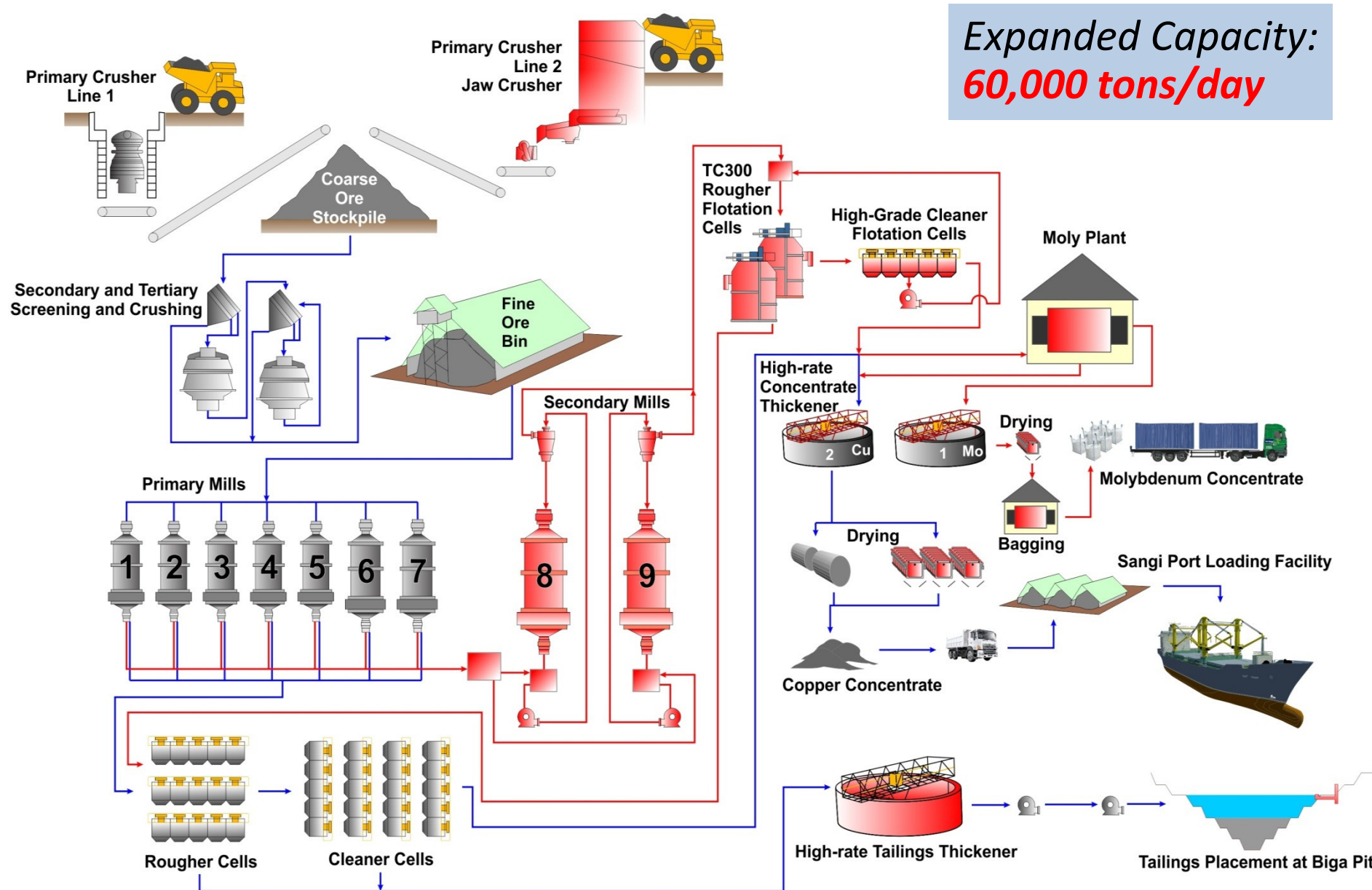
# OLD Copper Concentration Process

Old Capacity:  
**40,000 tons/day**





# EXPANDED Copper Concentration Process





## Carmen Copper Expansion-Ore Processing Plant





## Carmen Copper Expansion – Primary Crusher Line





## Carmen Copper Expansion – Ball Mills





## Carmen Copper Expansion – Rougher Flotation





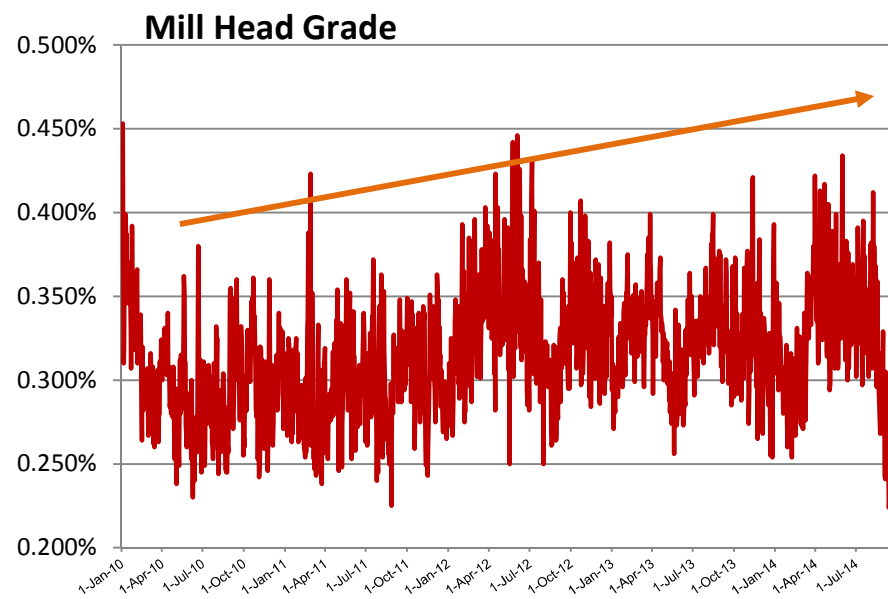
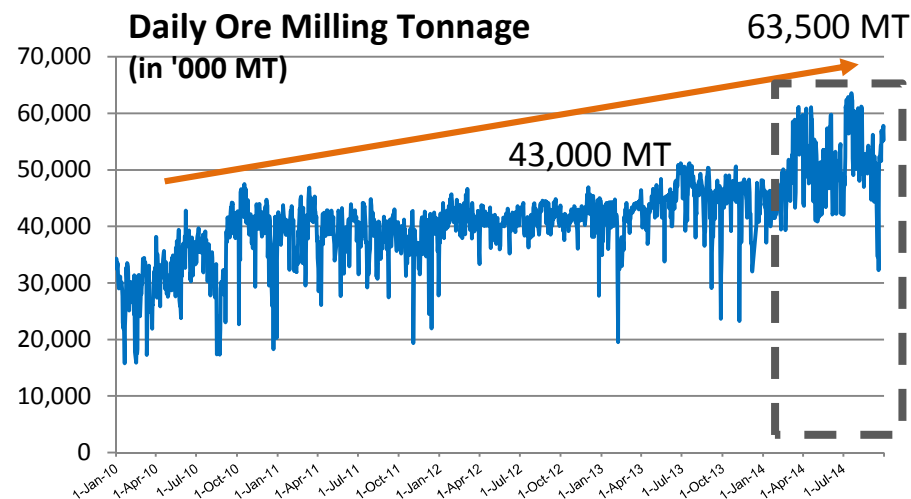
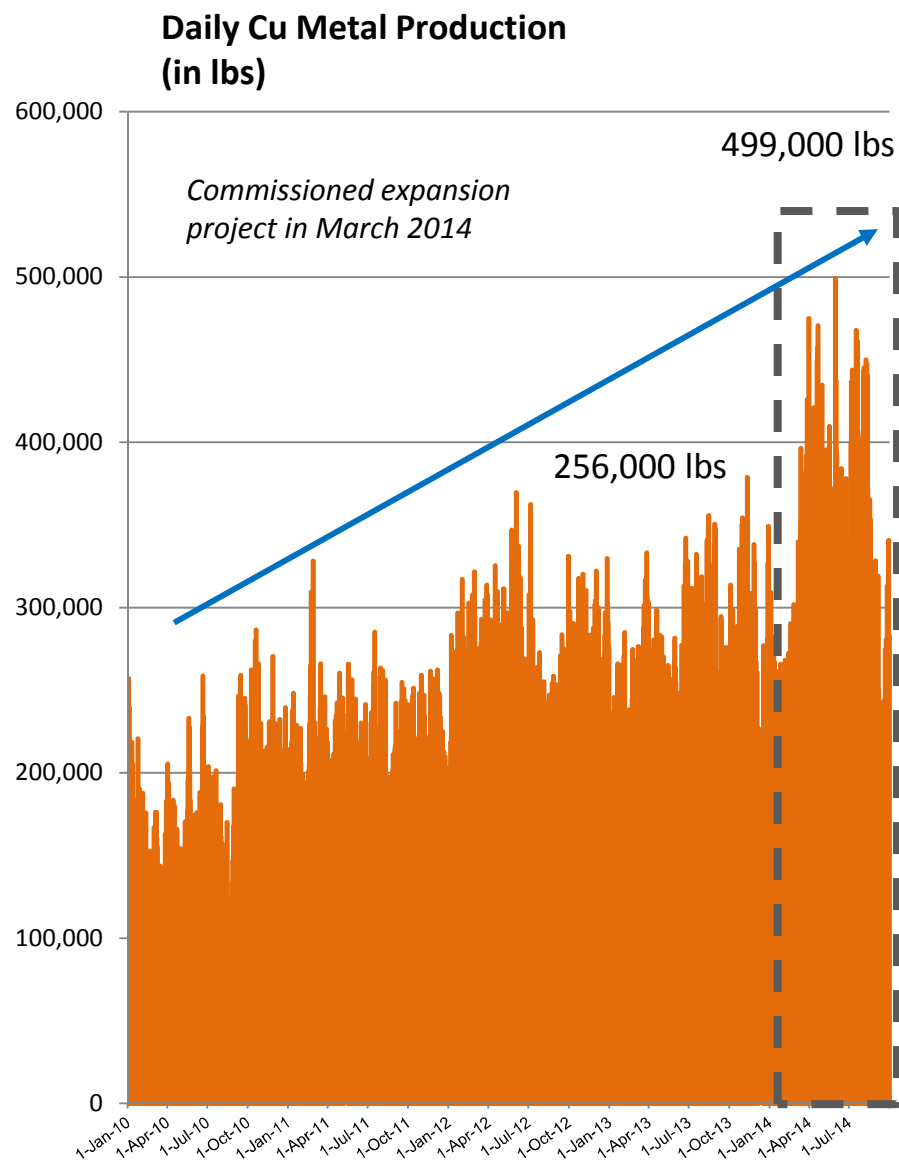
## Carmen Copper Expansion – Other Equipment



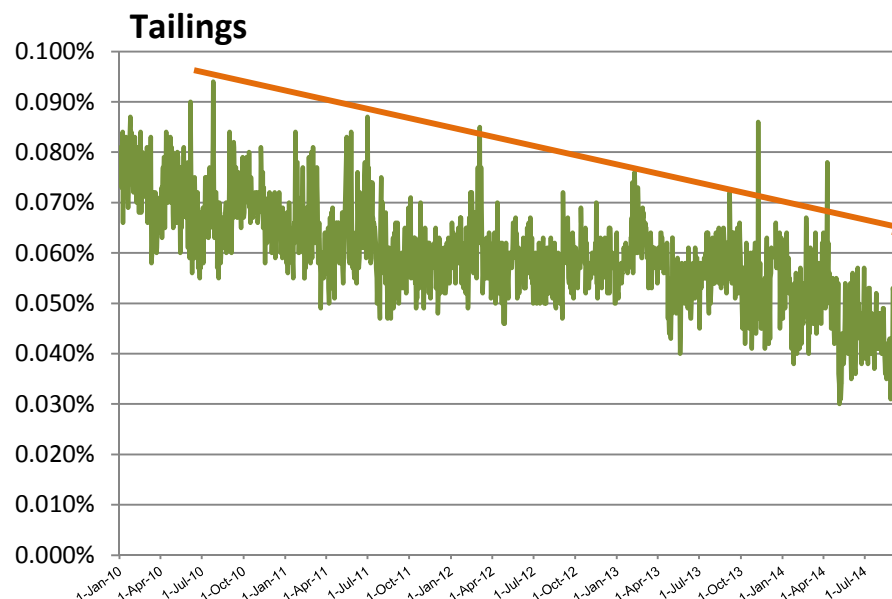
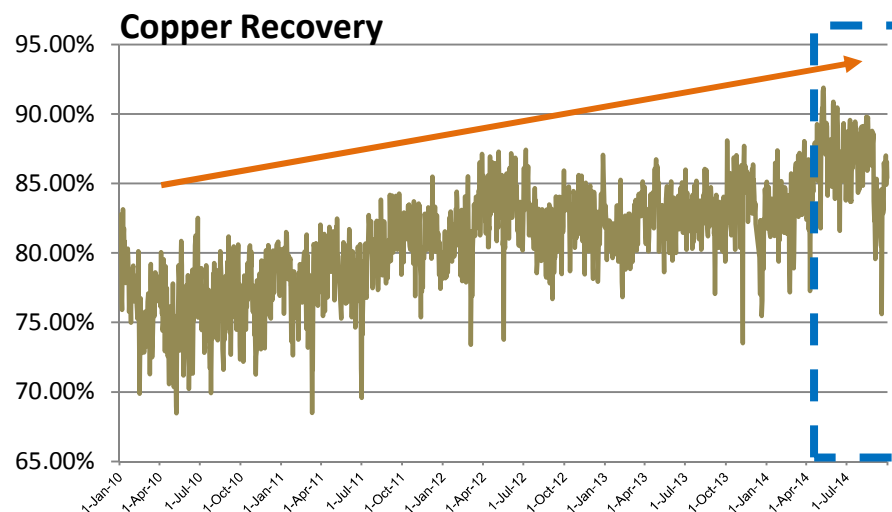
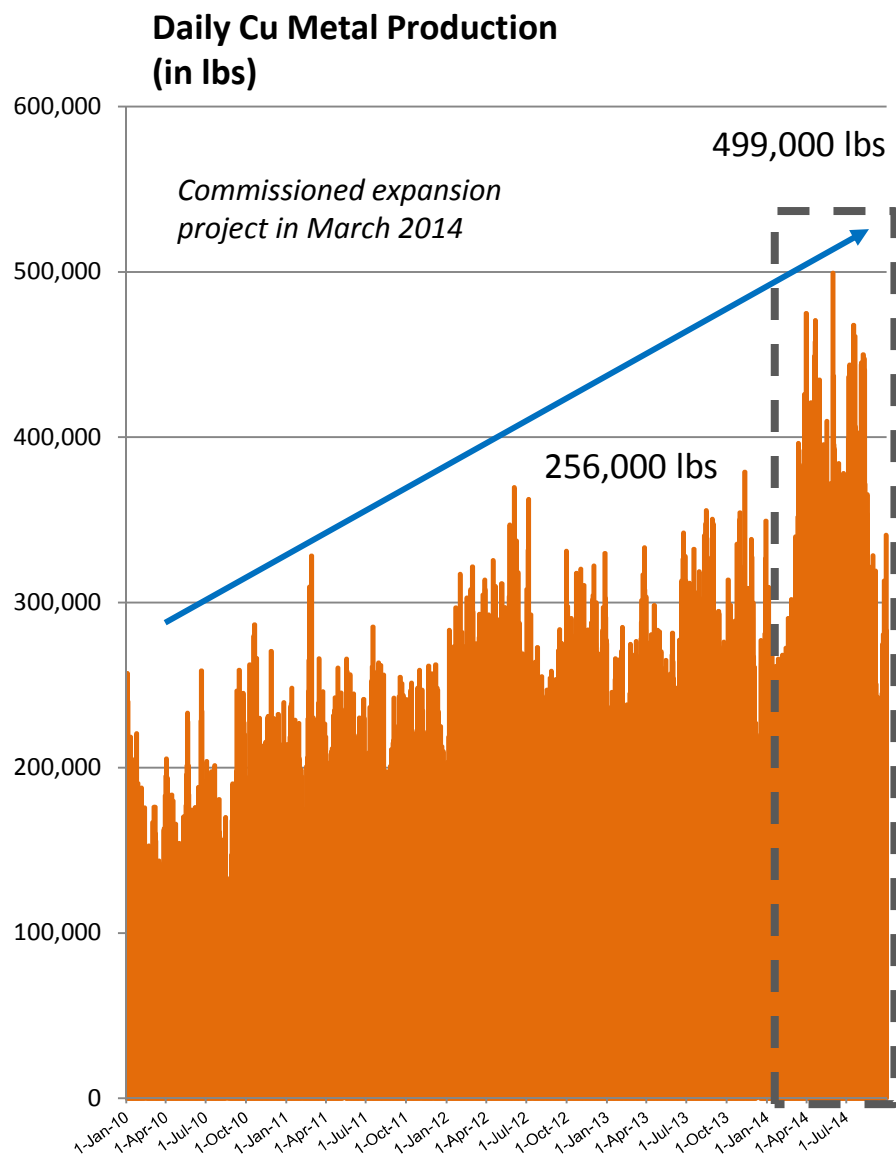
10 units - 16m<sup>3</sup> capacity each



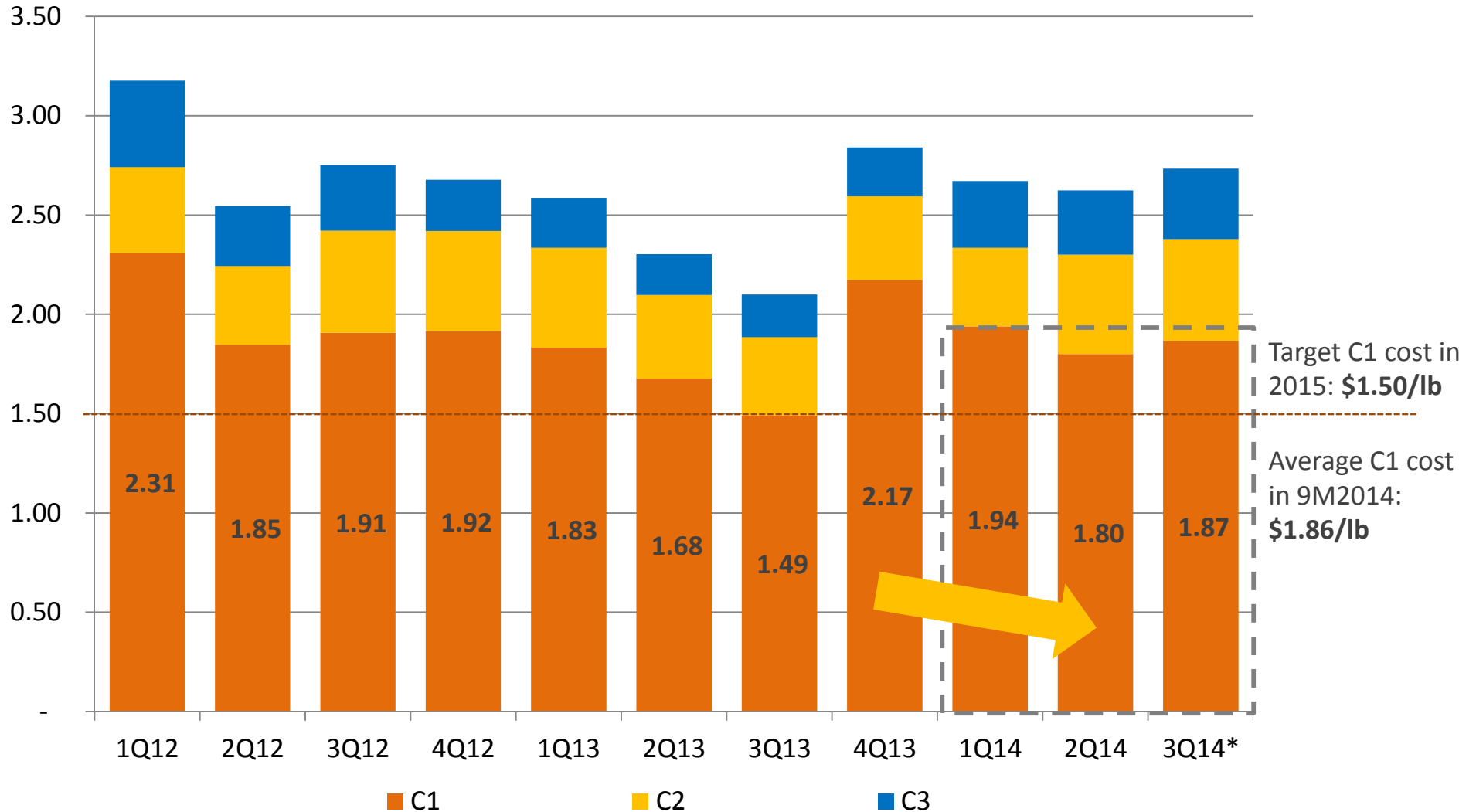
# Increasing productivity: higher throughput and grade



# Increasing productivity: higher recovery and lower tails



## Declining cash costs to temper effect of lower prices



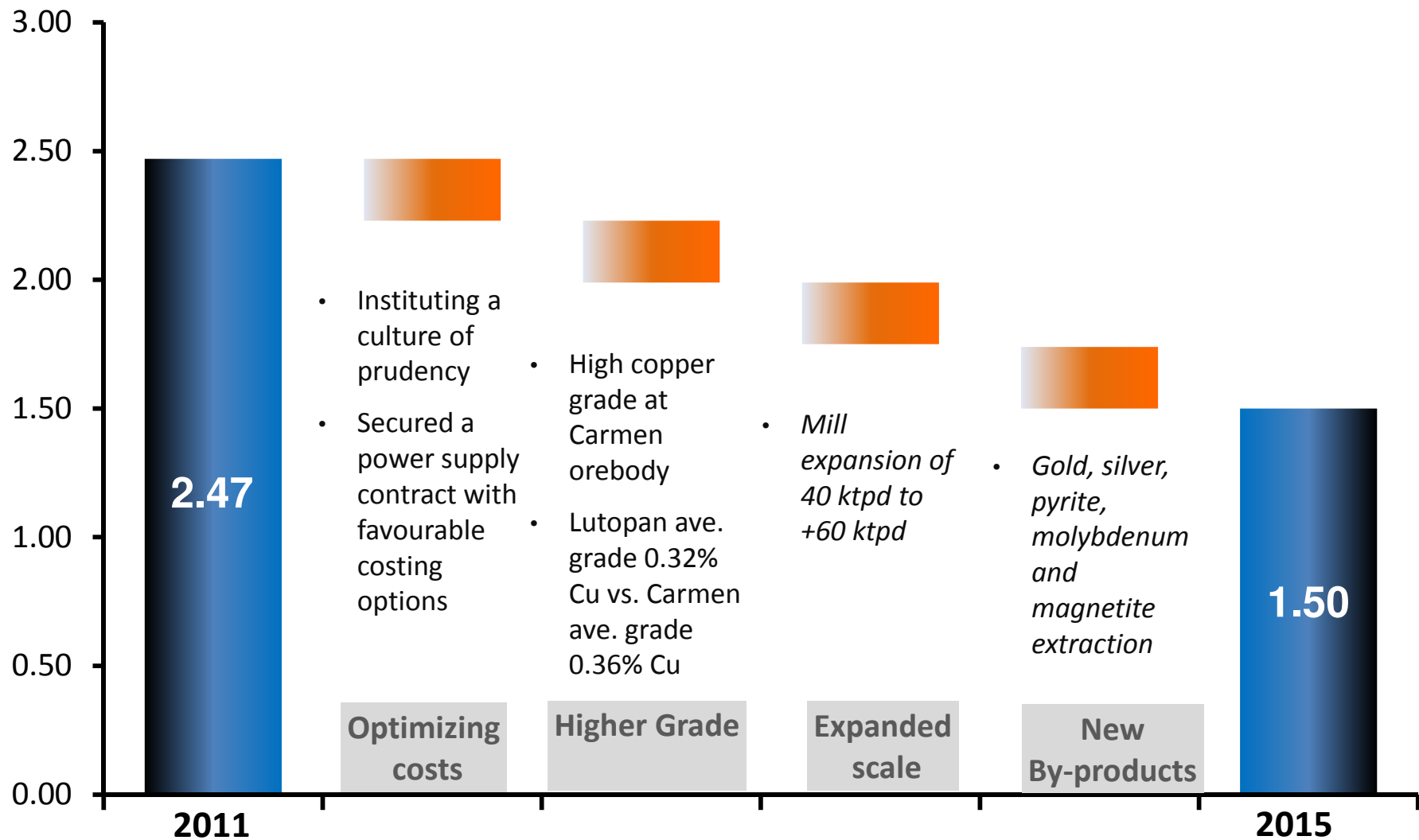
Source: Company data

Note: 3Q14\* cash costs adjusted

# Improving cost efficiencies resulting in significant cost reduction

## Carmen Copper C1 Cost Reduction Strategy

(in US\$/lb)





# Carmen Copper

## SUMMARY OF OPERATIONS

Year-on-Year	9M2013	9M2014	Change
<b>Production</b>			
Milling Tonnage ('000 dmt)	11,865	13,452	13%
Daily Milling Average (dmt per day)	43.5	49.3	13%
Ore Grade (%Cu)	0.322%	0.324%	1%
Copper Concentrate ('000 dmt)	117.1	137.2	17%
Copper Metal Gross (in '000 lbs)	68,855	81,387	18%
Gold (ounces)	15,188	19,969	31%
<b>Shipment</b>			
Number of Shipments	24.5	27.5	12%
Copper Concentrate ('000 dmt)	116.4	132.4	14%
Copper Metal Gross (in '000 lbs)	68,194	78,098	15%
Gold (payable ounces)	14,164	17,676	25%

Source: Company data

# Berong Nickel

## SUMMARY OF OPERATIONS

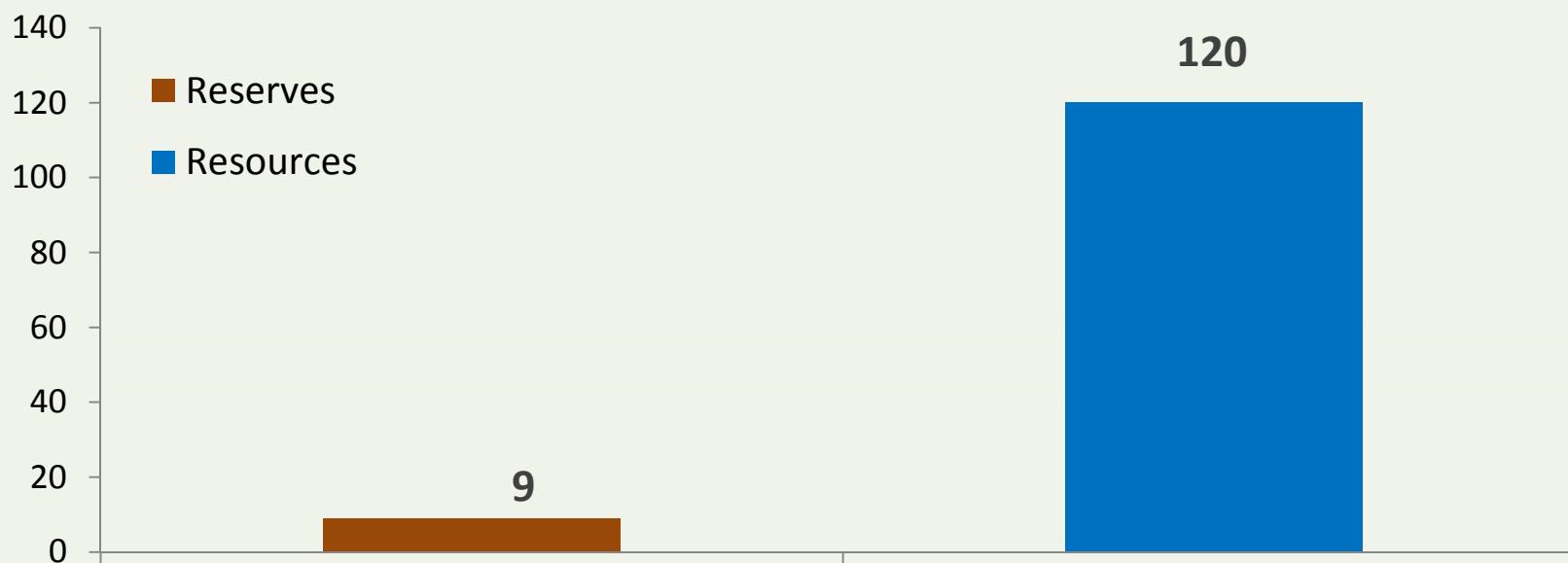
Year-on-Year	9M2013	9M2014	Change
<b>Production</b>			
Milling Tonnage ( <i>wmt</i> )	561,308	1,106,985	97%
<b>Shipment</b>			
Number of Shipments	11	18	64%
Volume ( <i>wmt</i> )	549,505	956,944	74%
<b>Costs</b>			
C1 cash cost	15.48	8.03	-48%
C2 cash cost	16.89	9.88	-42%
C3 cash cost	31.07	18.29	-41%

Source: Company data

# Berong resource base

## JORC reserves and Potential resources

(in million tons)



Reserves

Resources

	Reserves	Resources
% Ni Cut-off grade	1.00	.90
Ore % Ni	1.55	1.34

Note:

"Ni" denotes the chemical symbol for nickel.

Updated estimates of ore reserves and nickel mineral resources as of 31 March 2014.

Source: Toledo Mining Corporation data

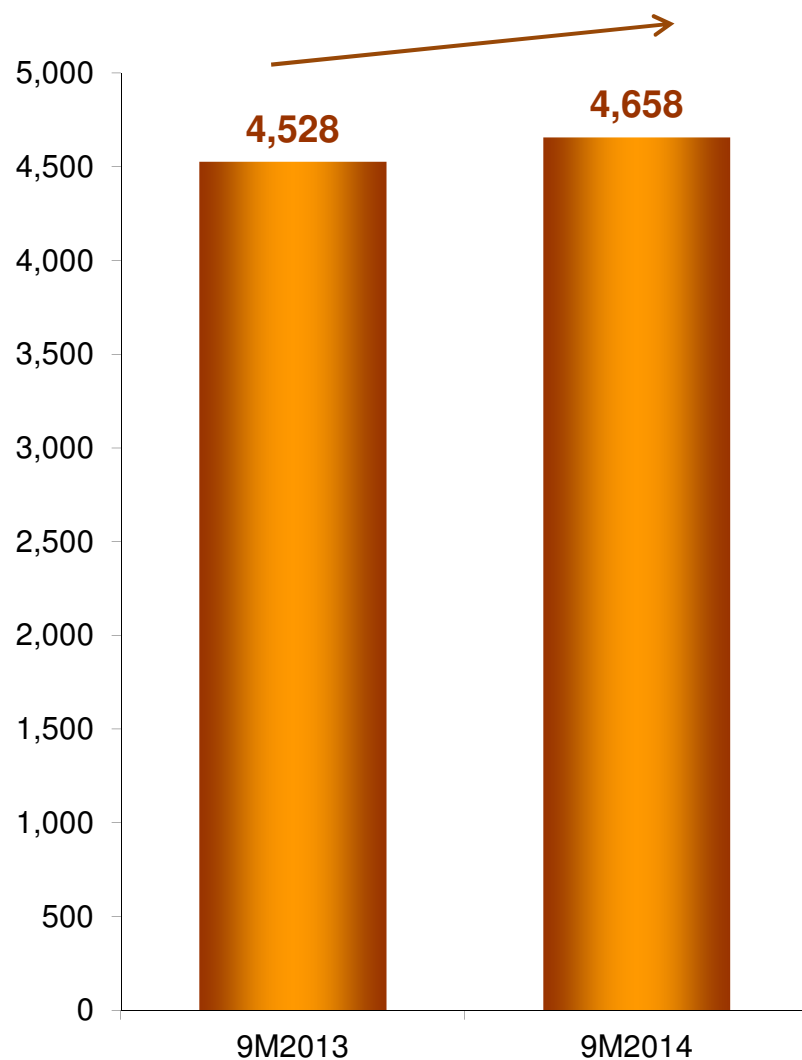
# Key Investment Considerations

- Largest copper producer in the Philippines underpinned by a large resource base and highly demandable concentrate
- Expanded mining and processing capacity – the main engine that will increase productivity and improve cost efficiencies
- Solid financial performance
- Growth platform in place

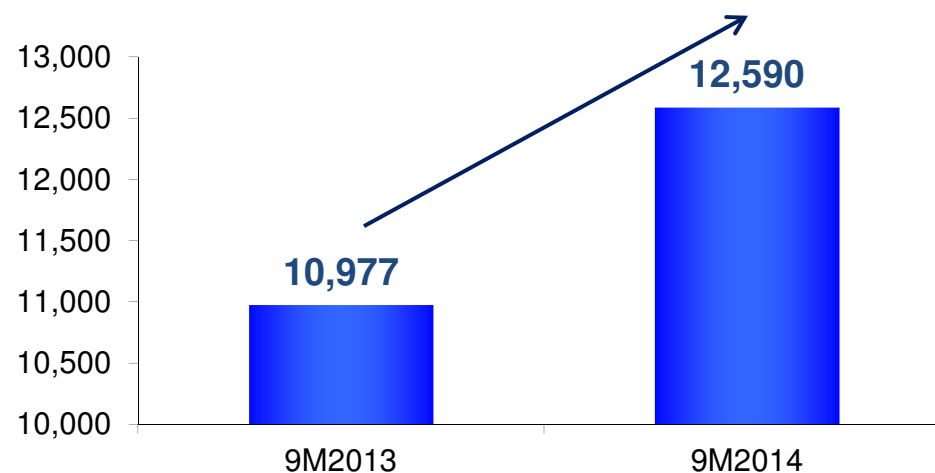


# Solid financial performance

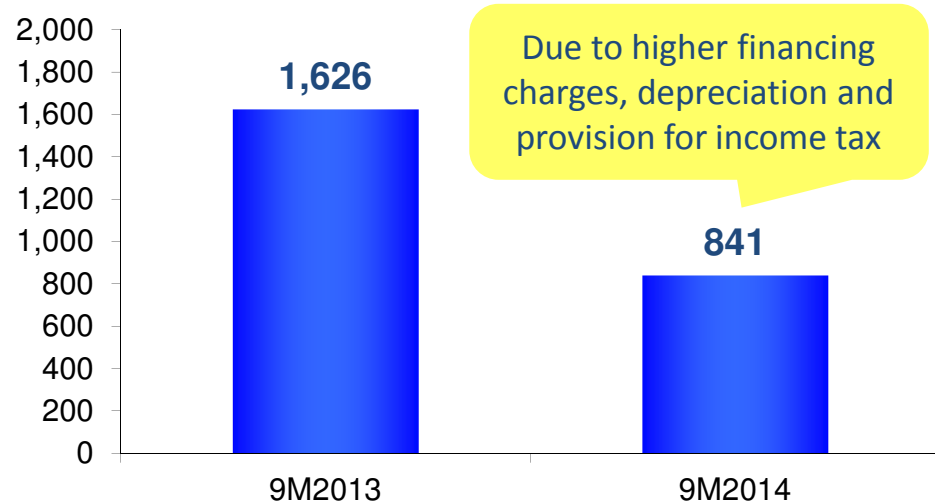
EBITDA (in Php mn)



Revenues (in Php mn)



Net Income (in Php mn)

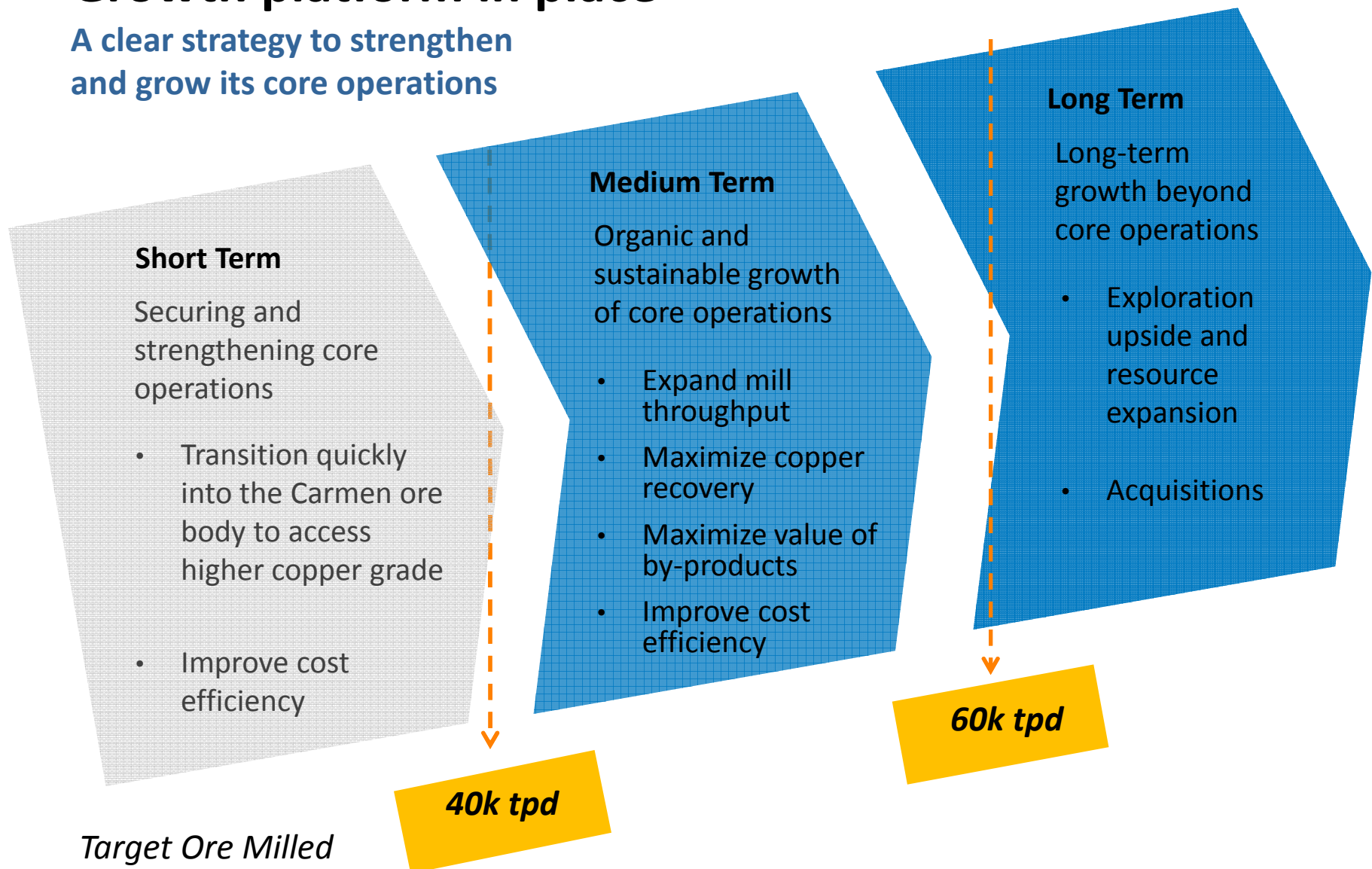


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# Growth platform in place

A clear strategy to strengthen and grow its core operations



# Summary of Key Investment Considerations

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