

Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

UNITED STATES ANTIMONY CORP

Form 10-Q

May 15, 2009

=====

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

-----  
FORM 10-Q  
-----

(Mark One)

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

For the quarterly period ended March 31, 2009

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

For the transition period \_\_\_\_\_ to \_\_\_\_\_

Commission file number 33-00215

UNITED STATES ANTIMONY CORPORATION

-----

(Exact name of registrant as specified in its charter)

MONTANA

81-0305822

-----  
(State or other jurisdiction of  
incorporation or organization)

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

P.O. BOX 643, THOMPSON FALLS, MONTANA 59873

-----  
(Address of principal executive offices) (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 X 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 (ss.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  
-----

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

Indicate by check mark whether the registrant is a shell company as defined by Rule 12b-2 of the Exchange Act.

YES                      No      X  
-----                      -----

At May 15, 2009 the registrant had outstanding 49,718,535 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, 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                       Accelerated filer   
Non-accelerated filer                          Smaller reporting company   
(Do not check if a  
smaller reporting company)

=====

UNITED STATES ANTIMONY CORPORATION  
QUARTERLY REPORT ON FORM 10-Q  
FOR THE PERIOD  
ENDED MARCH 31, 2009

### TABLE OF CONTENTS

	Page
PART I - FINANCIAL INFORMATION	
Item 1: Financial Statements.....	1-7
Item 2: Management's Discussion and Analysis of Results of Operations and Financial Condition .....	8-10
Item 3: Quantitative and Qualitative Disclosure about Market Risk.....	10
Item 4: Controls and Procedures.....	10-11
PART II - OTHER INFORMATION	
Item 1: Legal Proceedings.....	12
Item 2: Unregistered Sales of Equity Securities and Use of Proceeds.....	12
Item 3: Defaults upon Senior Securities.....	12
Item 4: Submission of Matters to a Vote of Security Holders.....	12
Item 5: Other Information.....	12
Item 6: Exhibits and Reports on Form 8-K.....	12

Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

SIGNATURE..... 13

CERTIFICATIONS..... 14-15

[The balance of this page has been intentionally left blank.]

PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS  
 UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS

(UNAUDITED)  
 MARCH 31, 2009  
 -----

ASSETS

Current assets:		
Cash		\$ 65,946
Accounts receivable, less allowance for doubtful accounts of \$8,345 and \$10,000, respectively		63,910
Inventories		113,504
		-----
Total current assets		243,360
Properties, plants and equipment, net		2,961,782
Restricted cash for reclamation bonds		73,164
		-----
Total assets		\$ 3,278,306
		=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Checks issued and payable		\$ 25,656
Accounts payable		643,192
Accrued payroll and payroll taxes		61,433
Other accrued liabilities		31,688
Deferred revenue		65,000
Accrued interest payable		27,641
Payable to related parties		12,118
Convertible note payable to a related party		--
Long-term debt, current		106,518
		-----
Total current liabilities		973,246
Long-term debt, noncurrent		48,705
Accrued reclamation and remediation costs, noncurrent		107,500
		-----
Total liabilities		1,129,451
		-----

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

Commitments and contingencies (Note 3)

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 \$847,500)		7,500
Series C: 177,904 shares issued and outstanding (liquidation preference \$97,847)		1,779
Series D: 1,751,005 shares issued and outstanding (liquidation preference and cumulative dividends of \$4,549,838)		17,509
Common stock, \$0.01 par value, 60,000,000 shares authorized; 49,018,535 and 45,868,535 shares issued and outstanding, respectively		490,185
Stock subscriptions receivable		(113,930)
Additional paid-in capital		22,619,182
Accumulated deficit		(20,873,370)
		-----
Total stockholders' equity		2,148,855
		-----
Total liabilities and stockholders' equity		\$ 3,278,306
		=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

1

UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	FOR THE THREE MARCH 31, 2009 -----
<b>ANTIMONY DIVISION</b>	
Revenues	\$ 474,736
	-----
Cost of sales:	
Production costs	357,985
Depreciation	6,441
Freight and delivery	28,064
General and administrative	18,755
Direct sales expense	11,250
	-----
Total cost of sales	422,495
	-----
Gross profit - antimony	52,241
	-----
 <b>ZEOLITE DIVISION</b>	
Revenues	320,717
	-----
Cost of sales:	
Production costs	198,098
Depreciation	49,597
Freight and delivery	24,939
General and administrative	51,907
Royalties	44,081
Direct sales expense	19,224
	-----

Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

Total cost of sales	387,846
	-----
Gross loss - zeolite	(67,129)
	-----
Total revenues - combined	795,453
Total cost of sales - combined	810,341
	-----
Gross profit (loss) - combined	(14,888)
	-----
Other operating (income) expenses:	
Corporate general and administrative	128,461
Exploration expense	74,938
Gain on sale of properties, plants and equipment	--
	-----
Other operating expenses	203,399
	-----
Loss from operations	(218,287)
	-----
Other expenses:	
Interest expense, net	5,094
Factoring expense	15,663
	-----
Other expenses	20,757
	-----
Net loss	\$ (239,044)
	=====
Net loss per share of common stock:	
Basic and diluted	\$ (0.01)
	=====
Weighted average shares outstanding:	
Basic and diluted	46,595,843
	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

2

UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE THREE  
MARCH 31, 2009

Cash Flows From Operating Activities:	
Net loss	\$ (239,044)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation expense	56,038
Gain on sale of properties, plants and equipment	--
Share-based compensation	39,000
Change in:	
Accounts receivable, net	2,851
Inventories	(4,287)
Accounts payable	(14,456)
Accrued payroll and payroll taxes	8,353
Other accrued liabilities	(26,007)
Deferred revenue	(441)

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

Accrued interest payable	1,293
Payable to related parties	(20,634)
	-----
Net cash used by operating activities	(197,334)
	-----
Cash Flows From Investing Activities:	
Purchase of properties, plants and equipment	(54,929)
Proceeds from sale of properties, plants and equipment	--
Restricted cash for reclamation bonds	7,500
	-----
Net cash used by investing activities	(47,429)
	-----
Cash Flows From Financing Activities:	
Proceeds from sale of common stock, net of commissions	259,998
Principal payments of long-term debt	(13,914)
Payments received on stock subscription agreements	5,403
Change in checks issued and payable	5,374
	-----
Net cash provided by financing activities	256,861
	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,098
Cash and cash equivalents at beginning of period	53,848
	-----
Cash and cash equivalents at end of period	\$ 65,946
	=====

### SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

#### Noncash investing and financing activities:

Warrants exercised for forgiveness of payable and interest to related party	\$ 200,000
Stock issued for conversion of convertible note payable to related party	100,000
Stock issued for subscription receivable	36,000
Properties, plants and equipment acquired with A/P	2,268

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

3

### PART I - FINANCIAL INFORMATION, CONTINUED:

#### UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

##### 1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES:

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, 2009 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2009. Certain consolidated

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

financial statement amounts for the three month period ended March 31, 2008 have been reclassified to conform to the 2009 presentation. These reclassifications had no effect on the net loss or accumulated deficit as previously reported.

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, 2008.

The financial statements have been prepared on a going concern basis, which assumes realization of assets and liquidation of liabilities in the normal course of business. At March 31, 2009, the Company had negative working capital of approximately \$730,000 and an accumulated deficit of approximately \$20.9 million. These factors, among others, indicate that there is substantial doubt that the Company will be able to meet its obligations and continue in existence as a going concern. The financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern. The Company's management is confident, however, given recent increases in pricing, the expectation of acquiring new customers, and continued reduction in capital spending, that it will be able to generate cash from operations and financing sources that will enable it to meet its obligations over the next twelve months.

### Fair Value Measures

-----  
SFAS 157 requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. SFAS 157 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. SFAS 157 prioritizes the inputs into three levels that may be used to measure fair value:

- o Level 1: Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- o Level 2: Applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- o Level 3: Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

4

### PART I - FINANCIAL INFORMATION, CONTINUED:

#### UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED), CONTINUED:

Our financial instruments consist principally of cash, accounts receivable, accounts payable and accrued liabilities, and debt. We believe that the recorded values of our financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

#### 2. EARNINGS (LOSS) PER COMMON SHARE:

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

The Company accounts for its earnings and loss per common share according to the Statement of Financial Accounting Standards No. 128 "Earnings Per Share" ("SFAS No. 128"). Under the provisions of SFAS No. 128, primary and fully diluted earnings per share are replaced with basic and diluted earnings per share. Basic earnings per share is arrived at by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding, and does not include the impact of any potentially dilutive common stock equivalents. At March 31, 2009 common stock equivalents, including warrants to purchase the Company's common stock are excluded from the calculations when their effect is antidilutive. For the three months ended March 31, 2009, no common stock equivalents are included as diluted weighted average shares.

### 3. COMMITMENTS AND CONTINGENCIES:

The Company's management believes that USAC is currently in substantial compliance with environmental regulatory requirements and that its accrued environmental reclamation and remediation costs are representative of management's estimate of costs required to fulfill its reclamation and remediation obligations. Such costs are accrued at the time the expenditure becomes probable and the costs can reasonably be estimated. The Company recognizes, however, that in some cases future environmental expenditures cannot be reliably determined due to the uncertainty of specific remediation methods, conflicts between regulating agencies relating to remediation methods and environmental law interpretations, and changes in environmental laws and regulations. Any changes to the Company's reclamation plans as a result of these factors could have an adverse effect on the Company's operations. The range of possible losses in excess of the amounts accrued cannot be reasonably estimated at this time.

At March 31, 2009 the Company has been assessed penalties by MSHA at the Bear River Zeolite facility. The Company is currently negotiating the penalty amount downward through the appeals process. As of quarter end no amount of penalty has been accrued, as it is unknown what the ultimate liability will be. However, the maximum is approximately \$50,000. Although management has had success in the appeals process in the past, there can be no assurance that will be the case with this current assessment.

### 4. CONCENTRATIONS OF RISK

During the quarters ended March 31, 2009 and 2008, approximately 70% and 74%, respectively, of the Company's antimony revenues were generated by sales to one customer. The loss of the Company's "key" customer could adversely affect its business.

### 5. RELATED PARTY TRANSACTIONS

During the first quarter of 2009, the President of the company converted a \$100,000 convertible note into 500,000 shares of common stock. Additionally, 1,000,000 \$0.20 per share warrants were exercised and 1,000,000 shares of common stock were issued. As a result of this exercise, the Company was forgiven \$200,000 of related party debt shown on the December 31, 2008 balance sheet.

During the first quarter of 2009, the Company issued 130,000 shares of its common stock to members of its Board of Directors as compensation for their services as directors. In connection with the issuances, the Company recorded \$15,600 in director compensation. No shares were issued to directors during the first quarter of 2008.

During the first quarter of 2009, the Company paid \$18,500 to a director of the Company for development of Mexican mill sites.



Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

5

PART I - FINANCIAL INFORMATION, CONTINUED:

UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED), CONTINUED:

6. 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 is not allocated to the segments. Selected information with respect to segments is as follows:

	FOR THE THREE MONTHS ENDED AND AS OF MARCH 30, 2009	FOR THE THREE MONTHS ENDED AND AS OF MARCH 31, 2008
	-----	-----
Capital expenditures:		
Antimony		
United States	\$           --	\$           --
Mexico	42,428	7,559
	-----	-----
Subtotal Antimony	42,428	7,559
Zeolite	14,769	47,778
	-----	-----
	\$       57,197	\$       55,337
	=====	=====
Properties, plants and equipment, net:		
Antimony		
United States	\$       87,695	\$       113,726
Mexico	1,173,481	958,040
	-----	-----
Subtotal Antimony	1,261,176	1,071,766
Zeolite	1,700,606	1,711,002
	-----	-----
	\$   2,961,782	\$   2,782,768
	=====	=====
Inventory:		
Antimony		
United States	\$       82,748	\$       175,752
Mexico	--	--
	-----	-----
Subtotal Antimony	82,748	175,752
Zeolite	30,756	39,288
	-----	-----
	\$       113,504	\$       215,040
	=====	=====
Total Assets:		
Antimony		
United States	\$       258,845	\$       437,211
Mexico	1,173,481	958,040
	-----	-----
Subtotal Antimony	1,432,326	1,395,251
Zeolite	1,779,835	1,798,143
Corporate	66,145	25,724
	-----	-----
	\$   3,278,306	\$   3,219,118

=====

PART I - FINANCIAL INFORMATION, CONTINUED:

UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED), CONTINUED:

7. ADOPTION OF NEW ACCOUNTING PRINCIPLES

On January 1, 2009, the Company adopted FASB Staff Position ("FSP") FAS 157-2, "EFFECTIVE DATE OF FASB STATEMENT NO. 157," which delayed the effective date of FASB Statement 157 for one year for certain nonfinancial assets and nonfinancial liabilities, excluding those that are recognized or disclosed in financial statements at fair value on a recurring basis (that is, at least annually). For purposes of applying the FSP, nonfinancial assets and nonfinancial liabilities include all assets and liabilities other than those meeting the definition of a financial asset or a financial liability in SFAS 159. This FSP deferred the effective date of SFAS 157 to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years for items within the scope of this FSP. The Company had previously adopted SFAS No. 157 on January 1, 2008. The adoption of FAS 157-2 did not have a material effect on the Company.

On January 1, 2009, the Company adopted FASB Staff Position (FSP) APB 14-1, "ACCOUNTING FOR CONVERTIBLE DEBT INSTRUMENTS THAT MAY BE SETTLED IN CASH UPON CONVERSION (INCLUDING PARTIAL CASH SETTLEMENT)". This FSP specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The adoption of this statement did not have a material effect on the Company's financial statements.

On January 1, 2009, the Company adopted SFAS No. 141 (R), "BUSINESS COMBINATIONS" ("SFAS 141(R)") and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements". SFAS 141(R) requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in the consolidated financial statements. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. The adoption of these statements did not have a material effect on the Company's financial statements.

On January 1, 2009, the Company adopted SFAS No. 161, "DISCLOSURES ABOUT DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES - AN AMENDMENT TO FASB STATEMENT NO. 133" ("SFAS 161"). SFAS 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. The adoption of this statement did not have a material effect on the Company's financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. It was effective November 15, 2008, following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles". The adoption of this statement did not have a material effect on the Company's financial statements.

7

### PART I - FINANCIAL INFORMATION, CONTINUED:

#### 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, 2009 COMPARED TO THE THREE MONTH PERIOD ENDED MARCH 31, 2008.

The Company's operations resulted in a net loss of \$239,044 for the three-month period ended March 31, 2009, compared with a net loss of \$141,193 for the same period ended March 31, 2008. The increased loss for the first quarter of 2009 compared to the similar period of 2008 is primarily due to decreased revenues in the Antimony division.

##### ANTIMONY DIVISION:

Total revenues from antimony product sales for the first quarter of 2009 were \$474,736 compared with \$1,113,742 for the comparable quarter of 2008, a decrease of \$639,006. During the three-month period ended March 31, 2009, 70% of the Company's revenues from antimony product sales were from sales to two customers. Sales of antimony products during the first quarter of 2009 consisted of 219,412 pounds at an average sale price of \$2.16 per pound. During the first quarter of 2008, sales of antimony products consisted of 442,010 pounds at an average sale price of \$2.52 per pound. The significant decrease in both dollars and pounds of antimony sold is primarily due to an inadequate supply of raw materials available for production.

The cost of antimony production was \$357,985, or \$1.63 per pound sold during the first quarter of 2009 compared to \$824,728 or \$1.87 per pound sold during the first quarter of 2008. The decrease in price per pound is primarily due to a decrease in the costs of raw materials and fuel.

Antimony depreciation for the first quarter of 2009 was \$6,441 compared to \$3,486 for the first quarter of 2008.

Antimony freight and delivery expense for the first quarter of 2009 was \$28,064 compared to \$65,785 during the first quarter of 2008. The decrease in freight and delivery expense is primarily due to a decrease in the cost of fuel.

General and administrative expenses in the antimony division were \$18,755 during the first quarter of 2009 compared to \$21,532 during the same quarter in 2008.

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

The decrease is due to a decrease in finance charges and insurance expense which offset an increase in property tax expense.

Antimony sales expenses were \$11,250 for the first quarter of 2009 and the same for the first quarter in 2008.

8

### PART I - FINANCIAL INFORMATION, CONTINUED:

#### 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 2009 were \$320,717 at an average sales price of \$125.67 per ton, compared with the same quarter sales in 2008 of \$313,652 at an average sales price of \$124.12 per ton.

The cost of zeolite production was \$198,098, or \$77.62 per ton sold, for the first quarter of 2009 compared to \$266,323, or \$105.39 per ton sold, during the first quarter of 2008. The decrease was due to decreased labor and maintenance expense during the first quarter of 2009 compared to the first quarter of 2008.

Zeolite depreciation for the first quarter of 2009 was \$49,597 compared to \$46,199 for the first quarter of 2008.

Zeolite freight and delivery for the first quarter of 2009 was \$24,939 compared to \$19,223 for the first quarter of 2008. The increase is due to a decrease in freight income from sample sales which offset the freight and delivery expense during the first quarter of 2009.

During the first quarter of 2009, the Company incurred costs totaling \$51,907 associated with general and administrative expenses at Bear River Zeolite Company, compared to \$37,424 of such expenses in the comparable quarter of 2008. The increase was primarily due to an increase in fine and penalty expense which was partially offset by reduced bank charges and travel expenses.

Zeolite royalties expenses were \$44,081 during the first quarter of 2009 compared to \$40,122 during the first quarter of 2008. The increase is due to an increase in tons of zeolite sold during the first quarter of 2009.

Zeolite sales expenses were \$19,224 during the first quarter of 2009 compared to \$20,300 during the first quarter of 2008. The decrease is caused by lower costs related to the direct selling expenses.

##### ADMINISTRATIVE OPERATIONS

General and administrative expenses for the corporation were \$128,461 during the first quarter of 2009 compared to \$127,678 for the same quarter in 2008.

Exploration expense has decreased by \$8,818 from the quarter ended March 31, 2008. The decrease is primarily due to decreases in Mexico antimony exploration.

The Company did not sell mining claims during the first quarter of 2009 compared to a gain on sale of \$41,268 in the first quarter of 2008 for such sales.

Interest expense of \$5,094 was incurred during the first quarter of 2009 compared to \$7,846 during the first quarter of 2008. The decrease is due to the conversion of a significant loan balance to common stock between periods.

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

Accounts receivable factoring expense was \$15,663 during the first quarter of 2009 compared to \$34,203 during the first quarter of 2008. The decrease in factoring expense was primarily due to a large decrease in antimony sales during the first quarter of 2009.

9

### PART I - FINANCIAL INFORMATION, CONTINUED:

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

##### FINANCIAL CONDITION AND LIQUIDITY

At March 31, 2009, Company assets totaled \$3,278,306 and total stockholders' equity was \$2,148,855. Total stockholders' equity increased \$365,357 from December 31, 2008, primarily because of sales of common stock which offset net losses. At March 31, 2009, the Company's total current liabilities exceeded its total current assets by \$729,886. To continue as a going concern, the Company must generate profits from its antimony and zeolite sales and acquire additional capital resources through the sale of its securities or from short and long-term debt financing. Without financing and profitable operations, the Company may not be able to meet its obligations, fund operations and continue in existence. While management is optimistic that the Company will be able to sustain profitable operations and meet its financial obligations, there can be no assurance of such results. The Company's management is confident, however, given recent increases in pricing, the expectation of acquiring new customers, and continued reduction in capital spending, that it will be able to generate cash from operations and financing sources that will enable it to meet its obligations over the next twelve months.

Cash used by operating activities during the first three months of 2009 was \$197,334, and resulted primarily from operating losses.

Cash used by investing activities during the first three months of 2009 was \$47,429 and primarily related to the purchase of property, plant and equipment in Mexico for anticipated operations.

Net cash provided by financing activities was \$256,861 during the first three months of 2009 and was primarily generated from proceeds from the sale of common stock and exercise of warrants.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

Not applicable for small reporting company.

#### 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, 2009.

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

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, 2009. These material weaknesses are as follows:

- o The Company does not have either internally or on its Board of Directors the expertise to produce financial statements to be filed with the SEC.

10

### PART I - FINANCIAL INFORMATION, CONTINUED:

#### ITEM 4. CONTROLS AND PROCEDURES, CONTINUED

- o 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.
- o The Company lacks accounting personnel with sufficient skills and experience to ensure proper accounting for complex, non-routine transactions.
- o 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 plan to put procedures in place to ensure that independent review of material transactions is performed. In addition, we plan to consult with independent experts when complex transactions are entered into.

#### CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING.

There have been no changes during the quarter ended March 31, 2009 in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

11

### 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, 2009, the Company sold shares of

## Edgar Filing: UNITED STATES ANTIMONY CORP - Form 10-Q

its restricted common stock directly and through the exercise of outstanding stock purchase warrants as follows: 2,900,000 shares for \$0.20 per share (\$580,000) and 250,000 shares for \$0.30 per share (\$75,000). 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. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

### 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

12

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)

By: /s/ John C. Lawrence

Date: May 15, 2009

-----  
John C. Lawrence, Director and President  
(Principal Executive, Financial and Accounting Officer)

