

COVER SHEET

1 1 5 P R E W A R

S.E.C. Registration Number

MI - 015

PSE No.

A T L A S C O N S O L I D A T E D M I N I N G

A N D D E V E L O P M E N T C O R P O R A T I O N

(Company's Full Name)

7 T H F L O O R Q U A D A L P H A C E N T R U M

1 2 5 P I O N E E R S T R E E T M A N D A L U Y O N G

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

CONSTANTE P. BUMANGLAG

Contact Person

(632) 635-2387

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

1 7 - Q "A"

FORM TYPE

Month

Day

Annual Meeting

N/A

last Wednesday of April

Secondary LicenseType, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

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 **September 30, 2004**
2. Commission Identification No. **115 Pre War** 3. BIR Tax Identification No. **410-000-154-572-V**

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION

4. Exact name of issuer as specified in its charter

Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code (SEC Use Only)

7/F Quad Alpha Centrum 125 Pioneer Street, Mandaluyong City

1554

7. Address of registrant's principal office Postal Code

(632) 635-23-87

8. Issuer's telephone number, including area code

N. a.

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

10. 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
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Common Stock, P 10 par value

355,914,952

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

Yes [/] No []

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

Philippine Stock Exchange

Common Stock

12. 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 [/] No []

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

Yes [/] No []

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements.

The following statements, attached herein, are made part of this report:

- A) Annex A - Unaudited Consolidated Balance Sheets
- B) Annex B - Unaudited Consolidated Statements of Income
- C) Annex C - Unaudited Consolidated Statements of Changes in Capital Deficiency
- D) Annex D - Unaudited Consolidated Statements of Cash Flows

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company posted a consolidated net loss amounting to ₱150 million for the period ended September 30, 2004, 63% lower than the loss of ₱403 million recorded for the same period last year. The decline in losses was due mainly to lower interest and financing charges as a result of the settlement by Alakor Corporation of the Company's liabilities to Mitsubishi Materials Corporation (MMC).

Consolidated revenues grew to ₱19 million for the first nine months of 2004 against the ₱6 million generated for the same period in 2003. The three-fold growth was attributable mainly to the increased proceeds from sale of scrap materials and the construction contracts the company's subsidiary, ACMDC Ventures, Inc. (AVI) was able to secure.

Consolidated costs and operating expenses decreased by ₱323 million compared to ₱408 million recorded during the same period last year. The Philippine peso continued to lose its value against the US dollar due to government's worsening fiscal deficit projections and renewed intra regional currency decline. The peso was set at ₱56.336 as of September 30, 2004, a drop of 1.35% compared to ₱55.586 as of December 31, 2003. Unrealized foreign exchange losses stood at ₱70 million, ₱55 million higher compared to ₱15 million posted last year.

The increase in accounts receivable pertains to advances to a service contractor. Other noncurrent assets increased due to set up of additional fund to satisfy regulatory requirements. Loans and acceptances payable, accounts payable and accrued expenses accounts decreased due to the settlement and assignment of debts to Alakor Corporation. Consequently, the conversion of these settled debts to deposits on subscriptions was the reason for the increase in this account. Due to affiliates account increased primarily due to advances received from Alakor. Idle property, plant and equipment decreased due mainly to the usual depreciation charges.

Total assets of the company decreased to ₱1,961 million as of September 30, 2004 from ₱1,985 million as of December 31, 2003, while liabilities went down by 52% to ₱3,606 million from ₱7,513 million. Total current liabilities (₱3,606 million) exceeded total current assets (₱15 million) by ₱3,591 million.

The Company's mining operations remain suspended and there are no key performance indicators other than the following:

	<u>09/30/2004</u>	<u>12/31/2003</u>
Current ratio	0.004:1	0.001:1
Debt to equity ratio	- *	- *
Equity to debt ratio	- *	- *
Loss per share	0.42	1.76

* - Equity is negative

In December 1993, a typhoon hit the Toledo mines that caused flood and subsequent mudrush in the underground facilities. The mines remain closed to date.

The Company signed an agreement with Minoro Mining and Exploration Corporation (Minoro) on November 15, 1996 granting it the exclusive right to rehabilitate the Company's Toledo Copper Mines. At the same time, the agreement binds Minoro to provide the Company ₱5.8 million per month for maintenance cost of the mines.

However, on July 7, 2000, the Company terminated its agreement with Minoro. The termination of the agreement with Minoro paved the way for the Company to consider the offer of other local and foreign investors who signified their intentions to rehabilitate the mines. On October 3, 2000, the Board of Directors of the Company authorized it to enter into a Memorandum of Agreement ('MOA') with Alakor for the rehabilitation of the minesite in Toledo. After it had completed the due diligence conducted on the Company, Alakor notified the Company on November 9, 2000 of its decision to negotiate and offer a settlement agreement with the creditors of the Company.

On May 16, 2001, Alakor informed the Company that it had assumed and completely settled the Company's debts, including all unpaid interests and penalties, owed to local and foreign bank creditors amounting to ₱1.9 billion. On June 17, 2003, Alakor settled the Company's debts, principal and interest, to various creditors namely A. Soriano Corporation and Anscor Insurance Brokers, Inc., Orica Explosives Philippines, Inc. and Itochu Corporation amounting to ₱736 million. The Company will issue shares equivalent to the total value of debts discharged, including interest and penalties, in accordance with the MOA. On March 7, 2003, the Company issued to Alakor and Minoro 81,001,935 and 6,829,716 shares of common stock, respectively, at ₱10.00 per share for the partial settlement of the Company's liabilities amounting to ₱878 million.

In April 2004, the Company entered into a new agreement with Mitsubishi Materials Corporation, Alakor and Minoro. The new agreement provides, among others, the transfer of all rights and interests Mitsubishi may have over the loans and advances owed by Atlas amounting to US\$71.4 million including interest accruing from these liabilities together with the security interest thereon. On June 7, 2004, Mitsubishi confirmed the receipt of full and final payment of the consideration for the assignment of these loans in favor of Alakor.

Also in June 2004, the Company completed an agreement with Toledo Copper Corporation (TCC), whereby TCC may earn 40% in the Toledo Copper mining assets and operations by making progressive payments and loans up to US\$28 million (₱1.540 billion). In addition, the Company also entered into an agreement with Investika Ltd. (IVK), whereby IVK can earn a 20% interest in its Palawan Nickel Project by an immediate investment of US\$1 million.

Liquidity and Capital Resources

Net cash inflows during the nine months period amounted to ₱4 million compared to net cash outflows of ₱0.5 million for the same period of the preceding year. However, net cash outflows from operating activities amounted to ₱10 million compared to ₱0.3 million inflows last year.

The MOA signed by the Company with Alakor obliges the latter to provide the Company a minimum amount of ₱1mm per week for maintenance cost of the mines until the MOA is terminated or the rehabilitation is completed or has progressed such that the advances are no longer necessary for the maintenance of the Company.

The Company has not expended nor allocated any amount on capital projects for the nine months period and is likely to maintain this policy until the rehabilitation of the mines in Toledo City commences.

Atlas is not aware of any uncertainties, trends, events or seasonal aspects that will have a material effect on its liquidity, financial condition or results of its operations. Further, the Company is not aware of any events that will trigger direct or contingent financial obligation that is material to the Company. No material off-balance sheet transactions have occurred during the interim period under review. Except as explained above, there was no significant element of consolidated loss that did not arise from the Company's operations.

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.

Registrant **ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION**

Signature **MARTIN C. BUCKINGHAM** **NOEL T. DEL CASTILLO**

Title Executive Vice President and CFO Corporate Secretary and Treasurer

Date January 4, 2005 January 4, 2005

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARY**

UNAUDITED CONSOLIDATED BALANCE SHEETS

(Pesos in Thousands, Except Par Value)

	Unaudited 9/30/2004	Audited 12/31/2003
ASSETS		
Current Assets		
Cash and cash equivalents	5,967	1,685
Accounts receivable - net	2,242	364
Inventories - net	-	-
Other current assets	7,103	7,077
Total Current Assets	15,312	9,126
Noncurrent Assets		
Investments - net	1,900	1,900
Due from an affiliate	5,000	5,052
Land at revalued amounts	614,702	614,702
Idle property, plant and equipment - net	1,323,113	1,353,911
Other noncurrent assets - net	999	613
Total Noncurrent Assets	1,945,714	1,976,178
TOTAL ASSETS	1,961,026	1,985,304
LIABILITIES AND CAPITAL DEFICIENCY		
Current Liabilities		
Loans and acceptances payable	239,489	2,108,972
Accounts payable and accrued expenses	3,099,254	5,152,937
Due to affiliates	267,037	251,528
Total Current Liabilities	3,605,780	7,513,437
Capital Deficiency		
Capital stock - common shares ₱10 par value (authorized - 650,000 shares: issued - 355,915 shares)	3,559,149	3,559,149
Additional paid in capital	12,241	12,241
Deposits on subscriptions	4,917,119	883,854
Revaluation increment in property	610,080	610,080
Deficit	(10,743,343)	(10,593,457)
Total Capital Deficiency	(1,644,754)	(5,528,133)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY	1,961,026	1,985,304

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARY**

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(Pesos in Thousands, Except Per Share Amounts)

	Quarters Ended		Nine Month Period Ended	
	9/30/2004	9/30/2003	9/30/2004	9/30/2003
REVENUES				
Rental	239	-	650	1,108
Contracts	925	-	1,922	-
Miscellaneous	1,327	-	16,728	4,500
	2,491	-	19,300	5,608
COSTS AND OPERATING EXPENSES				
Operating expenses	3,767	331,555	83,294	408,331
Contract costs	627	-	1,555	-
	4,394	331,555	84,849	408,331
LOSS FROM OPERATIONS	1,903	331,555	65,549	402,723
OTHER CHARGES (INCOME)	3,736	-	84,337	-
NET LOSS	5,639	331,555	149,886	402,723
Loss Per Share *	0.02	0.93	0.42	1.13

* Based on weighted average number of common shares outstanding

355,915 355,915

The interim financial statements were prepared in accordance with accounting principles generally accepted in the Philippines. The same accounting policies and methods of computations were followed in the preparation of the interim financial statements as used in the most recent annual financial statements.

No significant events and/or material changes have occurred subsequent to the end of the most recent fiscal year. Adjustments of a normal recurring nature which are in the opinion of management necessary to a fair statement of the results have been reflected in the unaudited interim financial statements. Other information that require disclosures in the interim financial statements have been omitted because they are not applicable.

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARY**
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY

(Pesos in Thousands)

	Capital Stock	Additional Paid -in Capital	Deposits on Subscriptions	Revaluation Increment in Property	Deficit	Total
Balance at January 1, 2003	2,680,833	12,241	1,755,652	610,080	(12,121,334)	(7,062,528)
Issuances of shares	878,317	-	(878,317)	-	-	-
Net loss for the nine month period	-	-	-	-	402,723	402,723
Balance at September 30, 2003	3,559,150	12,241	877,335	610,080	(12,524,057)	(7,465,251)
Balance at January 1, 2004	3,559,149	12,241	883,854	610,080	(10,593,457)	(5,528,133)
Conversion of advances to deposits on subscriptions	-	-	4,033,265	-	-	4,033,265
Net loss for the nine month period	-	-	-	-	149,886	149,886
Balance at September 30, 2004	3,559,149	12,241	4,917,119	610,080	(10,743,343)	(1,644,754)

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARY**
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Pesos in Thousands)

	Quarters Ended		Nine Month Period Ended	
	9/30/2004	9/30/2003	9/30/2004	9/30/2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(5,639)	(331,555)	(149,886)	(402,723)
Adjustments for:				
Interest expense	-	4,946	7,212	14,446
Depreciation and depletion	8,706	11,716	30,803	35,725
Unrealized foreign exchange losses	708	11,324	69,888	15,465
Gain on sale and retirement of assets	-	(6,823)	(14,618)	(7,189)
Interest income	(322)	-	(585)	-
Operating income (loss) before working capital changes	3,453	(310,392)	(57,186)	(344,276)
Increase in:				
Accounts receivable	102	(149)	(1,878)	(1,039)
Other current assets	(3)	-	(26)	-
Increase (decrease) in:				
Accounts payable and accrued expenses	(5,958)	311,381	48,521	345,702
Other deferred liabilities	-	(23)	-	(63)
Cash used in operations	(2,406)	817	(10,569)	324
Interest received	322	-	585	-
Net cash provided by (used in) operating activities:	(2,084)	817	(9,984)	324
CASH FLOWS FROM INVESTING ACTIVITIES				
Net increase in property, plant and equipment	(248)	(4,892)	(909)	(28,536)
Decrease (increase) in other noncurrent assets	(124)	11,704	(386)	38,381
Net cash from (used in) investing activities	(372)	6,812	(1,295)	9,845
CASH FLOWS FROM FINANCING ACTIVITIES				
Net decrease in loans and acceptances payable	(42)	(7,849)	-	(10,719)
Net changes in amount due to/from affiliates	(240)	-	15,561	-
Net cash from (used in) financing activities	(282)	(7,849)	15,561	(10,719)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(2,738)	(220)	4,282	(550)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
			1,685	978
CASH AND CASH EQUIVALENTS, SEPTEMBER 30				
			5,967	428

**ATLAS CONSOLIDATED MINING AND DEVELOPMENT
CORPORATION AND SUBSIDIARY**

UNAUDITED CONSOLIDATED AGING SCHEDULE OF ACCOUNTS RECEIVABLE

September 30, 2004

(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							
Pasar	826	-	-	-	-	826	-
Philphos	1,160	-	-	-	-	1,160	-
Billings	126,777	-	-	-	-	126,777	12,046
Retention	4,487	-	-	-	-	4,487	-
Non-Trade Receivables							
Deposits and advances	24	4	-	-	-	20	-
Scrap	707	-	-	-	-	707	-
Toledo city government	9,415	-	-	-	-	9,415	-
With court cases	13,254	-	-	-	-	13,254	13,254
Advances to subcontractors	245	-	-	-	-	245	-
Others	37,670	-	858	2,344	180	34,288	-
Allowance for Doubtful Accounts	(192,323)	-	-	-	-	(192,323)	-
Accounts Receivable - Net	2,242	4	858	2,344	180	(1,144)	25,300

Account Receivable Description

Type of Receivable	Nature/Description of Receivable	Collection Period
Pasar	Sale of copper concentrates	Not applicable
Philphos	Sale of phosphate concentrates	
Billings	Progress billings from construction projects	
Retention	10% Retention of gross billings on project contracts	
Deposits & Advances	Deposits on rentals	
Scrap	Sale of excess and scrap materials	
Toledo City Government	Supply of potable water to local government unit	
With Court Cases	Various claims	
Advances to Subcontractors	Advances to subcontractors	
Others	Advances to union cooperative, employees, and others	

Normal Operating Cycle Calendar year