

UNITED STATES ANTIMONY CORP
Form 10-Q/A
January 08, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period _____ to _____

Commission file number 001-08675

UNITED STATES ANTIMONY CORPORATION
(Exact name of registrant as specified in its charter)

Montana
(State or other jurisdiction of incorporation
or organization)

81-0305822
(I.R.S. Employer Identification No.)

P.O. Box 643, Thompson Falls, Montana
(Address of principal executive offices)

59873
(Zip code)

Registrant's telephone number, including area code: (406) 827-3523

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES No

Indicate by check mark whether the registrant is a shell company as defined by Rule 12b-2 of the Exchange Act. YES No

At May 10, 2012, the registrant had outstanding 60,804,010 shares of par value \$0.01 common stock.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer,

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or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

| | | | |
|--|--|--|---|
| Large accelerated filer <input type="checkbox"/> | Accelerated filer <input type="checkbox"/> | Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company) | Smaller reporting company <input type="checkbox"/> |
|--|--|--|---|

UNITED STATES ANTIMONY CORPORATION
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD
ENDED MARCH 31, 2012

TABLE OF CONTENTS

| | Page |
|--|------|
| PART I – FINANCIAL INFORMATION | |
| Item 1: Financial Statements (unaudited) | 3 |
| Item 2: Management’s Discussion and Analysis of Results of Operations and Financial Condition | 10 |
| Item 3: Quantitative and Qualitative Disclosure about Market Risk | 12 |
| Item 4: Controls and Procedures | 13 |
| PART II – OTHER INFORMATION | |
| Item 1: Legal Proceedings | 14 |
| Item 2: Unregistered Sales of Equity Securities and Use of Proceeds | 14 |
| Item 3: Defaults upon Senior Securities | 14 |
| Item 4: Mine Safety Disclosures | 14 |
| Item 5: Other Information | 14 |
| Item 6: Exhibits and Reports on Form 8-K | 14 |
| SIGNATURE | 15 |
| CERTIFICATIONS | |

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PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

United States Antimony Corporation and Subsidiaries
Consolidated Balance Sheets

| | (Unaudited) | |
|---|-------------------|-------------------------|
| | March 31, 2012 | December 31, 2011 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$1,413,583 | \$5,427 |
| Certificates of deposit (Note 4) | 242,800 | - |
| Accounts receivable, less allowance for doubtful accounts of \$4031 and \$7600 | 472,156 | 1,291,975 |
| Inventories | 1,461,149 | 1,066,813 |
| Other current assets | 97,315 | 56,208 |
| Deferred tax asset | 470,869 | 396,558 |
| Total current assets | 4,157,872 | 2,816,981 |
| Properties, plants and equipment, net | 6,786,454 | 6,047,004 |
| Restricted cash for reclamation bonds | 74,777 | 74,777 |
| Other assets | 122,036 | 54,766 |
| Total assets | \$11,141,139 | \$8,993,528 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Checks issued and payable | \$- | \$113,908 |
| Deferred revenue | - | 43,760 |
| Accounts payable | 1,050,390 | 994,940 |
| Accrued payroll, taxes and interest | 150,288 | 141,928 |
| Other accrued liabilities | 33,476 | 119,292 |
| Payables to related parties | 46,662 | 331,978 |
| Long-term debt, current | 255,454 | 79,631 |
| Total current liabilities | 1,536,270 | 1,825,437 |
| Long-term debt, noncurrent | 246,815 | 158,218 |
| Accrued reclamation and remediation costs, noncurrent | 243,510 | 241,500 |
| Total liabilities | 2,026,595 | 2,225,155 |
| Commitments and contingencies (Note 4) | | |
| Stockholders' equity: | | |
| Preferred stock \$0.01 par value, 10,000,000 shares authorized: | | |
| Series A: no shares issued and outstanding | - | - |
| Series B: 750,000 shares issued and outstanding (liquidation preference \$877,500) | 7,500 | 7,500 |

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| | | |
|--|--------------|--------------|
| Series C: 177,904 shares issued and outstanding (liquidation preference \$97,847) | 1,779 | 1,779 |
| Series D: 1,751,005 shares issued and outstanding (liquidation preference and cumulative dividends of \$4,714,433) | 17,509 | 17,509 |
| Common stock, \$0.01 par value, 90,000,000 shares authorized; 60,804,010 and 59,349,300 shares issued and outstanding, respectively | 608,040 | 593,492 |
| Additional paid-in capital | 28,082,985 | 25,635,129 |
| Accumulated deficit | (19,603,269) | (19,487,036) |
| Total stockholders' equity | 9,114,544 | 6,768,373 |
| Total liabilities and stockholders' equity | \$11,141,139 | \$8,993,528 |

The accompanying notes are an integral part of the consolidated financial statements.

United States Antimony Corporation and Subsidiaries
Consolidated Statements of Operations (Unaudited)

| | For the three months ended | |
|---|----------------------------|-------------------|
| | March 31, 2012 | March 31, 2011 |
| REVENUES | \$3,053,554 | \$2,838,039 |
| COST OF REVENUES | 2,890,144 | 2,491,519 |
| GROSS PROFIT | 163,410 | 346,520 |
| OPERATING EXPENSES: | | |
| General and administrative | 225,921 | 148,002 |
| Professional fees | 98,306 | 94,952 |
| TOTAL OPERATING EXPENSES | 324,227 | 242,954 |
| INCOME (LOSS) FROM OPERATIONS | (160,817) | 103,566 |
| OTHER INCOME (EXPENSE): | | |
| Interest income | 2,054 | 2,069 |
| Interest expense | (4,333) | (1,153) |
| Factoring expense | (27,448) | (34,693) |
| TOTAL OTHER (EXPENSE) | (29,727) | (33,777) |
| INCOME (LOSS) BEFORE INCOME TAXES | (190,544) | 69,789 |
| INCOME TAX BENEFIT (EXPENSE) | 74,311 | (24,426) |
| NET INCOME (LOSS) | \$(116,233) | \$45,363 |
| Net income (loss) per share of common stock: | | |
| Basic and diluted | \$ Nil | \$ Nil |
| Diluted | \$ Nil | \$ Nil |
| Weighted average shares outstanding: | | |
| Basic | 60,523,440 | 57,164,492 |
| Diluted | 60,523,440 | 57,426,529 |

The accompanying notes are an integral part of the consolidated financial statements.

United States Antimony Corporation and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)

| | For the three months ended | |
|--|-------------------------------|-------------------|
| | March 31, 2012 | March 31, 2011 |
| Cash Flows From Operating Activities: | | |
| Net income (loss) | \$(116,233) | \$45,363 |
| Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation expense | 109,045 | 92,966 |
| Accretion of asset retirement obligation | 2,010 | - |
| Deferred tax expense (benefit) | (74,311) | 21,926 |
| Change in: | | |
| Accounts receivable, net | 819,819 | 523,056 |
| Inventories | (394,336) | (73,702) |
| Other current assets | (41,107) | (336,381) |
| Other assets | (67,270) | (18,770) |
| Accounts payable | 55,450 | 152,609 |
| Accrued payroll, taxes and interest | 8,360 | 8,729 |
| Other accrued liabilities | (85,816) | (31,127) |
| Deferred revenue | (43,760) | - |
| Payables to related parties | (285,316) | 6,837 |
| Net cash provided (used) by operating activities | (113,465) | 391,506 |
| Cash Flows From Investing Activities: | | |
| Collateral CD for loan facility | (242,800) | - |
| Purchase of properties, plants and equipment | (564,555) | (100,265) |
| Net cash used by investing activities | (807,355) | (100,265) |
| Cash Flows From Financing Activities: | | |
| Proceeds from sale of common stock, net of commissions | 2,462,404 | 783,470 |
| Principal payments of long-term debt | (19,520) | (16,146) |
| Payments received on stock subscription agreements | | 22,379 |
| Change in checks issued and payable | (113,908) | 13,371 |
| Net cash provided by financing activities | 2,328,976 | 803,074 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,408,156 | 1,094,315 |
| Cash and cash equivalents at beginning of period | 5,427 | 448,861 |
| Cash and cash equivalents at end of period | \$1,413,583 | \$1,543,176 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Noncash investing and financing activities: | | |
| Properties, plants & equipment acquired with long-term debt | \$283,940 | \$30,500 |
| Properties, plants and equipment acquired with accounts payable | | 17,826 |

The accompanying notes are an integral part of the consolidated financial statements.

PART I - FINANCIAL INFORMATION, CONTINUED:

United States Antimony Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

1. Basis of Presentation:

The unaudited consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the three month period ended March 31, 2012 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2012.

Certain consolidated financial statement amounts for the three month period ended March 31, 2011 have been reclassified to conform to the 2012 presentation. These reclassifications had no effect on the net income or accumulated deficit as previously reported.

Management estimates their effective tax rate at 39% for the current year.

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

During the three months ended March 31, 2012 and 2011, the Company incurred interest expense of \$14,313 and \$5,470, respectively, which has been capitalized as part of the cost of constructing the Cal Los Arcos Mill in Mexico.

2. Income (Loss) Per Common Share:

Basic earnings per share is calculated by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated based on the weighted average number of common shares outstanding during the period plus the effect of potentially dilutive common stock equivalents, including warrants to purchase the Company's common stock and convertible preferred stock. Management has determined that the calculation of diluted earnings per share for the three month period ending March 31, 2012, is not applicable since any additions to outstanding shares related to common stock purchase warrants would be anti-dilutive.

As of March 31, 2012 and 2011, the potentially dilutive common stock equivalents not included in the calculation of diluted earnings per share as their effect would have been anti-dilutive are as follows:

| | 3/31/2012 | 3/31/2011 |
|-----------------------------|-----------|-----------|
| Warrants | 1,719,167 | 600,000 |
| Convertible preferred stock | 2,678,909 | 2,299,745 |
| Total possible dilution | 4,398,076 | 2,899,745 |

3. Inventories

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| | March 31, 2012 | December 31, 2011 |
|----------------|-------------------|----------------------|
| Antimony Metal | \$ 183,169 | \$ 152,026 |
| Antimony Oxide | 378,668 | 180,404 |
| Antimony Ore | 841,342 | 644,113 |
| Zeolite | 57,970 | 90,270 |
| | \$ 1,461,149 | \$ 1,066,813 |

4. Commitments and Contingencies:

In 2005, a subsidiary of the Company signed an option agreement that gives it the exclusive right to explore and develop the San Miguel I and San Miguel II concessions for an annual payment of \$50,000, and an option to purchase payment of \$100,000 annually. Total payments will not exceed \$1,430,344, reduced by taxes paid. During the three months ended March 31, 2012 and the year ended December 31, 2011, \$0 and \$186,956 respectively, was paid and capitalized as mineral rights in accordance with the Company's accounting policies.

From time to time, the Company is assessed fines and penalties by the Mine Safety and Health Administration ("MSHA"). Using appropriate regulatory channels, management may contest these proposed assessments. The Company has accrued \$19,640 in other accrued liabilities as of March 31, 2012, related to these settled claims.

During the three months ended March 31, 2012, the Company negotiated a new credit facility increasing our lines of credit by \$202,000. As part of this agreement, we have pledged an additional two \$101,000 certificates of deposit as collateral. The increased loan facility allows us access to cash for an interest rate of 3.15% for the portion of the credit line used. At March 31, 2012, we did not have any outstanding line of credit debt.

5. Long – Term Debt

Long-term debt at March 31, 2012 and December 31, 2011, is as follows:

| | 2012 | 2011 |
|--|----------|--------|
| Note payable to De Lage Landen financial Services, bearing interest at 5.3%; payable in monthly installments of \$549; maturing March 2016; collateralized by equipment. | \$23,700 | \$- |
| Note payable to Western States Equipment Co., bearing interest at 6.15%; payable in monthly installments of \$2,032; maturing June 2015; collateralized by equipment. | 71,689 | 77,040 |
| Note payable to CNH Capital America, LLC, bearing interest at 4.5%; payable in monthly installments of \$505; maturing June 2013; collateralized by equipment. | 7,337 | 8,648 |
| Note payable to GE Capital, bearing interest at 2.25%; payable in monthly installments of \$359; maturing July 2013; collateralized by equipment. | 5,652 | 6,531 |
| Note payable to Robert and Phyllis Rice, bearing interest at 1%; payable in monthly installments of \$2,000; maturing March 2015; collateralized by equipment. | 73,024 | 80,882 |
| Note payable to De Lage Landen Financial Services at 5.2%; payable in monthly installments of \$709; maturing July 2014; collateralized by equipment. | 18,001 | 19,229 |
| Note payable to Caterpillar Finance, bearing interest at 6.15%; payable in monthly installments of \$766; maturing August 2014; collateralized by equipment. | 20,607 | 21,990 |

| | | |
|--|------------|-----------|
| Note payable to De Lage Landen Financial Services at 5.2%; payable in monthly installments of \$697; maturing January 2015; collateralized by equipment. | 22,019 | 23,529 |
| Note payable for Corral Blanco land, bearing interest at 6%; payable in three installments; maturing May 1, 2013; collateralized by land. | 260,240 | |
| | 502,269 | 237,849 |
| Less current portion | (255,454) | (79,631) |
| Noncurrent portion | \$246,815 | \$158,218 |

7

PART I - FINANCIAL INFORMATION, CONTINUED:

United States Antimony Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited), Continued:

6. Concentrations of Risk

During the quarter ended March 31, 2012, approximately 86% of the Company's antimony revenues were generated by sales to three customers. Loss of the Company's key customers could adversely affect its business.

7. Related Party Transactions

During the first quarter of 2012 and 2011, the Company paid \$6,655, and \$35,957 respectively, to directors of the Company for permitting and other construction related activities at Mexican mill sites.

During the first quarter of 2012 and 2011, the Company paid \$21,840 and \$15,903, respectively, to John Lawrence as reimbursement for equipment used by the Company.

8. Business Segments

The Company has two operating segments, antimony and zeolite. Management reviews and evaluates the operating segments exclusive of interest and factoring expenses. Therefore, interest expense and factoring is not allocated to the segments. Selected information with respect to segments is as follows:

| | As of March 31, 2012 | As of December 31, 2011 |
|--|----------------------------|-------------------------------|
| Properties, plants and equipment, net: | | |
| Antimony | | |
| United States | \$ 626,593 | \$ 603,959 |
| Mexico | 4,218,042 | 3,492,296 |
| Subtotal Antimony | 4,844,635 | 4,096,255 |
| Zeolite | 1,941,819 | 1,950,749 |
| | \$ 6,786,454 | \$ 6,047,004 |
| Total Assets: | | |
| Antimony | | |
| United States | \$ 3,706,465 | \$ 1,187,322 |
| Mexico | 5,054,517 | 4,992,250 |
| Subtotal Antimony | 8,760,982 | 6,179,572 |
| Zeolite | 2,291,533 | 2,813,956 |
| | \$ 11,052,515 | \$ 8,993,528 |
| | | |
| | For the three months ended | |
| | March 31, 2012 | March 31, 2011 |
| Capital expenditures: | | |
| Antimony | | |
| United States | \$ 44,768 | \$ 57,222 |

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| | | |
|-------------------|------------|------------|
| Mexico | 762,840 | 91,369 |
| Subtotal Antimony | 807,608 | 148,591 |
| Zeolite | 40,887 | - |
| | \$ 848,495 | \$ 148,591 |

8

United States Antimony Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited), Continued:

8. Business Segments, continued

| | For the three months ended March 31, | |
|---------------------------------------|--------------------------------------|--------------|
| | 2012 | 2011 |
| Antimony Division - United States: | | |
| Revenues - Antimony | \$ 2,202,137 | \$ 2,114,232 |
| Customer discounts - Antimony | (27,328) | |
| Revenues - Precious metals | 180,138 | 331,200 |
| | 2,354,947 | 2,445,432 |
| Cost of sales: | | |
| Production costs | 1,487,618 | 1,689,599 |
| Depreciation | 7,135 | 6,881 |
| Freight and delivery | 52,316 | 64,890 |
| General and administrative | 19,451 | 26,208 |
| Direct sales expense | 17,769 | 12,590 |
| Total cost of sales | 1,584,289 | 1,800,168 |
| Gross profit - United States antimony | 770,658 | 645,264 |
| Antimony Division - Mexico: | | |
| Cost of sales - Madero smelter: | | |
| Production costs | 440,510 | 225,198 |
| Depreciation | 50,418 | 39,946 |
| Freight and delivery | 65,424 | 804 |
| General and administrative | 16,011 | 30,417 |
| Total Madero smelter | 572,363 | 296,365 |
| Non operating costs : | | |
| Corporate | 39,216 | |
| Puerto Blanco mill | 30,738 | |
| Los Juarez mine | 11,828 | |
| Total Mexico costs | 654,145 | 296,365 |
| Gross profit (loss) - Mexico antimony | (654,145) | (296,365) |
| Total revenues - antimony | 2,354,947 | 2,445,432 |
| Total cost of sales - antimony | 2,238,434 | 2,096,533 |
| Total gross profit - antimony | 116,513 | 348,899 |
| Zeolite Division: | | |
| Revenues | 698,607 | 392,607 |
| Cost of sales: | | |
| Production costs | 488,302 | 273,302 |
| Depreciation | 49,817 | 46,139 |
| Freight and delivery | 21,802 | (2,280) |
| General and administrative | 3,505 | 14,523 |
| Royalties | 66,810 | 44,912 |
| Direct sales expense | 21,474 | 18,390 |
| Total cost of sales | 651,710 | 394,986 |

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| | | |
|--------------------------------|--------------|--------------|
| Gross profit (loss) - zeolite | 46,897 | (2,379) |
| Total revenues - combined | \$ 3,053,554 | \$ 2,838,039 |
| Total cost of sales - combined | 2,890,144 | 2,491,519 |
| Total gross profit - combined | \$ 163,410 | \$ 346,520 |

Production at the Company's Mexico operation only brings antimony up to an intermediate stage, which must then be shipped to the United States operation for finishing. Revenues are not recorded as no sales occur at the intermediate stage.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

General

This report contains both historical and prospective statements concerning the Company and its operations. Prospective statements (known as "forward-looking statements") may or may not prove true with the passage of time because of future risks and uncertainties. The Company cannot predict what factors might cause actual results to differ materially from those indicated by prospective statements.

Results of Operations

For the three month period ended March 31, 2012 compared to the three month period ended March 31, 2011.

The Company's operations resulted in net loss of \$116,233 for the three-month period ended March 31, 2012, compared with a net income of \$45,363 for the same period ended March 31, 2011. The difference in income for the first quarter of 2012 compared to the similar period of 2011 is attributed to a large build of inventory to \$1,488,911 prior to the start up of the Puerto Blanco mill and expansion of the Madero smelter, the booking of \$81,782 of non-operational expenses at the Puerto Blanco mill and Los Juarez property against Mexican production, fees associated with a recent funding, lower silver and gold production, and lower antimony prices.

Antimony Division:

Total revenues from antimony product sales for the first quarter of 2012 were \$2,202,137 compared with \$2,114,232 for the comparable quarter of 2011, an increase of \$87,905. During the first quarter of 2012, sales of antimony products consisted of 343,952 pounds of contained antimony metal at an average price of \$6.40 per pound, compared to 321,361 pounds of contained antimony metal at an average sale price of \$6.58 per pound.

The cost of antimony production was \$1,928,128, or \$5.61 per pound of antimony metal contained sold during the first quarter of 2012 compared to \$1,914,797, or \$5.96 per pound of antimony metal contained sold during the first quarter of 2011.

Antimony depreciation for the first quarter of 2012 was \$57,553 compared to \$46,827 for the first quarter of 2011. The increase in depreciation is due to the increase of fixed assets in production in Mexico.

Antimony freight and delivery expense for the first quarter of 2012 was \$117,740 compared to \$65,694 during the first quarter of 2011.

Direct sales expenses for antimony were \$17,769 for the first quarter of 2012 compared to \$12,590 during the same quarter in 2011.

During the first quarter of 2012 precious metals sales was \$180,138. During the first quarter of 2011 silver and gold comprised \$331,200 of sales.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION, CONTINUED

Zeolite Division:

Total revenue from sales of zeolite products during the first quarter of 2012 were \$698,607 at an average sales price of \$201.56 per ton, compared with the same quarter sales in 2011 of \$392,607 at an average sales price of \$143.83 per ton.

The cost of zeolite production was \$488,302, or \$140.88 per ton sold for the first quarter of 2012, compared to \$273,302, or \$100.81 per ton sold, during the first quarter of 2011. The increase was due to increased labor, maintenance and propane expenses during the first quarter of 2011 compared to the first quarter of 2010.

Zeolite depreciation for the first quarter of 2012 was \$49,817 compared to \$46,139 for the first quarter of 2011.

Zeolite freight and delivery for the first quarter of 2012 was \$21,802 compared to \$(2,280) for the first quarter of 2011. The change in freight expense is because in the 1st quarter of 2011, we had a program of having customers pay their own freight.

During the first quarter of 2012, the Company incurred costs totaling \$3,505 associated with general and administrative expenses at Bear River Zeolite Company, compared to \$14,523 of such expenses in the comparable quarter of 2011.

Zeolite royalties expenses were \$66,810 during the first quarter of 2012 compared to \$44,912 during the first quarter of 2011.

Direct sales expenses for zeolite was \$21,474 during the first quarter of 2012 compared to \$18,390 during the first quarter of 2011.

Administrative Operations

General and administrative expenses for the corporation were \$189,006 during the first quarter of 2012 compared to \$80,349 for the same quarter in 2011. The increase is primarily due to \$108,764 of stock based compensation paid to Directors for their services.

Professional fees of \$98,306 during the first quarter of 2012 compared to \$94,952 during the first quarter of 2011.

Accounts receivable factoring expense was \$27,448 during the first quarter of 2012 compared to \$34,693 during the first quarter of 2011. The decrease is due to less need to turn receivables over quickly.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION, CONTINUED

Cash provided (used) by operating activities during the first three months of 2012 and 2011 was \$(113,465) and \$391,506, respectively. The change resulted primarily from decreases in net income, and cash used by increases in inventory, other current assets, and other assets in 2012. Net collections of accounts receivable provided \$819,819 of cash during the first quarter of 2012.

Cash used by investing activities during the first three months of 2012 and 2011 was \$807,355 and \$100,265, respectively and was primarily related to the purchase of property, plant and equipment in Mexico.

Net cash provided by financing activities during the first three months of 2012 and 2011 was \$2,328,976 and \$803,074, respectively, and was primarily generated from the sale of common stock.

| Financial Condition and Liquidity | March 31, 2012 | December 31, 2011 |
|------------------------------------|-------------------|----------------------|
| Current Assets | \$ 4,157,872 | \$ 2,816,981 |
| Current liabilities | (1,536,270) | (1,595,433) |
| Net Working Capital | \$ 2,621,602 | \$ 1,221,548 |
| Cash provided (used) by operations | \$ (113,465) | \$ 564,041 |
| Cash (used) by investing | (807,355) | (2,239,441) |
| Cash provided (used) by financing: | | |
| Principal paid on long-term debt | (19,520) | (124,722) |
| Sale of Stock | 2,462,404 | 1,242,780 |
| Other | (113,908) | 113,908 |
| Net change in cash | \$ 1,408,156 | \$ (443,434) |

Our liquidity (cash) and working capital has improved by \$1.4 million from December 31, 2011, primarily due to an increase in cash of \$1.4 million, which is approximately the net cash received from issuing \$2.4 million of common stock, and expending \$1 million for capital improvements and operations. Increases in our inventory affected our cash position at March 31, 2012, and decreases to inventory in future periods should provide liquidity (cash). We have lines of credit for \$202,000 which have not been drawn on at March 31, 2012.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

We sell our antimony products based on a world market price, and we buy a majority of our raw material based on the same market prices. Analysis of our costs indicate that, for the quarter ended March 31, 2012, raw materials were approximately 50% of our cost of goods sold. Most of our production costs are fixed in nature, and could not be decreased readily without decreasing our production. During the quarter ending March 31, 2012, a \$2 per pound decrease in our sales price would have likely caused our gross profit to decrease \$1 per pound.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosure. Our president, who serves as the chief accounting officer, conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) as of March 31, 2011.

Based upon this evaluation, it was determined that there were material weaknesses affecting our internal control over financial reporting and, as a result of those weaknesses, our disclosure controls and procedures were not effective as of March 31, 2012. These material weaknesses are as follows:

The Company lacks proper segregation of duties. As with any company the size of ours, this lack of segregation of duties is due to limited resources. The president authorizes the majority of the expenditures and signs checks.

During its year-end audit, our independent registered accountants discovered material misstatements in our financial statements that required audit adjustments.

MANAGEMENT'S REMEDIATION INITIATIVES

We are aware of these material weaknesses and will develop procedures to ensure that independent review of material transactions is performed. We will develop internal control measures to mitigate the lack of segregation of duties as follows:

The CFO will review all bank reconciliations

The CFO will review all material transactions for capital expenditures

The CFO will review all period ending entries for preparation of financial statements, including the calculation of inventory, depreciation, and amortization

The CFO will review all material entries for compliance with generally accepted accounting principles prior to the annual audit and 10Q filings

The CFO will develop a formal capitalization policy

In addition, we plan to consult with independent experts when complex transactions are contemplated.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING.

During the quarter ended March 31, 2012, the Company appointed three independent Director's to an Audit Committee which has been actively involved in the Company's internal controls over financial reporting through communications with the Company's management and outside auditors.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three month period ended March 31, 2012, the Company sold shares of its restricted common stock directly and through the exercise of outstanding stock purchase warrants as follows: 1,102,500 shares for \$2.00 per share (\$2,205,000), and 200,000 shares for \$.30 per share (\$60,000). Common stock sold is restricted as defined under Rule 144. In management's opinion, the offer and sale of the securities were made in reliance on exemptions from registration provided by Section 4(2) and Rule 506 of Regulation D of the Securities Act of 1933, as amended and other applicable Federal and state securities laws. Proceeds received on sales of common stock were used for general corporate purposes.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The registrant has no outstanding senior securities.

ITEM 4. MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. During its fiscal quarter ended March 31, 2012, the Company had no material specified health and safety violations, orders or citations, related assessments or legal actions, mining-related fatalities, or similar events in relation to the Company's United States operations requiring disclosure pursuant to Section 1503(a) of the Dodd-Frank Act.

| Mine | Mine Act §104 Violations (1) | Mine Act §104(b) Orders (2) | Mine Act §104(d) Citations and Orders (3) | Mine Act §(b)(2) Violations (4) | Mine Act §107(a) Orders (5) | Proposed Assessments from MSHA (In dollars\$) | Mining Related Fatalities (6) | Mine Act §104(e) Notice (yes/no) (6) | Pending |
|--------------------|------------------------------|-----------------------------|---|---------------------------------|-----------------------------|---|-------------------------------|--------------------------------------|--|
| | | | | | | | | | Legal Action before Federal Mine Safety and Health Commission (yes/no) |
| Bear River Zeolite | 0 | 0 | 0 | 0 | 0 | \$ 2,473.00 | 0 | No | No |

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Certifications

Certifications Pursuant to the Sarbanes-Oxley Act

Reports on Form 8-K None

14

SIGNATURE

Pursuant to the requirements of Section 13 or 15(b) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNITED STATES ANTIMONY CORPORATION
(Registrant)

Date: By: /s/ John C. Lawrence
John C. Lawrence, Director and President
(Principal Executive)

Date: By: /s/ Daniel L. Parks
Daniel L. Parks, Chief Financial Officer