UNITED STATES ANTIMONY CORP
Form 10-K
March 14, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2011

o 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	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
Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $.01 per share

Check 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 þ No o

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-K contained in this form and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

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

Large Accelerated o	Accelerated Filer þ

Filer			
Non-Accelerated Filer	o	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes o No þ

The aggregate market value of the voting stock held by non-affiliates of the registrant, based on the average bid price of such stock, was $186,350,380 as of June 30, 2011.

At March 15, 2012, the registrant had 59,349,300 outstanding shares of par value $0.01 common stock.

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ITEM 1. DESCRIPTION OF BUSINESS

General

Explanatory Note: As used in this report, the terms "we," "us" and "our" are used to refer to United States Antimony Corporation and, as the context requires, its management.

Some of the information in this Form 10-K contains forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by forward-looking words as "may," "will," "expect," "anticipate," "believe," "estimate" and "continue," or similar words. You should read statements that contain these words carefully because they:

- discuss our future expectations;

- contain projections of our future results of operations or of our financial condition; and

- state other "forward-looking" information.

History

United States Antimony Corporation, or USAC, was incorporated in Montana in January 1970 to mine and produce antimony products. In December 1983, we suspended antimony mining operations but continued to produce antimony products from domestic and foreign sources. In April 1998, we formed United States Antimony SA de CV or USAMSA, to mine and smelt antimony in Mexico. Bear River Zeolite Company or BRZ, was incorporated in 2000, and it is mining and producing zeolite in southeastern Idaho. On August 19, 2005, USAC formed Antimonio de Mexico, S. A. de C. V. to explore and develop antimony and silver deposits in Mexico, which is presently being merged into USAMSA. Our principal business is the production and sale of antimony and zeolite products.

Overview-2011

Antimony Sales

During 2011, sales of our antimony products increased approximately 66% from 2010. The profitability of the Antimony Division increased from $903,560 in 2010 to $1,556,013 in 2011.

Zeolite Sales

During 2010, sales of zeolite decreased 15% in 2011 from 2010 and the gross profit decreased from $470,172 in 2010 to $118,185 in 2011.

Other Sales

Precious Metal Sales & Average Prices

Year	Precious Metal Sales	Au (Oz) Contained	Ag (Oz) Contained
2009	$39,494	31.79725	6870.10
2010	$483,307	78.64239	21775.74
2011	$667,813	179.18150	23630.758

Antimony Division

Our antimony smelter and precious metals plant is located in the Burns Mining District of Sanders County, Montana, approximately 15 miles west of Thompson Falls, MT. We hold 2 patented mill sites where the plant is located. We have no "proven reserves" or "probable reserves" of antimony, as these terms are defined by the Securities and Exchange Commission. Environmental restrictions preclude mining at this site.

Prior to 1984, we mined antimony underground by driving drifts and using slushers in room and pillar type stopes. Mining was suspended in December 1983, because antimony could be purchased more economically from foreign sources.

Because we depend on foreign sources for raw materials, there are risks of interruption in procurement from these sources and/or volatile changes in world market prices for these materials that are not controllable by us. We are currently developing sources of antimony through our sites in Mexico and working with suppliers in Central America, Europe and South America.

We currently own 100% of the common stock, equipment, and the lease on real property of United States Antimony, Mexico S.A. de C.V. or USAMSA, which was formed in April 1998. We currently own 100% of the stock in Antimony de Mexico SA de CV (AM) which owns the San Miguel property. USAMSA has three divisions (1) the Madero smelter in Coahuila that started operations in 2011, (2) the Puerto Blanco flotation mill in Guanajuato that will start operating in 2012, and (3) the Los Juarez mineral deposit that includes concessions in Queretaro that will also begin operating in 2012.

In our existing operations in Montana, we produce antimony oxide, sodium antimonate, antimony metal, and precious metals. Antimony oxide is a fine, white powder that is used primarily in conjunction with a halogen to form a synergistic flame retardant system for plastics, rubber, fiberglass, textile goods, paints, coatings and paper. Antimony oxide is also used as a color fastener in paint, as a catalyst for production of polyester resins for fibers and film, as a phosphorescent agent in fluorescent light bulbs and as an opacifier for porcelains. Sodium antimonate is primarily used as a fining agent (degasser) for glass in cathode ray tubes used in television picture tubes and as a flame retardant. We also sell antimony metal for use in bearings, storage batteries and ordnance.

We estimate (but have not independently confirmed) that our present share of the domestic market for antimony oxide products is approximately 4%. We are the only significant U.S. producer of antimony products. China supplies 92% of the world antimony demand.

Schedule of Antimony Sales

	Lbs of Oxide	Lbs of Metal	$	Largest Customer	
2011	1,679,355	1,401,423	$10,406,636	28	%
2010	1,679,042	1,393,604	$6,174,062	37	%
2009	1,103,824	916,173	$2,526,663	40	%

Concentration of Sales: During 2011, $7,544,305, or 72% of our sales, was made to three customers.

Marketing: We employ full-time marketing personnel and have negotiated various commission-based sales agreements with other chemical distribution companies.

Antimony Price Fluctuations: Our operating results have been, and will continue to be, directly related to the market prices of antimony metal, which have fluctuated widely in recent years. The volatility of prices is illustrated by the following table, which sets forth the average prices of antimony metal per pound, as reported by sources deemed reliable by us.

Year	USA High/Lb	USA Low/Lb	USA Average Price/Lb	Rotterdam Average Price/Lb
2011	$7.22	$6.70	$6.97	$7.05
2010	9.74	2.58	3.67	4.05
2009	5.89	1.78	2.37	2.33
2008	7.5	2.35	2.72	2.72
2007	5.45	2.23	2.52	
2006	5.14	1.76	2.28	
2005	5.45	1.36	1.58	
2004	5.45	0.95	1.48	
2003	5.45	1.01	1.27	
2002	5.25	0.71	0.99	

The range of sales prices for antimony oxide and antimony metal per pound was as follows for the periods indicated:

Year	Oxide Average Price/Lb	Metal Average Price/Lb
2011	$6.16	$7.42
2010	3.67	$4.42
2009	2.28	$2.75
2008	2.88	$3.47
2007	2.52	$3.04
2006	2.28	$2.75
2005	1.73	$2.08
2004	1.32	$1.59
2003	1.21	$1.46
2002	0.88	$1.06

Antimony metal prices are determined by a number of variables over which we have no control. These include the availability and price of imported metals, the quantity of new metal supply, and industrial and commercial demand. If metal prices decline and remain depressed, our revenues and profitability may be adversely affected.

We use various antimony raw materials to produce our products. We currently obtain antimony raw material from sources in North America, Mexico, Europe, South America and Australia.

Zeolite Division

We own 100% of Bear River Zeolite Company,or BRZ, an Idaho corporation incorporated on June 1, 2000. BRZ has a lease with Webster Farm, L.L.C. that entitles BRZ to surface mine and process zeolite on property located near Preston, Idaho, in exchange for a royalty payment. In 2010 the royalty was adjusted to $10 per ton sold. The current minimum annual royalty is $60,000. In addition, BRZ has more zeolite on U.S. Bureau of Land Management land. A company controlled by the estate of Al Dugan, a significant stockholder and, as such, an affiliate of USAC, receives a payment equal to 3% of net sales on zeolite products. William Raymond and Nancy Couse are paid a royalty that varies from $1 to $5 per ton. On a combined basis, royalties vary from 8%-13%. BRZ has constructed a processing plant on the property and it has improved its productive capacity. Through December 31, 2011, we had spent approximately $3,900,000 to purchase and construct the processing plant and develop sales.

We have no "proven reserves" or "probable reserves" of zeolite, as these terms are defined by the Securities and Exchange Commission.

"Zeolite" refers to a group of minerals that consist of hydrated aluminosilicates that hold cations such as calcium, sodium, ammonium, various heavy metals, and potassium in their crystal lattice. Water is loosely held in cavities in the lattice. BRZ's zeolite deposits have characteristics which make the mineral useful for a variety of purposes including:

- Soil Amendment and Fertilizer. Zeolite has been successfully used to fertilize golf courses, sports fields, parks and common areas, and high value crops, including corn, potatoes, soybeans, red beets, acorn squash, green beans, sorghum sudangrass, brussel sprouts, cabbage, carrots, tomatoes, cauliflower, radishes, strawberries, wheat, lettuce and broccoli.

- Water Filtration. Zeolite is used for particulate, heavy metal and ammonium removal in swimming pools, municipal water systems, fisheries, fish farms, and aquariums.

- Sewage Treatment. Zeolite is used in sewage treatment plants to remove nitrogen and as a carrier for microorganisms.

- Nuclear Waste and Other Environmental Cleanup. Zeolite has shown a strong ability to selectively remove strontium, cesium and various other radioactive isotopes from solution. Zeolite can also be used for the cleanup of soluble metals such as mercury, chromium, copper, lead, zinc, arsenic, molybdenum, nickel, cobalt, antimony, calcium, silver and uranium.

- Odor Control. A major cause of odor around cattle, hog, and poultry feed lots is the generation of the ammonium in urea and manure. The ability of zeolite to absorb ammonium prevents the formation of ammonia gas, which generates the odor.

- Gas Separation. Zeolite has been used for some time to separate gases, to re-oxygenate downstream water from sewage plants, smelters, pulp and paper plants, and fish ponds and tanks, and to remove carbon dioxide, sulfur dioxide and hydrogen sulfide from methane generators as organic waste, sanitary landfills, municipal sewage systems and animal waste treatment facilities.

- Animal Nutrition. Feeding up to 2% zeolite increases growth rates, decreases conversion rates, prevents worms, and increases longevity.

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Miscellaneous Uses. Other uses include catalysts, petroleum refining, building applications, solar energy and heat exchange, desiccants, pellet binding, horse and kitty litter, floor cleaner and carriers for insecticides, pesticides and herbicides.

Environmental Matters

Our exploration, development and production programs conducted in the United States are subject to local, state and federal regulations regarding environmental protection. Some of our production and mining activities are conducted on public lands. We believe that our current discharge of waste materials from our processing facilities is in material compliance with environmental regulations and health and safety standards. The U.S. Forest Service extensively regulates mining operations conducted in National Forests. Department of Interior regulations cover mining operations carried out on most other public lands. All operations by us involving the exploration for or the production of minerals are subject to existing laws and regulations relating to exploration procedures, safety precautions, employee health and safety, air quality standards, pollution of water sources, waste materials, odor, noise, dust and other environmental protection requirements adopted by federal, state and local governmental authorities. We may be required to prepare and present data to these regulatory authorities pertaining to the effect or impact that any proposed exploration for, or production of, minerals may have upon the environment. Any changes to our reclamation and remediation plans, which may be required due to changes in state or federal regulations, could have an adverse effect on our operations. The range of reasonably possible loss in excess of the amounts accrued, by site, cannot be reasonably estimated at this time.

We accrue environmental liabilities when the occurrence of such liabilities is probable and the costs are reasonably estimable. The initial accruals for all our sites are based on comprehensive remediation plans approved by the various regulatory agencies in connection with permitting or bonding requirements. Our accruals are further based on presently enacted regulatory requirements and adjusted only when changes in requirements occur or when we revise our estimate of costs required to comply with existing requirements. As remediation activity has physically commenced, we have been able to refine and revise our estimates of costs required to fulfill future environmental tasks based on contemporaneous cost information, operating experience, and changes in regulatory requirements. In instances where costs required to complete our remaining environmental obligations are clearly determined to be in excess of the existing accrual, we have adjusted the accrual accordingly. When regulatory agencies require additional tasks to be performed in connection with our environmental responsibilities, we evaluate the costs required to perform those tasks and adjust our accrual accordingly, as the information becomes available. In all cases, however, our accrual at year-end is based on the best information available at that time to develop estimates of environmental liabilities.

Antimony Processing Site

We have environmental remediation obligations at our antimony processing site near Thompson Falls, Montana ("the Stibnite Hill Mine Site"). We are under the regulatory jurisdiction of the U.S. Forest Service and subject to the operating permit requirements of the Montana Department of Environmental Quality. At December 31, 2011, we have accrued $100,000 to fulfill our environmental responsibilities.

BRZ

During 2001, we recorded a reclamation accrual for our BRZ subsidiary, based on an analysis performed by us and reviewed and approved by regulatory authorities for environmental bonding purposes. The accrual of $7,500 represents the our estimated costs of reclaiming, in accordance with regulatory requirements, the acreage disturbed by our zeolite operations and remains unchanged at December 31, 2011.

General

Reclamation activities at the Thompson Falls Antimony Plant have proceeded under supervision of the U.S. Forest Service and Montana Department of Environmental Quality. We have complied with regulators' requirements and do not expect the imposition of substantial additional requirements.

We have posted cash performance bonds with a bank and the U.S. Forest Service in connection with our reclamation activities.

We believe we have accrued adequate reserves to fulfill our environmental remediation responsibilities as of December 31, 2011. We have made significant reclamation and remediation progress on all our properties over the past three years and have complied with regulatory requirements in our environmental remediation efforts.

Employees

As of December 31, 2011, we employed 24 full-time employees in Montana. In addition, we employed 15 people at our zeolite plant in Idaho, and 37 employees at our mining, milling and smelting operation in Mexico. The number of full-time employees may vary seasonally. None of our employees are covered by any collective bargaining agreement.

Other

We hold no material patents, licenses, franchises or concessions, however we consider our antimony processing plant proprietary in nature. We use the trade name "Montana Brand Antimony Oxide" for marketing our antimony products.

We are subject to the requirements of the Federal Mining Safety and Health Act of 1977, the Occupational Safety and Health Administration's regulations, requirements of the state of Montana and the state of Idaho, federal and state health and safety statutes and Sanders County, Montana and Franklin County, Idaho health ordinances.

ITEM 1A. RISK FACTORS

There may be events in the future that we are not able to accurately predict or over which we have no control. The risk factors listed below, as well as any cautionary language in this report, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements.

If we were liquidated, our common stockholders could lose part, or all, of their investment.

In the event of our dissolution, the proceeds (if any) realized from the liquidation of our assets will be distributed to our stockholders, only after the satisfaction of the claims of our creditors and preferred stockholders. The ability of a purchaser of shares to recover all, or any, portion of the purchase price for the shares, in that event, will depend on the amount of funds realized and the claims to be satisfied by those funds.

We may have unasserted liabilities for environmental reclamation.

Our research, development, manufacturing and production processes involve the controlled use of hazardous materials, and we are subject to various environmental and occupational safety laws and regulations governing the use, manufacture, storage, handling, and disposal of hazardous materials and some waste products. The risk of accidental contamination or injury from hazardous materials cannot be completely eliminated. In the event of an accident, we could be held liable for any damages that result and any liability could exceed our financial resources. We also have one ongoing environmental reclamation and remediation projects at our current production facility in Montana. Adequate financial resources may not be available to ultimately finish the reclamation activities if changes in environmental laws and regulations occur, and these changes could adversely affect our cash flow and profitability. We do not have environmental liability insurance now, and we do not expect to be able to obtain insurance at a reasonable cost. If we incur liability for environmental damages while we are uninsured, it could have a harmful effect on our financial condition and results of operations. The range of reasonably possible losses from our exposure to environmental liabilities in excess of amounts accrued to date cannot be reasonably estimated at this time.

We have accruals for asset retirement obligations and environmental obligations.

We have accruals totaling $241,500 on our balance sheet at December 31, 2011, for our environmental reclamation responsibilities and estimated asset retirement obligations. If we are not able to adequately perform these activities on a timely basis, we could be subject to fines and penalties from regulatory agencies.

ITEM 1B. UNRESOLVED STAFF COMMENTS

The Company does not have any unresolved staff comments at December 31, 2011.

ITEM 2. DESCRIPTION OF PROPERTIES

Antimony Division

Our antimony smelter and precious metals plant is located in the Burns Mining District, Sanders County, Montana, approximately 14 miles west of Thompson Falls on Montana Highway 471. This highway is asphalt, and the property is accessed by cars and trucks. The property includes two five-acre patented mill sites that are owned in fee-simple by us. The claims are U. S. Antimony Mill Site No. 1 (Mineral Survey 10953) and U. S. Antimony Mill Site No. 2 (Mineral Survey 10953). There are three other patented Mill Site claims known as the Station Mill Site (Mineral Survey 9190B, 4.394 acres), Excelsior Mill Site (Mineral Survey 9190B, 4.972 acres), and Mammoth Mill Site (Mineral Survey 9190B, 5.000 acres) that we have paid taxes on for 39 years that are subject to a dispute with the U. S. Forest Service concerning ownership. We have been paying Sanders County property taxes on three patented mill site claims in the Burns Mining District of Montana since 1969 when we purchased the original block of claims. USAC was the registered owner of the claims at the Sanders County Courthouse. The claims include the Station Mill Site (4.994 acres), Excelsior Mill Site (4.972 acres), and the Mammoth Mill Site (5.000 acres) Patent Survey No. 9190 A. We discovered that the BLM cancelled the patents on 12 January 2000, because “the claims were not filed with the BLM in accordance with the FLPMA and are deemed to be abandoned and void by operation of law.” Neither we, nor the Sanders County Court House, were ever notified of this decision, and we continue to pay taxes. Although we do not believe that this taking is valid, it does not have a substantial impact on us or our results of operations.

The U. S. Antimony Mill Sites were used to run a flotation mill and processing plant for antimony that we mined on adjacent claims that have been sold. Presently, we run a smelter that includes nine furnaces of a proprietary design to produce antimony metal, antimony oxide, and various other products. We also run a precious metals plant. The facility includes 6 buildings and our main office. There are no plans to resume mining on the claims that have been sold or abandoned, although the mineral rights have been retained on many of the patented mining claims. The U. S. Forest Service and Montana Department of Environmental Quality have told us that the resumption of mining would require an Environmental Impact Statement, massive cash bonding, and would be followed by years of law suits. The mill site is serviced with three-phase electricity from Northwest Power, and water is pumped from a well.

We claim no reserves on any of these properties.

Antimony mining and milling operations in the U.S. were curtailed during 1983 due to continued declines in the price of antimony. We are currently purchasing foreign raw antimony materials and continue to produce antimony metal, oxide and sodium antimonate from our antimony processing facility near Thompson Falls, Montana.

MINE PROPERTIES

LOS JUAREZ GROUP

We hold properties that are collectively called the “Los Juarez” property, in Queretaro, as follows:

1. San Miguel I and II are being purchased by a USAC subsidiary, Antimonio de Mexico, S. A. de C. V, or AM, for $1,480,500. To date, we have paid $726,370. The property consists of 40 hectares.
2. San Juan I and II are concessions owned by AM and include 466 hectares.
3. San Juan III is held by a lease agreement by AM in which we will pay a 10% royalty based, on the net smelter returns from another USAC Mexican subsidiary, named United States Antimony Mexico, S. A. de C. V. or USAMSA. It consists of 214 hectares.
4. San Juan IV is owned by USAMSA and consists of 2,336 hectares.

The concessions collectively constitute 3,056 hectares. The claims are accessed by roads that lead to highways.

Part of the USAC Mexican property, including San Miguel I, II and part of San Juan III, was originally drilled by Penoles in 1970, when antimony metal prices were high. They did not proceed with the property, due to the complex metallurgy of antimony. Subsequently, the Mexican Government did additional work and reported a reserve of 1,000,000 metric tons (mt) grading 1.8% antimony and 8.1 ounces of silver per metric ton (opmt) in Consejo de Recursos Minerales (Publicacion M-4e). However, the Securities and Exchange Commission does not recognize this report, and the Company claims no reserves.

The mineralized zone is a classic jasperoid-type deposit in the Cretaceous El Doctor Limestone. The mineralization is confined to silicified jasperiods and limestone. The zone strikes north 70 degrees west. The dimensions of the manto are still conjectural. However, the strike length appears to be more than 4,500 meters.

The mineralization is typically very fine-grained stibnite with silver and minor amount of gold. It is primarily sulfide in nature due to its encapsulation in silica. The mining for many years will be by open pit methods. Eventually it will be by underground methods. At the present time, mining has included hauling dump rock and limited amounts of rock from mine faces.

SOYATAL MINING DISTRICT, PINAL DE AMOLES, QUERETARO, MEXICO

USAC, through USAMSA, also holds a supply agreement with Pinar de Amores S. A. de C. V. on four concessions in the Soyatal Mining District in the State of Queretaro, totaling 283 hectares. The concessions are the Chihuahua and three Fox-1's. Reportedly, the Soyatal District was the third largest producer of antimony in Mexico. U. S. Geological Survey Bulletin 960-B, 1948, Donald E. White, Antimony Deposits of Soyatal District state of Queretaro, Mexico records the production from 1905-1943 at 25,000 tons of antimony metal content. In 1942, the mines produced ore containing 1,737 tons of metal, and in 1943, they produced ore containing 1,864 tons of metal. This mining was performed primarily all hand labor, with no compressors, trammers, and the ore was transported by mules, in sacks, to the railroad. Recoveries were less than 40% of the values. Mining continued throughout World War II.

White remarks p. 84 and 85"
In the Soyatal Mines, as in practically all antimony mines, it is difficult to estimate the reserves, for the following reasons. (1) The individual deposits are so extremely irregular in size, shape, and grade that the amount of ore in any one of them is unknown until the ore has been mined. (2) As only the relatively high grade shipping ore is recovered, the ore bodies are not systematically sampled and assayed…The total reserves are thus unknown and cannot be estimated accurately, but they probably would suffice to maintain a moderate degree of activity in the district for at least 10 years. The mines may even contain enough ore to equal the total past production."

USAMSA does not claim any reserves at Soyatal. However, hand-sorted rock and mill feed is being mined and purchased by USAMSA, according to a schedule for direct shipping ore.

USAMSA PUERTO BLANCO FLOTATION MILL, GUANAJUATO, MEXICO

A flotation mill was completed at San Luis de la Paz, Guanajuato, Mexico. All of the permits to construct and operate the plant have been obtained. The plant has a capacity of 150 metric tons per day. It includes a 10" x 36" jaw crusher, a 4'x 8' double deck screen, a 29" cone crusher, a 8'x 48" Harding type ball mill, a 8' No. 24 Denver sub A type flotation machines, a 8' disc filter, front end loaders, tools and other equipment. The plant will be used for the processing of rock from Los Juarez, Soyatal, and other properties.

USAMSA MADERO SMELTER, ESTACION MADERO, PARRAS DE LA FUENTE, COAHUILA, MEXICO.

USAC, through its wholly owned subsidiary, USAMSA, owns and operates a smelting facility at Estacion Madero, in the Municipio of Parras de la Fuente, Coahuila, Mexico. The property includes 13.48 hectares. Four furnaces are operating. Other equipment includes cooling ducting, dust collectors, scrubber, laboratory, warehouse, slag vault, stack, jaw crusher, screen, hammer mill, and a 3.5' x 8' rod mill. The plant has a capacity of 40 to 100 tons per month. Currently, crude antimony oxide and meta is being made. Concentrates and hand-sorted rock from Mexico and other areas is being processed. The Madero production is shipped to the Montana plant to produce finished products. Access to the plant is by road and railroad. Set forth below are location maps:

Zeolite Division

LOCATION

The property is located in the southeast corner of Idaho, approximately seven miles west of Preston, Idaho, 34 miles north of Logan, Utah, 79 miles south of Pocatello, Idaho, and 100 miles north of Salt Lake City, Utah.

The mine is located in the N ½ of section 10 and the W ½ of section 2, section 3, and the E ½ section 4, Township 15, Range 40 East of the Boise Meridian, Franklin County, Idaho. The plant and the initial pit is located on the Webster Farm, L.L.C., which is private land.

TRANSPORTATION

The property is accessed by seven miles of paved road and about l mile of gravel road from Preston, Idaho. Preston is near the major north-south Interstate Highway 15 to Salt Lake City or Pocatello.

Several Union Pacific rail sidings may be available to the mine. Bonida is approximately 25 miles west of the mine and includes acreage out of town where bulk rock could be stored possibly in existing silos or on the ground. Three-phase power is installed at this abandoned site. Finished goods could be shipped from the Franklin County Grain Growers feed mill in the town of Preston on the Union Pacific.

The Burlington Northern Railroad can be accessed at Logan, Utah.

Location Map

PROPERTY AND OWNERSHIP

BRZ leases 320 acres from the Webster Farm, L.L.C. The term of the lease is 15 years and it began on March 1, 2010. This includes the mill site and zeolite in the area of the open pit. The property is the NW ¼ and W ½ of the SW ¼ of section 3 and the N ½ of the W ¼ of section 10, Township 15 South, Range 40 East of the Boise Meridian, Franklin County, Idaho. The lease requires a payment of $10.00 per ton plus an additional annual payment of $10,000 on March 1st of each year. In addition, there are two other royalty holders. Nick Raymond and the estate of George Desborough have a graduated royalty of $1.00 per ton to $5.00 per ton, depending on the sale price.

The balance of the property is on Bureau of Land Management property and includes 480 acres held by 24, 20-acre Placer claims. Should we drop our lease with Webster Farms LLC., we will retain these placer claims as follows:

BRZ 1	IMC 185308	BRZ 20	IMC 186183
BRZ 2	IMC 185309	BRZ 21	IMC 186184
BRZ 3	IMC 185310	BRZ 22	IMC 186185
BRZ 4	IMC 185311	BRZ 23	IMC 186186
BRZ 5	IMC 185312	BRZ 24	IMC 186187
BRZ 6	IMC 185313	BRZ 25	IMC 186188
BRZ 7	IMC 185314	BRZ 26	IMC 186189
BRZ 8	IMC 185315	BRZ 27	IMC 186190
BRZ 9	IMC 185316	BRZ 28	IMC 186191
BRZ 10	IMC 185317	BRZ 29	IMC 186192
BRZ 11	IMC 185318	BRZ 30	IMC 186193
BRZ 12	IMC 185319	BRZ 31	IMC 186194

GEOLOGY

Placer Claims

GEOLOGY

The deposit is a very thick, sedimentary deposit of zeolitized volcanic ash of Tertiary age known as the Salt Lake Formation. The sedimentary interval in which the clinoptilolite occurs is more than 1000 feet thick in the area. Thick intervals of the zeolite are separated by thin limestone beds deposited in the freshwater lake where the volcanic ash accumulated.

The deposit includes an 800- foot mountain. Zeolite can be sampled over a vertical extent of 800 feet and on more than 700 acres. The current pit covers more than 3 acres. Despite the apparent size of the deposit, we claim no reserves.

EXPLORATION, DEVELOPMENT, AND MINING

Exploration has been limited to the examination and sampling of surface outcrops and mine faces.

MINING METHODS

Depending on the location, the zeolite is overlain by 1 to 12 feet of zeolite-rich soil. On the ridges, the cover is very little, and in the draws the soil is thicker. The overburden is stripped using a tractor dozer, currently a Caterpillar D 8 K. It is moved to the toe of the pit, and will eventually be dozed back over the pit for reclamation.

Although near-surface rock is easily ripped, it is more economical to drill and blast it. An Ingersol Rand LM 200 air track with a 750 cfm compressor is used to drill 10- foot holes on a 3 to 4 foot center basis. Holes are loaded with ammonium nitrate and primed with powder and non L primers. Breakage is generally good. Initial benches were 20 to 30 foot, but these will be divided into 50 foot benches. Each bench is accessed by a road.

Loading is best performed with a Liehberr R 965 excavator with a 2 yard bucket to allow sorting of the oversize. Alternatively, a Caterpillar 988A loader with a 6 cubic yard bucket is used. The benches are cleaned with the D 8 K.

Haulage is over approximately 4000 foot of road on an uphill grade of 2.5% to the mill. On higher benches, the grade will eventually be downhill. Caterpillar 769 A and 769 B rock trucks are used. They haul 18 to 20 tons per load, and the cycle time is about 30 minutes.

With both trucks and the other existing equipment, the mine is capable of producing 80 tons per hour.

MILLING

PRIMARY CRUSHER

The primary crushing circuit is a conventional closed circuit, utilizing a Stephens-Adamson 42” x 12’ apron feeder, Pioneer 30” x 42” jaw crusher, Nordberg standard 3’ cone crusher, a 5’ by 12’ double deck Kohlberg screen, and has a self-cleaning dust collector. The rock is crushed to minus 1 inch and the circuit has a rated capacity of more than 50 tons per hour.

DRYER

There are two dryer circuits, one for lines one and two and one for the Raymond mill. The dryer circuits include one 50 ton feed bin, and each dryer has a conveyor bypass around each dryer, a bucket elevator, and a dry rock bin. The dryers are 25 feet long, 5 feet in diameter and are fired with propane at 750,000 BTU’s of fuel. One self-cleaning bag house services both dryers. Depending on the wetness of the feed rock, the capacity is in the range of 10 tph per dryer. During most of the year, the dryers are not run.

COARSE PRODUCTS CIRCUITS

There are two lines to produce coarse products: line 1 and line 2.

Line 1 is a closed circuit with a Philadelphia CXFOO16, 15 H.P. hammer mill and a 4’ x 8’ high frequency Midwestern MEV triple deck screen. Line 2 include a Jeffries 30” by 24” 60 HP hammer mill in closed circuit with two 5’ x 12’ triple deck Midwestern Multi Vibe high frequency screens. The circuits also include bucket elevators, (3) 125 ton capacity product silos, a 6 ton capacity Crust Buster blender, augers, Sweco screens, and dust collectors.

FINE PRODUCTS CIRCUIT

The fine products circuit is in one building and it includes (2) 3.5’ x 10.5’ Derrick 2 deck high frequency (3450 RPM) screens and various bucket elevators, augers, bins, and Sweco screens for handling product. Depending on the screening sizes, the plants can generate approximately 150 tons of granules and 125 tons of fines per 24-hour day.

RAYMOND MILL CIRCUIT

The Raymond mill circuit includes a 6058 high-side Raymond mill with a double whizzer, dust collector, two 100 ton product silos, feed bin, conveyors, air slide, bucket elevators, and control booth. The Raymond mill has a rated capacity of more than 10 tons per hour.

ITEM 3. LEGAL PROCEEDINGS

USAC is not a party to any material pending legal proceedings, and no such proceedings are known to be contemplated.

No director, officer or affiliate of USAC and no owner of record or beneficial owner of more than 5.0% of our securities or any associate of any such director, officer or security holder is a party adverse to USAC or has a material interest adverse to USAC in reference to pending litigation.

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 the years ended December 31, 2011, 2010 and 2009, we 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 our United States operations requiring disclosure pursuant to Section 1503(a) of the Dodd-Frank Act.

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PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Currently, our common stock is traded on the Over the Counter Bulletin Board ("OTCBB") under the symbol "UAMY.OB." The following table sets forth the range of high and low bid prices as reported by the OTCBB for the periods indicated. The quotations reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

2011	High	Low
First Quarter	$1.90	$0.41
Second Quarter	4.10	1.56
Third Quarter	3.45	2.05
Fourth Quarter	3.32	1.85

2010	High	Low
First Quarter	$0.52	$0.32
Second Quarter	0.60	0.40
Third Quarter	0.60	0.32
Fourth Quarter	0.60	0.36

2009	High	Low
First Quarter	$0.35	$0.10
Second Quarter	0.45	0.20
Third Quarter	0.55	0.25
Fourth Quarter	0.55	0.36

The approximate number of holders of record of our common stock at March 15, 2012 is 2,500.

We have not declared or paid any dividends to our stockholders during the last five years and do not anticipate paying dividends on our common stock in the foreseeable future. Instead, we expect to retain earnings for the operation and expansion of our business.

ITEM 6. SELECTED FINANCIAL DATA

December 31,	2011	2010	2009	2008	2007
Balance Sheet Data:					
Current assets	$2,816,981	$1,848,825	$539,814	$229,826	$503,037
Property, plant, and equipment	6,047,004	3,845,000	3,404,154	2,960,624	2,777,116
Restricted cash	74,777	74,311	73,916	80,664	65,736
Other assets	54,766	94,766	-	-	-
Total assets	$8,993,528	$5,862,902	$4,017,884	$3,271,114	$3,345,889
Current liabilities	$1,595,433	$784,322	$848,443	$1,325,575	$1,850,139
Long-term debt	158,218	82,407	98,710	54,541	19,711
Stock payable to directors for services	230,004	-	-	-	-
Accrued reclamation costs	241,500	107,500	107,500	107,500	107,500
Deferred revenue - non-current	-	-	-	-	640,000
Total Liabilities	2,225,155	974,229	1,054,653	1,487,616	2,617,350
Shareholders' equity	6,768,373	4,888,673	2,963,231	1,783,498	728,539
Total liabilities and shareholders' equity	$8,993,528	$5,862,902	$4,017,884	$3,271,114	$3,345,889
Income Statement Data:					
Revenues	$13,118,090	$9,073,324	$4,103,340	$5,275,987	$5,259,127
Cost of revenues	11,443,892	7,699,592	3,734,294	5,014,007	5,287,430
Operating expenses	782,667	950,163	605,232	641,749	545,279
Other (income) expense	149,001	111,356	58,657	(712,133)	50,110
Total expenses	12,375,560	8,761,111	4,398,183	4,943,623	5,882,819
Income (loss) before income taxes	742,530	312,213	(294,843)	332,364	(623,692)
Income tax benefit (expense)	(105,610)	493,000	-	-	-
Net income (loss)	$636,920	$805,213	$(294,843)	$332,364	$(623,692)
Per Share Data					
Net income (loss) per share:					
Basic	$0.01	$0.01	$(0.01)	$0.01	$(0.02)
Diluted	$0.01	$0.01	$(0.01)	$0.01	$(0.02)
Weighted average shares outstanding:					
Basic	58,855,348	54,356,693	49,855,229	43,049,076	41,375,287
Diluted	68,136,200	60,000,000	49,885,229	43,549,076	41,375,287

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Certain matters discussed are forward-looking statements that involve risks and uncertainties, including the impact of antimony prices and production volatility, changing market conditions and the regulatory environment and other risks. Actual results may differ materially from those projected. These forward-looking statements represent our judgment as of the date of this filing. We disclaim, however, any intent or obligation to update these forward-looking statements.

Results of Operations

Antimony - Combined USA and Mexico	2011	2010	2009
Lbs of Antimony Metal	1,401,423	1,423,637	974,356
Sales Price/Lb Metal	$7.43	$4.34	$2.59
Cost of Operations/Lb Metal	(6.79)	(4.04)	(2.27)
Gross Profit/Lb Metal	$0.64	$0.30	$0.32
Gross antimony revenue	$10,406,636	$6,174,062	$2,526,663
Precious metals revenue	667,813	483,307	40,444
Production costs	(8,477,151)	(5,080,588)	(1,742,990)
Depreciation	(199,515)	(168,808)	(71,929)
Direct Sales and Freight	(402,521)	(287,648)	(168,019)
General and Administrative	(439,249)	(216,765)	(232,005)
Gross Profit - Antimony	$1,556,013	$903,560	$352,164
Zeolite			
Tons sold	12,105	15,319	11,519
Sales Price/Ton	$168.83	$157.71	$133.37
Cost of Operations/Ton	(159.06)	(127.02)	(131.90)
Gross Profit/Ton	$9.76	$30.69	$1.47
Gross Revenue	$2,043,641	$2,415,955	$1,536,233
Production costs	(1,221,101)	(1,254,375)	(830,065)
Depreciation	(206,231)	(187,068)	(190,523)
Direct Sales and Freight	(183,333)	(86,737)	(137,883)
Royalties	(197,371)	(229,352)	(202,736)
General and Administrative	(117,420)	(188,251)	(158,144)
Gross Profit - Zeolite	$118,185	$470,172	$16,882
Company-wide			
Gross Revenue	$13,118,090	$9,073,324	$4,103,340
Cost of Operations	(11,443,892)	(7,699,592)	(3,734,294)
Gross Profit (Loss)	1,674,198	1,373,732	369,046
Other Operating Expenses	(782,667)	(950,163)	(605,232)
Net Interest	5,205	7,751	(5,605)
Factoring Expense	(154,206)	(119,107)	(90,124)
Extinguishment of Payables	-	-	37,072
Income Tax Benefit (Expense)	(105,610)	493,000	-
Net income (Loss)	$636,920	$805,213	$(294,843)

Overview

Although we are expanding our operations in Mexico, as in prior years, we still remain dependent on our suppliers. We will remain an antimony producer for the future, although we anticipate greater precious metals and zeolite revenue. We are commencing production of our own raw materials from our mine in Mexico to ensure a steady flow of products for sale. Our mine at Los Juarez, our Puerto Blanco mill, and our smelter at Madero, Mexico, will be producing a significant portion of our raw materials commencing with the second quarter of 2012.

The production of concentrated smelter feed from our Mexico operations shipped to our Montana smelter for refining is expected to allow us to produce more products for sale during the ensuing reporting periods. We expect to have a lower production cost and a greater recovery of precious metals due to the increased smelter feed from Mexico.

Our principal smelter and precious metals recovery operation remains in Montana, as is our company headquarters. With increased production, we expect to widen our base of customers.

Results of Operations

Comparison of Years ended December 31, 2011, 2010, and 2009. During the three year period ending December 31, 2011, the most significant event affecting our financial performance was the increase in the price of antimony. During the year ending December 31, 2011, the most significant event was the commencement of production at our Mexico operations. During the year ending December 31, 2010, we recorded an impairment loss of $199,302, which is included in other operating expenses in the above table. Going forward, the increased supply of raw material from Mexico, and the metal prices for both antimony and precious metals, will be the most significant factors influencing our operations. The following are highlights of the significant changes during the three year period:

- Our revenues from antimony increased in 2011 by 68% from 2010 primarily due to the increase in the price of antimony metal. Revenues in 2010 were 144% greater than 2009 due to an increase in both the price of antimony metal and the amount of antimony sold. Sales in 2009 were depressed due to the fact that the poor world economy caused our main supplier of antimony to reduce its production, and we did not have enough raw materials to operate at full capacity.

- Our cost of goods sold for antimony during 2011 and 2010 increased by 65% and 159%, respectively. The increase in cost of goods sold in 2011 was primarily due to the increase in the cost of our raw materials, and the increase in 2010 was due to the increase in the price of metal and increased production. During both 2011 and 2010, costs of goods sold include production costs from Mexico operations. The cost of goods sold during 2011 was impacted by an increase in the cost of operating supplies, such as vehicle fuel, trucking, insurance, refractoring costs, repairs, steel, and propane.

- Our revenues from zeolite were up substantially in 2010 due to a contract for nuclear remediation with the Department of Energy that was not ongoing in 2011.

- General and administrative costs, as reported in our statement of operations, include fees paid to directors through stock based compensation. General and administrative costs for 2011 include general and administrative costs related to commencement of production at our facilities in Mexico.

- The increase in professional fees was primarily due to increased costs related to our audits and financial statement preparation.

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Factoring expense increased for each year in the three year reporting period because of increased revenue and greater amounts of accounts receivable available for factoring.

- For the year ending December 31, 2010, we determined that it was likely that we would be profitable in the future, and that it was appropriate to record a tax benefit of $493,000 for the value of tax losses from prior years that could be used to reduce income tax in future periods. For the year ending 2011, this benefit was reduced by $105,610 for tax expenses due to taxable income in that year.

Subsidiaries

The Company has a 100% investment in two subsidiaries in Mexico, USAMSA and AM, whose carrying value was assessed at December 31, 2011 for impairment. Management's assessment of the subsidiaries' fair value was based on their future benefit to us. During fiscal year 2010 USAMSA was forced to relocate to a new mill site, causing an impairment of approximately $200,000.

Financial Condition and Liquidity

	2011	2010	2009
Current Assets	$ 2,816,981	$ 1,848,825	$ 539,814
Current liabilities	(1,595,433)	(784,322)	(848,443)
Net Working Capital	$ 1,221,548	$ 1,064,503	$ (308,629)
Cash provided (used) by operations	$ 564,041	$ 307,350	$ (358,187)
Cash (used) by investing	(2,239,441)	(965,919)	(590,815)
Cash provided (used) by financing:			
Principal paid on long-term debt	(124,722)	(59,270)	(56,669)
Sale of Stock	1,242,780	1,003,229	1,135,576
Other	113,908	(17,142)	(3,140)
Net change in cash	$ (443,434)	$ 268,248	$ 126,765

Our financial condition and liquidity improved each year for the three years ended December 31, 2011. This was due to an increase in our cash provided by operations and the sale of stock each year. We used most of our resources from operating cash flows and the sale of stock to complete its' mine, mill, and smelter production facility in Mexico. The majority of the Mexico plant has been completed, and will not require the cash resources needed in prior years. We expect to maintain a positive net working capital in future periods.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our earnings and cash flow are significantly affected by changes in the price of antimony. The price of antimony can fluctuate widely and is influenced by numerous factors such as demand, production levels, and world political and economic events. During the past ten years, the price of antimony metal has ranged from a low of $.88 per pound to a high of $6.97 per pound. Because a large part of our cost of revenues/production is the cost to purchase antimony metal, our production costs do decrease as the price of antimony decreases. We would still see significant decreases in gross revenues, gross profits, net income, and cash flow if the price of antimony were to decrease substantially.

ITEM 8. FINANCIAL STATEMENTS

The consolidated financial statements of the registrant are included herein on pages F1-F21.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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 USAC's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) as of December 31, 2011. Based upon this evaluation, it was determined that there were material weaknesses affecting our internal control over financial reporting (described below) and, as a result of those weaknesses, our disclosure controls and procedures were ineffective as of December 31, 2011.

Internal control over financial reporting

Management's annual report on internal control over financial reporting

The management of USAC is responsible for establishing and maintaining adequate internal control over financial reporting. This internal control system has been designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of our published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The management of USAC has assessed the effectiveness of our internal control over financial reporting as of December 31, 2011. To make this assessment, we used the criteria for effective internal control over financial reporting described in Internal Control-Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

As a result of our assessment, we concluded that we have material weaknesses in our internal control over financial reporting as of December 31, 2011. These weaknesses are as follows:

Inadequate design of internal control over the preparation of the financial statements and over other significant accounts and financial reporting processes;

Inadequate documentation of controls and monitoring of internal controls over significant accounts and processes including controls associated with the period-end financial reporting process;

The absence of proper segregation of duties within significant accounts and processes and the absence of controls over management oversight, including antifraud programs and controls; and

The absence of controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles and the sufficient expertise in selecting and applying generally accepted accounting principles, including controls over non-routine transactions and controls over the period-end financial reporting process.

We are aware of these material weaknesses and will develop procedures to ensure that independent review of material transactions is performed. With the addition of a chief financial officer, we will develop internal control measures to mitigate the lack of segregation of duties. We plan to consult with independent experts when complex transactions are entered into.

Because these material weaknesses exist, management has concluded that our internal control over financial reporting as of December 31, 2011, is ineffective.

Our internal control over financial reporting as of December 31, 2011 has been audited by DeCoria, Maichel & Teague, P.S., an independent registered public accounting firm, as stated in the attestation report which is included herein.

Changes in internal control over financial reporting

During the quarter ended December 31, 2011, the we hired a Certified Public Accountant to be the Chief Financial Officer. As Chief Financial Officer, he will oversee the preparation of our quarterly and annual financial statements and SEC filings. He will assist the Controller in application of generally accepted accounting principles as necessary, and will work on special projects as directed by the Board of Directors and management.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of United States Antimony Corporation:

We have audited United States Antimony Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). United States Antimony Corporation's management is responsible for maintaining effective internal control over financial reporting and for assessing of the effectiveness of internal control over financial reporting, included in the Item 9A, Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a control deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

- Inadequate design of internal control over the preparation of the financial statements and over other significant accounts and financial reporting processes;

- Inadequate documentation of controls and monitoring of internal controls over significant accounts and processes including controls associated with the period-end financial reporting process;

- The absence of proper segregation of duties within significant accounts and processes and the absence of controls over management oversight, including antifraud programs and controls; and

- The absence of controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles and the sufficient expertise in selecting and applying generally accepted accounting principles, including controls over non-routine transactions and controls over the period-end financial reporting process.

The effect of these material weaknesses resulted in the identification of material misstatements during our audit of the financial statements for the year ended December 31, 2011 which were not initially identified by the Company's internal controls.

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2011 consolidated financial statements, and this report does not affect our report dated March 12, 2012 on those financial statements.

In our opinion, United States Antimony Corporation did not maintain effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of United States Antimony Corporation as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2011, and our report dated March 12, 2011 expressed an unqualified opinion thereon.

DeCoria, Maichel & Teague, P.S.
Spokane, Washington
March 12, 2012

ITEM 9B. OTHER INFORMATION

We file the following reports with the Securities and Exchange Commission, or SEC:

- Form 10K Annual Report Under Section 13 or 15(d) of the Securities and Exchange Act of 1934
- Form 10Q Quarterly Report Under Section 13 or 15(d) of the Securities and Exchange Act of 1934
- Form 8K Current Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

The public may read and copy any materials that we file with SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, Dc 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We file electronically with the SEC. The SEC maintains an internet site (http:/www.sec.gov), that contains reports, proxy and information statements, and other information regarding issuers that file electronically.

Our internet address is www.usantimony.com. Our annual report on Form 10K, quarterly report on Form 10Q, current reports on Form 8K, and any amendments to these reports is available, free of charge, as soon as practicable after such material is electronically filed with the SEC.

On February 9, 2012, as reported on SEC Form 8K, the Company accepted the resignation of Patrick W. Dugan, Esq., from the Board of Directors. Mr. Whitney Ferer was appointed to the Board of Directors in place of Mr. Dugan on February 22, 2012.

On January 7, 2012, the Company issued 1,102,500 shares of common stock at a price of $2.00 per share. Each share is accompanied by a warrant to purchase an additional share for $2.50 for two years.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS, COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Identification of directors and executive officers at December 31, 2011, is as follows:

Name	Age	Affiliation	Expiration of Term
John C. Lawrence	73	Chairman, President, and Treasurer; Director	Annual meeting
John C. Gustavsen	63	First Vice-President	Annual meeting
Russell C. Lawrence	43	Second Vice-President	Annual meeting
Matthew Keane	57	Third Vice-President	Annual meeting
Daniel L. Parks	63	Chief Financial Officer	Annual meeting
Alicia Hill	30	Secretary and Controller	Annual meeting
Leo Jackson	70	Director	Annual meeting
Gary D. Babbitt	66	Director	Annual meeting
Patrick W. Dugan, Esq.	59	Director	Annual meeting
Russell C. Lawrence	43	Director	Annual meeting
Hart W. Baitis	62	Director	Annual meeting

Business Experience of Directors and Executive Officers

John C. Lawrence. Mr. Lawrence has been the president and a director since our inception. Mr. Lawrence was the president and a director of AGAU Mines, Inc., our corporate predecessor, since the inception of AGAU Mines, Inc. in 1968. He is a member of the Society of Mining Engineers and a recipient of the Uuno Sahinen Silver Medallion Award presented by Butte Tech, University of Montana. He has a vast background in mining, milling, smelting, chemical processing and oil and gas.

Leo Jackson. Mr. Jackson is a resident of El Paso, Texas. For the past 18 years, he has been a principal owner and the president of Production Minerals, Inc. Mr. Jackson is one of the principal owners of Minera de Roja, S.A. de C.V., and has been involved in the production and marketing of industrial minerals such as fluorspar and celestite in the United States and Mexico for 27 years. Mr. Jackson speaks fluent Spanish and has a BBA degree from the Sul Ross State University in Texas.

Gary D. Babbitt. Mr. Babbitt has experience in mining industry with approximately 30 years dealing with joint ventures, purchases, royalty leases and contracts. He has a working knowledge of Spanish and has negotiated supply and mining agreements in Mexico. Mr. Babbitt has a B.A. from the Albertson College of Idaho, and earned his J.D. from the University of Chicago.

Patrick W. Dugan, Esq. Mr. Dugan has been a Director, Vice President and General Counsel of Nortex Corporation, a company involved in the oil and gas business, for the past 20 years. He is also a Director, Vice President and General Counsel of San Luis Development, L.P., and a Director of Gow Communications, LLC. Mr. Dugan graduated with a B.A. and a J.D. from the University of Texas at Austin.

Russell C. Lawrence. Mr. Lawrence has experience in the lines of applied physics, mining, refining, excavation, electricity, electronics, and building contracting. He graduated from the University of Idaho in 1994 with a degree in physics, and worked for the Physics Department at the University of Idaho for a period of 10 years. He has also worked as a building contractor and for USAC at the smelter and laboratory at Thompson Falls, for USAMSA in the construction and operation of the USAMSA smelter in Mexico, and for Antimonio de Mexico, S. A. de C. V. at the San Miguel Mine and the Cadereyta mill site in Mexico.

Hart W. Baitis. Mr. Baitis graduated from the University of Oregon in 1971 with a B.S. in Geology, and was awarded a Ph. D. in Geology in 1976. He has 35 years of experience as an exploration geologist in the United States, Canada, Central America, and Mexico. Mr. Baitis is experienced in numerous geologic environments and terrains, and has been involved in all phases of exploration, ranging from field geologist, consultant, management, and acquisition team director.

Daniel L. Parks. Mr. Parks graduated from the University of Idaho in 1974 with a B.S. in Accounting, and was licensed as a certified public accountant in 1976. He worked as an auditor for Coopers & Lybrand for three years, as controller for a lumber manufacturing company for one year, and owned his own accounting practice for thirty years. Mr. Parks was extensively involved in auditing and financial statement preparation during this time.

We are not aware of any involvement by our directors or executive officers during the past five years in legal proceedings that are material to an evaluation of the ability or integrity of any director or executive officer.

Board Meetings and Committees. Our Board of Directors held four (4) regular meetings during the 2011 calendar year. Each incumbent director, except Patrick W. Dugan, attended all of the meetings held during the 2011 calendar year, in the aggregate, by the Board and each committee of the Board of which he was a member. Our Board of Directors does not have a Compensation Committee or a Nominating Committee.

Our Board of Directors established an Audit Committee on December 10, 2011, consisting of three members, Gary Babbitt (Chairman), Leo Jackson, and Hart Baitis. None of the Audit Committee members are involved in our day-to-day financial management. Leo Jackson and Hart Baitis are considered financial experts.

Board Member Compensation. We paid directors' fees in the form of 26,000 shares of our common stock per director during 2010. In January of 2012, we issued the directors 149,500 shares, of which 95,835 shares were for services during 2011. The remaining shares will be part of the directors' compensation for 2012. Following is a summary of fees, cash
payments, stock awards, and other reimbursements to Directors during the year ended December 31, 2011.

Payments to Directors

Name and Principal Position	Fees Earned or paid in Cash	Salary	Stock Awards	Reimbursed Expenses	Total Fees, Salary, Awards, and Other Compensation
John C. Lawrence, President		$126,000			$ 126,000
John C. Lawrence,Chairman			$40,001	$47,232	$ 87,233
Gary D. Babbitt, Director	$36,000		$40,001	$1,083	$ 77,084
Leo Jackson, Director	$60,000		$40,001	$24,858	$ 124,859
Russell Lawrence, Director		$85,000	$40,001	$22,326	$ 62,327
Hartmut Baitis, Director			$29,999		$ 29,999

Patrick Dugan, Director			$40,001		$ 40,001
Totals	$96,000	$126,000	$230,004	$95,499	$ 547,503

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Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers and the holders of 10% or more of our common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and stockholders holding more than 10% of our common stock are required by the regulation to furnish us with copies of all Section 16(a) forms they have filed. Based solely on our review of copies of Forms 3, 4 and 5 furnished to us, Mr. Lawrence, Mr. Jackson, Mr. Babbitt, Mr. Dugan and Mr. Lawrence did not file timely Forms 3, 4 or Form 5 reports during 2010 or 2011.

Code of Ethics
The Company has adopted a Code of Ethics that applies to the Company's executive officers and its directors. The Company will provide, without charge, a copy of the Code of Ethics on the written request of any person addressed to the Company at: United States Antimony Corporation, P.O. Box 643, Thompson Falls, MT 59873.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The Securities and Exchange Commission requires the following table setting forth the compensation paid by USAC to its principal executive officer for fiscal years ending December 31, 2011, 2010, and 2009.

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation (1)	Restricted Options/Awards(2)	Securities underlying LTIP SARS	All Other Payouts	All Other Compensation
John C. Lawrence, President	2011	$ 126,000	N/A	$ 5,538		None	$ 86,058	None
John C. Lawrence, President	2010	$ 102,500	N/A	$ 5,538	$ 13,520	None	$ 129,177	None
John C. Lawrence, President	2009	$ 100,000	N/A	$ 5,538	$ 6,500	None	$ 102,049	None

(1) Represents earned but unused vacation.
(2) These figures represent the fair values, as of the date of issuance, of the annual director's fee payable to Mr. Lawrence in the form of shares of USAC's common stock.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our common stock as of March 25, 2011, by (i) each person who is known by us to beneficially own more than 5% of our Series A, C, and D preferred stock or common stock; (ii) each of our executive officers and directors; and (iii) all of our executive officers and directors as a group. Unless otherwise stated, each person's address is c/o United States Antimony Corporation, P.O. Box 643, 1250

Prospect Creek Road, Thompson Falls, Montana 59873.

Title of Class	Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percent of Class(1)
Common stock	Reed Family Limited Partnership 328 Adams Street Milton, MA 02186	3,918,335	7
Common stock	The Dugan Family c/o A. W. Dugan 1415 Louisiana Street, Suite 3100 Houston, TX 77002	6,362,927(3)	11
Series C Preferred	Richard A. Woods 59 Penn Circle West Penn Plaza Apts. Pittsburgh, PA 15206	48,305(4)	27
Series C Preferred	Dr. Warren A. Evans Brooklyn, CT 06234	48,305(4)	27
Series C Preferred	Edward Robinson 1007 Spruce Street 1st Floor Philadelphia, PA 19107	32,203(4)	18
Common stock	John C. Lawrence	4,103,653(2)	7
Common stock	Pat Dugan	156,000	Nil
Common stock	Russ Lawrence	156,000	Nil
Common stock	Leo Jackson	292,000	Nil
Common stock	Gary Babbitt	134,167	Nil
Common stock	Daniel Parks	4,500	Nil
Series D Preferred	John C. Lawrence	1,590,672(4)	91
Series D Preferred	Leo Jackson	102,000	5
Series D Preferred	All directors and executive officers as a group (3 persons)		100

(1) Beneficial Ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock subject to options or warrants currently exercisable or convertible, or exercisable or convertible within 60 days of March 15, 2012, are deemed outstanding for computing the percentage of the person holding options or warrants but are not deemed outstanding for computing the percentage of any other person. Percentages are based on a total of 56,307,382 shares of common stock, 177,904 shares of Series C Preferred Stock, and 1,751,005 shares of Series D Preferred Stock outstanding on March 15, 2012.

(2) Includes 3,801,653 shares of common stock and 250,000 stock purchase warrants. Excludes 183,324 shares owned by Mr. Lawrence's sister, as to which Mr. Lawrence disclaims beneficial ownership.

(3)

Includes shares owned by Al W. Dugan and shares owned by companies owned and controlled by Al W. Dugan. Excludes 183,333 shares owned by Lydia Dugan as to which Mr. Dugan disclaims beneficial ownership.

(4) The outstanding Series A, Series C and Series D preferred shares carry voting rights.

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ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Described below are transactions during the last three years to which we are a party and in which any director, executive officer or beneficial owner of five percent (5%) or more of any class of our voting securities or relatives of our directors, executive officers or five percent (5%) beneficial owners has a direct or indirect material interest. See also transactions described in notes 4, 9, 10, 11, 12, 15 and 19 to our Financial Statements as of December 31, 2011.

During 2009, John C. Lawrence, a director and Chief Executive Officer, converted a $100,000 note receivable into 500,000 shares of common stock and exercised warrants for 1,000,000 shares of common stock in exchange for the forgiveness of $200,000 of related party payables and accrued interest.

We reimbursed John C. Lawrence, a director and Chief Executive Officer, for operational and maintenance expenses incurred in connection with our use of equipment owned by Mr. Lawrence, including welding trucks, backhoes, and an aircraft. Reimbursements for 2011, 2010 and 2009 totaled $47,232, $53,932 and $100,150, respectively.

During 2011, the Company awarded 95,835 shares of its common stock to its Board of Directors as compensation for their services as directors. In connection with the issuances, the Company recorded $230,004 in director compensation expense. The shares were issued in January of 2012.

During 2010, the Company issued 130,000 of its common stock to its Board of Directors as compensation for their services as directors. In connection with the issuances, the Company recorded $67,600 in director compensation expense.

During 2009, the Company issued 130,000 of its common stock to its Board of Directors as compensation for their services as directors. In connection with the issuances, the Company recorded $65,000 in director compensation expense.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The Company's Board of Directors and audit committee reviews and approves audit and permissible non-audit services performed by DeCoria, Maichel & Teague P.S., as well as the fees charged by DeCoria, Maichel & Teague P.S. for such services. In its review of non-audit service fees and its appointment of DeCoria, Maichel & Teague P.S. as the Company's independent accountants, the Board of Directors considered whether the provision of such services is compatible with maintaining DeCoria, Maichel & Teague P.S. independence. All of the services provided and fees charged by DeCoria, Maichel & Teague P.S. in 2011 were pre-approved by the Board of Directors and its audit committee.

Audit Fees
The aggregate fees billed by DeCoria, Maichel & Teague P.S. for professional services for the audit of the annual financial statements of the Company and the reviews of the financial statements included in the Company's quarterly reports on Form 10-Q for 2011, 2010 and 2009 were $102,728, $73,976 and $64,888, respectively, net of expenses.

Audit-Related Fees
There were no other fees billed by DeCoria, Maichel & Teague P.S. during the last three fiscal years for assurance and related services that were reasonably related to the performance of the audit or review of the Company's financial statements and not reported under "Audit Fees" above.

Tax Fees

The aggregate fees billed by DeCoria, Maichel & Teague P.S. during the last two fiscal years for professional services rendered by DeCoria, Maichel & Teague P.S. for tax compliance for 2011, 2010 and 2009 were $7,408, $5,236 and $5,433 respectively.

All Other Fees

There were no other fees billed by DeCoria, Maichel & Teague P.S. during the last two fiscal years for products and services provided by DeCoria, Maichel & Teague P.S

ITEM 15. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit Number	Description
3.01	Articles of Incorporation of USAC, filed as an exhibit to USAC's Form 10-KSB for the fiscal year ended December 31, 1995 (File No.001-08675), are incorporated herein by this reference.
3.02	Amended and Restated Bylaws of USAC, filed as an exhibit to amendment No. 2 to USAC's Form SB-2 Registration Statement (Reg. No. 333-45508) are incorporated herein by this reference.
3.03	Articles of Correction of Restated Articles of Incorporation of USAC.
3.04	Articles of Amendment to the Articles of Incorporation of United States Antimony Corporation, filed as an exhibit to USAC's Form 10-QSB for the quarter ended September 30, 2002 (File No. 001-08675), are incorporated herein by this reference.
4.01	Key Employees 2000 Stock Plan, filed as an exhibit to USAC's Form S-8 Registration Statement filed on March 10, 2000 (File No. 333-32216) is incorporated herein by this reference.

Documents filed with USAC's Annual Report on Form 10-KSB for the year ended December 31, 1995 (File No. 001-08675), are incorporated herein by this reference:

10.10	Yellow Jacket Venture Agreement
10.11	Agreement Between Excel-Mineral USAC and Bobby C. Hamilton
10.12	Letter Agreement
10.13	Columbia-Continental Lease Agreement Revision
10.14	Settlement Agreement with Excel Mineral Company
10.15	Memorandum Agreement
10.16	Termination Agreement
10.17	Amendment to Assignment of Lease (Geosearch)

10.18	Series B Stock Certificate to Excel-Mineral Company, Inc.
10.19	Division Order and Purchase and Sale Agreement
10.20	Inventory and Sales Agreement
10.21	Processing Agreement
10.22	Release and settlement agreement between Bobby C. Hamilton and United States Antimony Corporation
10.23	Columbia-Continental Lease Agreement
10.24	Release of Judgment
10.25	Covenant Not to Execute
10.26	Warrant Agreements filed as an exhibit to USAC's Annual Report on Form 10-KSB for the year ended December 31, 1996 (File No. 001-08675), are incorporated herein by this reference
10.27	Letter from EPA, Region 10 filed as an exhibit to USAC's Quarterly Report on Form 10-QSB for the quarter ended September 30, 1997 (File No. 001-08675) is incorporated herein by this reference
10.28	Warrant Agreements filed as an exhibit to USAC's Annual Report on Form 10-KSB for the year ended December 31, 1997 (File No. 001-08675) are incorporated herein by this reference
10.30	Answer, Counterclaim and Third-Party Complaint filed as an exhibit to USAC's Quarterly Report on Forms 10-QSB for the quarter ended September 30, 1998 (File No. 001-08675) is incorporated herein by this reference

Documents filed with USAC's Annual Report on Form 10-KSB for the year ended December 31, 1998 (File No. 001-08675), are incorporated herein by this reference:

10.31	Warrant Issue-Al W. Dugan
10.32	Amendment Agreement

Documents filed with USAC's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1999 (File No. 001-08675) is incorporated herein by this reference:

10.33	Warrant Issue-John C. Lawrence
10.34	PVS Termination Agreement

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Documents filed as an exhibit to USAC's Form 10-KSB for the year ended December 31, 1999 (File No. 001-08675) are incorporated herein by this reference:

10.35	Maguire Settlement Agreement
10.36	Warrant Issue-Carlos Tejada
10.37	Warrant Issue-Al W. Dugan
10.38	Memorandum of Understanding with Geosearch Inc.
10.39	Factoring Agreement-Systran Financial Services Company
10.40	Mortgage to John C. Lawrence
10.41	Warrant Issue-Al W. Dugan filed as an exhibit to USAC's Quarterly Report on Form 10-QSB for the quarter ended March 31, 2000 (File No. 001-08675) is incorporated herein by this reference
10.42	Agreement between United States Antimony Corporation and Thomson Kernaghan & Co., Ltd. filed as an exhibit to USAC form 10-QSB for the quarter ended June 30, 2000 (File No. 001-08675) are incorporated herein by this reference
10.43	Settlement agreement and release of all claims between the Estate of Bobby C. Hamilton and United States Antimony Corporation filed as an exhibit to USAC form 10-QSB for the quarter ended June 30, 2000 (File No. 001-08675) are incorporated herein by this reference.
10.44	Supply Contracts with Fortune America Trading Ltd. filed as an exhibit to USAC form 10-QSB for the quarter ended June 30, 2000 (File No. 001-08675) are incorporated herein by this reference
10.45	Amended and Restated Agreements with Thomson Kernaghan & Co., Ltd, filed as an exhibit to amendment No. 3 to USAC's Form SB-2 Registration Statement (Reg. No. 333-45508), are incorporated herein by this reference
10.46	Purchase Order from Kohler Company, filed as an exhibit to amendment No. 4 to USAC's Form SB-2 Registration Statement (Reg. No. 333-45508) are incorporated herein by this reference

Documents filed as an exhibit to USAC's Form 10-QSB for the quarter ended June 30, 2002 (File No. 001-08675) are incorporated herein by this reference:

10.47	Bear River Zeolite Company Royalty Agreement, dated May 29, 2002
10.48	Grant of Production Royalty, dated June 1, 2002
10.49	Assignment of Common Stock of Bear River Zeolite Company, dated May 29, 2002
10.50	Agreement to Issue Warrants of USA, dated May 29, 2002
10.51	Secured convertible note payable - Delaware Royalty Company dated December 22, 2003*
10.52	Convertible note payable - John C. Lawrence dated December 22, 2003*
10.53	Pledge, Assignment and Security Agreement dated December 22, 2003*
10.54	Note Purchase Agreement dated December 22, 2003*
14.0	Code of Ethics*
31.1	Rule 13a-14(a)/15d-14(a) Certifications Certification of John C. Lawrence*
32.1	Section 1350 Certifications Certification of John C. Lawrence*
44.1	CERCLA Letter from U.S. Forest Service filed as an exhibit to USAC form 10-QSB for the quarter ended June 30, 2000 (File No. 001-08675) are incorporated herein by this reference and filed as an exhibit to USAC's Form 10-KSB for the year ended December 31, 1995 (File No. 1-8675) is incorporated herein by this reference

* Filed herewith.

Reports on Form 8-K

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ITEM 5. OTHER EVENTS - OCTOBER 10, 2003

Exhibit 21.01

Subsidiaries of Registrant, as of December 31, 2011

Bear River Zeolite Company
C/o Box 643
Thompson Falls, MT 59873

Antimonio de Mexico S.A. de C.V.
C/o Box 643
Thompson Falls, MT 59873

United States Antimony, Mexico S.A. de C.V.
C/o Box 643
Thompson Falls, MT 59873

SIGNATURES

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:	John C. Lawrence, President, Director, and Principal Executive Officer	Date: March 15, 2012
By:	Daniel L. Parks, Chief Financial Officer	Date: March 15, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By:	John C. Lawrence, Director and President (Principal Executive)	Date: March 15, 2012
By:	Leo Jackson, Director	Date: March 15, 2012
By:	Gary D. Babbitt, Director	Date: March 15, 2012
By:	Patrick Dugan, Director	Date: March 15, 2012
By:	Russell Lawrence, Director	Date: March 15, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of United States Antimony Corporation:

We have audited the accompanying consolidated balance sheets of United States Antimony Corporation ("the Company") as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United States Antimony Corporation as of December 31, 2011 and 2010, and the results of its consolidated operations and cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), United States Antimony Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated March 12, 2012 expressed an adverse opinion thereon.

DeCoria, Maichel & Teague, P.S.
Spokane, Washington
March 12, 2012

United States Antimony Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2011 and 2010

ASSETS

	2011	2010
Current assets:		
Cash and cash equivalents	$5,427	$448,861
Accounts receivable, less allowance		
for doubtful accounts of $7,600 both years	1,291,975	745,418
Inventories	1,066,813	143,291
Other current assets	56,208	18,255
Deferred tax asset	396,558	493,000
Total current assets	2,816,981	1,848,825
Properties, plants and equipment, net	6,047,004	3,845,000
Restricted cash for reclamation bonds	74,777	74,311
Other assets	54,766	94,766
Total assets	$8,993,528	$5,862,902

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Checks issued and payable	$113,908	$-
Accounts payable	994,940	410,242
Accrued payroll, taxes and interest	141,928	90,503
Other accrued liabilities	119,292	220,128
Payables to related parties	101,974	18,060
Deferred revenue	43,760	-
Long-term debt, current	79,631	45,389
Total current liabilities	1,595,433	784,322
Long-term debt, net of current portion	158,218	82,407
Stock payable to directors for services	230,004	-
Asset retirement and accrued reclamation costs	241,500	107,500
Total liabilities	2,225,155	974,229
Commitments and contingencies (Note 3 and 12)		
Stockholders' equity:		
Preferred stock $0.01 par value, 10,000,000 shares authorized:		
Series A: -0- shares issued and outstanding	-	-
Series B: 750,000 shares issued and outstanding		
(liquidation preference $877,500 and $870,000,		
respectively)	7,500	7,500
Series C: 177,904 shares issued and outstanding		
(liquidation preference $97,847 both years)	1,779	1,779
Series D: 1,751,005 shares issued and outstanding		
(liquidation preference $4,714,433 and $4,673,284,		
respectively)	17,509	17,509

Common stock, $0.01 par value, 90,000,000 shares authorized;		
59,349,300 and 56,307,382 shares issued and outstanding, respectively	593,492	563,073
Stock subscriptions receivable	-	(82,563)
Additional paid-in capital	25,635,129	24,505,331
Accumulated deficit	(19,487,036)	(20,123,956)
Total stockholders' equity	6,768,373	4,888,673
Total liabilities and stockholders' equity	$8,993,528	$5,862,902

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

United States Antimony Corporation and Subsidiaries
Consolidated Statements of Operations
For the years ended December 31, 2011, 2010 and 2009

	2011	2010	2009
REVENUES	$13,118,090	$9,073,324	$4,103,340
COST OF REVENUES	11,443,892	7,699,592	3,734,294
GROSS PROFIT	1,674,198	1,373,732	369,046
OPERATING EXPENSES:			
General and administrative	577,763	592,708	532,744
Professional fees	204,904	152,357	121,588
Gain on disposal of property	-	-	(49,100)
Impairment of properties, plants and equipment	-	199,302	-
TOTAL OPERATING EXPENSES	782,667	944,367	605,232
INCOME (LOSS) FROM OPERATIONS	891,531	429,365	(236,186)
OTHER INCOME (EXPENSE):			
Interest income	5,205	7,751	-
Interest expense	-	(5,796)	(5,605)
Factoring expense	(154,206)	(119,107)	(90,124)
Extinguishment of payables	-	-	37,072
TOTAL OTHER INCOME (EXPENSE)	(149,001)	(117,152)	(58,657)
INCOME (LOSS) BEFORE INCOME TAXES	742,530	312,213	(294,843)
INCOME TAXES:			
Income tax (expense) - current	(9,168)	-	-
Income tax (expense) benefit - deferred	(96,442)	493,000	-
TOTAL INCOME TAXES	(105,610)	493,000	-
NET INCOME (LOSS)	636,920	805,213	(294,843)
Preferred dividends	(48,649)	(48,648)	(48,649)
Net income (loss) available to common shareholders	$588,271	$756,565	$(343,492)
Net income (loss) per share of common stock:			
Basic	$0.01	$0.01	$(0.01)
Diluted	$0.01	$0.01	$(0.01)
Weighted average shares outstanding:			
Basic	58,855,348	54,356,693	49,855,229
Diluted	68,136,200	60,000,000	49,855,229

The acompanying notes are an integral part of the consolidated financial statements

United States Antimony Corporation and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
For the years ended December 31, 2011, 2010, and 2009

	Total Preferred Stock Shares	Amount	Common Stock Shares	Amount	Stock Subscriptions Receivable	Additional Paid In Capital	Accumulated Deficit	Total
Balances, December 31, 2008	2,678,909	$26,788	45,868,535	$458,688	$(83,333)	$22,015,681	$(20,634,326)	$1,783,498
Issuance of common stock and warrants			5,600,234	55,999	(200,000)	1,266,244		1,122,243
Payment received for outstanding stock subscriptions					13,333			13,333
Conversion of outstanding related party payable into common stock			1,500,000	15,000		285,000		300,000
Issuance of common stock to Directors for services			130,000	1,300		37,700		39,000
Net loss							(294,843)	(294,843)
Balances, December 31, 2009	2,678,909	26,788	53,098,769	530,987	(270,000)	23,604,625	(20,929,169)	2,963,231
Issuance of common stock and warrants for cash			3,492,502	34,925	(180,000)	944,597		799,522

Payment received for outstanding stock subscriptions					203,707			203,707
Write off of uncollectible stock subscriptions			(543,889)	(5,439)	163,730	(158,291)		-
Issuance of common stock to Directors for services			260,000	2,600		114,400		117,000
Net income							805,213	805,213
Balances, December 31, 2010	2,678,909	26,788	56,307,382	563,073	(82,563)	24,505,331	(20,123,956)	4,888,673
Issuance of common stock for cash			3,041,918	30,419		1,129,798		1,160,217
Payment received for outstanding stock subscriptions					82,563			