

UNITED STATES ANTIMONY CORP

Form 10-Q

November 12, 2013

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 September 30, 2013

☐ 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 (I.R.S.
jurisdiction of Employer
incorporation Identification
or No.)
organization)

P.O. Box 643, 59873
Thompson Falls,
Montana
(Address of (Zip
principal code)
executive
offices)

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

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

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(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☒ No

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

YES No ☒

At November 12, 2013, the registrant had outstanding 62,621,726 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 SEPTEMBER 30, 2013

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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

United States Antimony Corporation and Subsidiaries

Consolidated Balance Sheets

	(Unaudited) September 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$84,842	\$1,000,811
Certificates of deposit	246,565	243,616
Accounts receivable, less allowance for doubtful accounts of \$4,031	663,420	456,159
Inventories	879,605	1,192,189
Other current assets	48,696	18,529
Deferred tax asset	-	39,824
Total current assets	1,923,128	2,951,128
Properties, plants and equipment, net	11,067,077	9,508,975
Restricted cash for reclamation bonds	75,253	75,251
Deferred tax asset	-	189,627
Other assets	815,934	650,496
Total assets	\$13,881,392	\$13,375,477
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$1,847,681	\$1,181,223
Deferred revenue	91,692	-
Due to factor	181,018	23,536
Accrued payroll, taxes and interest	100,372	89,541
Other accrued liabilities	74,915	30,220
Payables to related parties	8,534	17,522
Long-term debt, current portion	141,611	280,597
Total current liabilities	2,445,823	1,622,639
Derivative liability	72,000	-
Long-term debt, net of current portion	263,522	157,466
Asset retirement obligation and accrued reclamation costs	255,570	249,540
Total liabilities	3,036,915	2,029,645
Commitments and contingencies (Note 6)		
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		

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(liquidation preference \$885,000)	7,500	7,500
Series C: 177,904 shares issued and outstanding		
(liquidation preference \$97,847)	1,779	1,779
Series D: 1,751,005 shares issued and outstanding		
(liquidation preference of \$4,755,582)	17,509	17,509
Common stock, \$0.01 par value, 90,000,000 shares authorized; 62,621,726 and 61,896,726 shares issued and outstanding	626,217	618,966
Additional paid-in capital	31,322,632	30,745,650
Accumulated deficit	(21,131,160)	(20,045,572)
Total stockholders' equity	10,844,477	11,345,832
Total liabilities and stockholders' equity	\$ 13,881,392	\$ 13,375,477

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

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

	For the three months ended September 30, 2013		For the nine months ended September 30, 2013	
	September 30, 2012		September 30, 2012	
REVENUES	\$2,558,356	\$2,655,123	\$8,479,808	\$9,206,978
COST OF REVENUES	(2,441,862)	(2,517,497)	(8,427,360)	(8,659,703)
GROSS PROFIT	116,494	137,626	52,448	547,275
OPERATING EXPENSES:				
General and administrative	206,467	239,093	667,988	655,077
Professional fees	58,827	54,722	187,880	187,366
TOTAL OPERATING EXPENSES	265,294	293,815	855,868	842,443
LOSS FROM OPERATIONS	(148,800)	(156,189)	(803,420)	(295,168)
OTHER INCOME (EXPENSE):				
Interest income	674	2,789	3,892	6,337
Interest expense	(922)	(2,162)	(3,664)	(2,162)
Factoring expense	(9,765)	(19,563)	(52,945)	(70,907)
TOTAL OTHER EXPENSE	(10,013)	(18,936)	(52,717)	(66,732)
LOSS BEFORE INCOME TAXES	(158,813)	(175,125)	(856,137)	(361,900)
INCOME TAX (EXPENSE) BENEFIT	-	-	(229,451)	74,311
NET LOSS	\$(158,813)	\$(175,125)	\$(1,085,588)	\$(287,589)
Net loss per share of common stock:				
Basic	\$ Nil	\$ Nil	\$(0.02)	\$ Nil
Diluted	\$ Nil	\$ Nil	\$(0.02)	\$ Nil
Weighted average shares outstanding:				
Basic	62,621,726	61,786,822	62,146,360	61,051,943
Diluted	62,621,726	61,786,822	62,146,360	61,051,943

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

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

	For the nine months ended	
	September 30, 2013	September 30, 2012
Cash Flows From Operating Activities:		
Net income (loss)	\$(1,085,586)	\$(287,589)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	503,016	349,375
Accretion of asset retirement obligation	6,030	6,030
Common stock issued to directors for services	2,628	176,191
Deferred income tax expense (benefit)	229,451	(74,311)
Change in:		
Accounts receivable, net	(207,261)	946,829
Inventories	312,584	(387,820)
Other current assets	(33,118)	250,737
Other assets	(165,438)	(100,275)
Accounts payable	348,123	(24,095)
Accrued payroll, taxes and interest	10,831	(48,823)
Other accrued liabilities	44,695	(86,858)
Deferred revenue	91,692	(12,092)
Payables to related parties	(8,988)	(318,596)
Net cash provided by operating activities	48,659	388,703
Cash Flows From Investing Activities:		
Purchase of certificates of deposit		(242,800)
Purchase of properties, plants and equipment	(1,742,783)	(2,292,246)
Net cash used by investing activities	(1,742,783)	(2,535,046)
Cash Flows From Financing Activities:		
Proceeds from long term debt	200,000	
Net proceeds from (payments to) factor	157,482	93,857
Proceeds from sale of common stock, net of offering costs	653,604	4,624,763
Issuance of common stock pursuant to exercise of warrants	-	60,000
Principal payments on long-term debt	(232,931)	(147,095)
Payments received on stock subscription agreements		-
Change in checks issued and payable	-	(113,908)
Net cash provided by financing activities	778,155	4,517,617
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(915,969)	2,371,274
Cash and cash equivalents at beginning of period	1,000,811	5,427
Cash and cash equivalents at end of period	\$84,842	\$2,376,701

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

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Noncash investing and financing activities:

Properties, plants and equipment acquired with long-term debt	-	\$352,150
Properties, plants and equipment acquired with accounts payable	\$318,335	-
Common stock issued for prepaid directors fees	-	\$426,819
Common stock issued pursuant to cashless exercise of warrants	-	\$253
Fair value of derivative liability	\$72,000	-

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

PART I - FINANCIAL INFORMATION, CONTINUED:

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

1. Basis of Presentation:

The unaudited consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the three and nine month periods ended September 30, 2013 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2013.

Certain consolidated financial statement amounts for the three and nine month periods ended September 30, 2012 have been reclassified to conform to the 2013 presentation. These reclassifications had no effect on the net income (loss) or accumulated deficit as previously reported.

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

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

During the nine months ended September 30, 2013 and 2012, the Company incurred interest expense of \$18,022 and \$31,829, respectively, of which \$14,231 and \$29,677, respectively, has been capitalized as part of the cost of construction projects in Mexico.

2. Income (Loss) Per Common Share:

Basic earnings per share is calculated by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated based on the weighted average number of common shares outstanding during the period plus the effect of potentially dilutive common stock equivalents, including warrants to purchase the Company's common stock and convertible preferred stock. Management has determined that the calculation of diluted earnings per share for the three and nine month periods ended September 30, 2013, is not applicable since any additions to outstanding shares related to common stock equivalents would be anti-dilutive.

PART I - FINANCIAL INFORMATION, CONTINUED:

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

As of September 30, 2013 and 2012, the potentially dilutive common stock equivalents not included in the calculation of diluted earnings per share as their effect would have been anti-dilutive are as follows:

	For the Nine Months Ended	
	September 30, 2013	September 30, 2012
Warrants	2,297,167	1,776,917
Convertible preferred stock	1,751,005	1,751,005
Total possible dilution	4,048,172	3,527,922

3. Inventories:

Inventories at September 30, 2013, and December 31, 2012, consisted primarily of finished antimony products, antimony metal, antimony ore, and finished zeolite products that are stated at the lower of first-in, first-out cost or estimated net realizable value. Finished antimony products, antimony metal and finished zeolite products costs include raw materials, direct labor and processing facility overhead costs and freight allocated based on production quantity. Inventory at September 30, 2013, and December 31, 2012, is as follows:

	September 30, 2013	December 31, 2012
Antimony Metal	\$23,207	\$152,821
Antimony Oxide	292,235	295,613
Antimony Concentrate	77,807	46,008
Antimony Ore	166,801	500,192
Total antimony	560,050	994,634
Zeolite	319,555	197,555
Total Inventory	\$879,605	\$1,192,189

4. Accounts Receivable and Due to Factor:

The Company factors designated trade receivables pursuant to a factoring agreement with LSQ Funding Group L.C., an unrelated factor (the "Factor"). The agreement specifies that eligible trade receivables are factored with recourse. We submit selected trade receivables to the factor, and receive 85% of the face value of the receivable by wire transfer. Upon payment by the customer, we receive the remainder of the amount due from the factor, less a one-time servicing fee of 2% for the receivables factored. This servicing fee is recorded on the consolidated statement of operations in the period of sale to the factor.

Trade receivables assigned to the Factor are carried at the original invoice amount less an estimate made for doubtful accounts. Under the terms of the recourse provision, the Company is required to reimburse the Factor, upon demand, for factored receivables that are not paid on time. Accordingly, these receivables are accounted for as a secured

financing arrangement and not as a sale of financial assets. The allowance for doubtful accounts is based on management's regular evaluation of individual customer's receivables and consideration of a customer's financial condition and credit history. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. Interest is not charged on past due accounts.

PART I - FINANCIAL INFORMATION, CONTINUED:

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

4. Accounts Receivable and Due to Factor, Continued:

We present the receivables, net of allowances, as current assets and we present the amount potentially due to the Factor as a secured financing in current liabilities.

	September 30, 2013	December 31, 2012
Accounts Receivable		
Accounts receivable - non factored	\$454,489	\$432,500
Accounts receivable - factored with recourse	212,962	27,690
less allowance for doubtful accounts	(4,031)	(4,031)
Accounts receivable - net	\$663,420	\$456,159

5. Other Assets:

Soyatal

Included in Other Assets at September 30, 2013 are credits of approximately \$379,000 for advances we have made to the previous Soyatal operator for equipment and antimony ore mill feed which we plan to utilize as an offset for future option payments on the Soyatal property.

Guadalupe

In March of 2012 we entered into a supply agreement with Grupo Roga or “Guadalupe” for antimony ore. As of September 30, 2013 we had received approximately 1,725 metric tons of antimony ore under this agreement. In 2012 and 2013 we made advances to Guadalupe to fund their antimony mining operations. The mining, trucking, and milling costs on this ore have exceeded its value by approximately \$393,000. As Guadalupe has agreed to deduct these excess costs through future antimony ore purchases and (or) option payments for the Guadalupe property, we have recorded the excess costs as Other Assets at September 30, 2013.

6. Commitments and Contingencies:

In 2005, a subsidiary of the Company signed an option agreement that gives it the exclusive right to explore and develop the San Miguel I and San Miguel II concessions for an annual payment of \$50,000, and an option to purchase payment of \$100,000 annually. Total payments will not exceed \$1,430,344, reduced by taxes paid. During the nine months ended September 30, 2013, and the year ended December 31, 2012, \$65,217 and \$86,956, respectively, was paid and capitalized as mineral rights in accordance with the Company’s accounting policies.

From time to time, the Company is assessed fines and penalties by the Mine Safety and Health Administration (“MSHA”). Using appropriate regulatory channels, management may contest these proposed assessments. The Company has not accrued any liabilities as of September 30, 2013 related to such assessments.

During 2012, the Company negotiated a new credit facility increasing the Company’s lines of credit by \$202,000. As part of this agreement, we have pledged two \$101,000 certificates of deposit as collateral. The increased loan facility

allows us access to borrowings at an interest rate of 3.15% for the portion of the credit line used. At September 30, 2013, we did not have any outstanding line of credit debt.

PART I - FINANCIAL INFORMATION, CONTINUED:

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

6. Commitments and Contingencies, Continued:

In June of 2013, the Company entered into a lease to mine antimony ore from concessions located in the Wadley Mining district in Mexico. The lease calls for a mandatory term of one year and requires payments of \$25,000 per month for the first six months of the term and \$30,000 per month for the remaining months of the term. The lease is renewable each year with a 15 day notice to the lessor, and agreement of terms.

7. Long – Term Debt:

	September 30, 2013	December 31, 2012
Long-Term debt at September 30, 2013, and December 31, 2012 , is as follows:		
Note payable to Betsy Detwiler, bearing interest at 10%; payable in monthly installments of \$1,000; maturing January 2, 2015	\$120,000	
Note payable to Robert Detwiler, bearing interest at 10%; principal and accrued interest payable on January 2, 2015	80,000	
Note payable to Thermo Fisher Financial Co., bearing interest at 5.67%; payable in monthly installments of \$3,522; maturing September 2013; collateralized by equipment.	3,361	\$34,310
Note payable to Thermo Fisher Financial Co., bearing interest at 8.54%; payable in monthly installments of \$2,792; maturing December 2013; collateralized by equipment.	13,958	30,708
Note payable to Stearns Bank, bearing interest at 6.9%; payable in monthly installments of \$3,555; maturing December 2014; collateralized by equipment.	50,733	79,500
Note payable to Western States Equipment Co., bearing interest at 6.15%; payable in monthly installments of \$2,032; maturing June 2015; collateralized by equipment.	38,542	56,390
Note payable to CNH Capital America, LLC, bearing interest at 4.5%; payable in monthly installments of \$505; maturing June 2013; collateralized by equipment.		3,478
Note payable to Caterpillar Financial, bearing interest at 5.95%; payable in monthly installments of \$827; maturing September 2015; collateralized by equipment.	18,658	25,823
Note payable to GE Capital, bearing interest at 2.25%; payable in monthly installments of \$359; maturing July 2013; collateralized by equipment.		2,847
Note payable to De Lage Landen Financial Services bearing interest at 5.30%; payable in monthly installments of \$549; maturing March 2016; collateralized by equipment.	15,394	19,629
Note payable to Phyllis Rice, bearing interest at 1%; payable in monthly installments of \$2,000; maturing March 2015; collateralized by equipment.	39,364	55,365
Note payable to De Lage Landen Financial Services,		

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bearing interest at 5.12%; payable in monthly installments of \$697; maturing December 2014; collateralized by equipment.	10,759	16,496
Note payable to Catepillar Financial, bearing interest at 6.15%; payable in monthly installments of \$766; maturing August 2014; collateralized by equipment.	8,125	14,535
Note payable to De Lage Landen Financial Services, bearing interest at 5.28%; payable in monthly installments of \$709; maturing June 2014; collateralized by equipment.	6,239	12,235
Note payable for Corral Blanco Land, bearing interest at 6.0%, due May 1, 2013; collateralized by land		86,747
	405,133	438,063
Less Current portion	(141,611)	(280,597)
Non-Current portion	\$263,522	\$157,466

Debt outstanding will mature as follows:

	Twelve months ending	September 30,
	2015	260,277
	2016	3,245
		\$263,522

PART I - FINANCIAL INFORMATION, CONTINUED:

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

8. Concentrations of Risk:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Sales to Three Largest Customers				
Alpha Gary Corporation	\$906,970	\$683,867	\$2,949,177	\$2,074,970
General Electric	195,300		585,900	
Kohler Corporation	592,567	788,817	2,164,997	2,038,379
Polymer Products Inc.		205,028		1,119,055
	\$1,694,837	\$1,677,712	\$5,700,074	\$5,232,404
% of Total Revenues	66.20	% 63.20	% 67.20	% 56.80

	September 30, 2013	December 31, 2012
Three Largest Accounts Receivable		
Kohler Corporation	\$392,185	
Alpha Gary Corporation		\$194,005
Ampacet Corporation	95,648	-
Quantum Remediation		101,149
Saint Gobain Performance Plastics	26,400	
Scutter Enterprises		41,512
	\$514,233	\$336,666
% of Total Receivables	77.60	% 73.80

The loss of any of our key customers could have a material adverse effect on our financial position and results of operations.

9. Related Party Transactions:

During the three and nine months ending September 30, 2012, the Company paid \$1,858 and \$23,884, respectively, to directors of the Company for services provided in permitting and other construction related activities at Mexican mill sites. The Company did not pay any fees to directors for services provided in permitting and construction activities in 2013.

During the three and nine months ending September 30, 2013 and 2012, the Company paid \$14,793 and \$52,739 in 2013, respectively, and \$15,625 and \$54,340, respectively, in 2012, to John Lawrence, our President and Chief Executive Officer, as reimbursement for equipment used by the Company.

10. Income Taxes:

The Company had recognized an income tax provision of \$229,451 as of December 31, 2012. During the nine months ended September 30, 2013, the Company recognized a valuation allowance equal to 100% of the net deferred tax

asset, as management of the Company cannot determine that it is more likely than not the Company will realize the benefit of the net deferred tax asset. The net effect is that the deferred tax asset is fully reserved for at September 30, 2103.

PART I - FINANCIAL INFORMATION, CONTINUED:

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

11. Stockholder's Equity:

Issuance of Common Stock for Cash

During the second quarter of 2013, the Company sold an aggregate of 725,000 of its unregistered common stock to existing stockholders and other parties for \$653,604, net of offering costs. In connection with the sale, 362,500 warrants to purchase shares of the Company's common stock for \$1.20 were issued. The warrants expire on June 28, 2014 and contain a provision that require the Company to make a cash payment to holders of the warrants equal to the Black-Scholes value of the remaining unexercised portion of the warrant in the event of a Fundamental Transaction.

Generally accepted accounting principles required the Company to account for the warrants as a derivative liability. At June 28, 2013, the closing date of the private placement, the Company allocated \$108,750 of the cash proceeds, which represented the fair value of the warrants, to the warrants and recorded the amount as a derivative liability. The fair value of the warrants was estimated, using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.15%
Expected dividend Yield	None
Expected term	one year
Expected volatility	75.4%

Since issuance, the holders of 212,500 warrants have agreed to rescind the cash payment provision that gave rise to the derivative liability, and the Company expects the remainder of the warrant holders to rescind the provision in the near future. At September 30, 2013, the fair value of the outstanding warrants was calculated at \$72,000.

During the nine months ended September 30, 2012, the Company sold an aggregate of 2,056,334 shares of unregistered common stock to existing stockholders and other parties for \$4,711,842. In connection with the sales of the Company's common stock, 1,028,167 warrants to purchase shares of the Company's common stock at \$2.50 per share, and 1,425,982 warrants at \$3.50 per share, were issued. Expenses of \$414,661 connected to the issuance of the unregistered shares were deducted from additional paid in capital.

Issuance of Common Stock for Services

At December 31, 2011, the Company declared, but did not issue, 95,835 shares of unregistered common stock to be paid to its directors for services, having a fair value of \$230,004, based on the current stock price at the date declared. During the first six months of 2012, the company issued 149,500 shares of unregistered common stock with a fair market value of \$358,800 to the Directors as compensation for past and future services. During the first six months of 2012, the Company awarded 39,406 of the remaining 53,665 shares of unregistered common stock to its directors for services, having a fair value of \$151,191, based on the current stock price at the date awarded. 6,423 new shares with a fair value of \$25,000 were issued to directors who were not board members at December 31, 2011. This expense is classified with general and administrative expense in the consolidated statement of operations.

PART I - FINANCIAL INFORMATION, CONTINUED:

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

11. Stockholder's Equity, Continued:

Common Stock Warrants

The Company's Board of Directors has the authority to issue stock warrants for the purchase of preferred or unregistered common stock to directors and employees of the Company.

Transactions in common stock warrants are as follows:

	Number of Warrants	Exercise Prices
Balance, December 31, 2010	725,000	\$.20 - \$.75
Warrants exercised	(125,000)	\$.30 - \$.40
Balance, December 31, 2011	600,000	\$.30 - \$.60
		.25 -
Warrants issued	1,734,667	\$.45 -
		.30 -
Warrants exercised	(250,000)	\$.25 -
Warrants expired	(150,000)	\$.30 - \$.40
		.25 -
Balance, December 31, 2012	1,934,667	\$.45 -
Warrants issued	-	-
Warrants exercised	-	-
Warrants expired	-	-
		.25 -
Balance, December 31, 2012	1,934,667	\$.45 -
No activity first quarter of 2013	-	-
Warrants issued second quarter of 2013	362,500	\$.25 -
		.25 -
Balance, September 30, 2013	2,297,167	\$.45 -

The above common stock warrants expire as follows:

Year ended December 31:

2013	412,500
2014	1,157,750
2015	476,917
Thereafter	250,000
	2,297,167

PART I - FINANCIAL INFORMATION, CONTINUED:

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

12. Business Segments

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

	As of September 30, 2013	As of December 31, 2012
Properties, plants and equipment, net:		
Antimony		
United States	\$1,913,962	\$1,889,859
Mexico	7,443,394	5,902,191
Subtotal Antimony	9,357,356	7,792,050
Zeolite	1,709,721	1,716,925
Total	\$11,067,077	\$9,508,975

Total Assets:		
Antimony		
United States	\$2,987,550	\$3,941,460
Mexico	8,615,460	7,098,887
Subtotal Antimony	11,603,010	11,040,347
Zeolite	2,278,382	2,335,130
Total	\$13,881,392	\$13,375,477

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Revenues:				
Antimony	\$1,973,620	\$1,974,535	\$6,581,460	\$6,678,725
Precious metals	83,232	144,082	304,052	525,707
Zeolite	501,504	536,506	1,593,896	2,002,546
Total	\$2,558,356	\$2,655,123	\$8,479,408	\$9,206,978

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Gross profit (loss):				
Antimony	\$(60,385)	\$156,059	\$(255,637)	\$421,037

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Zeolite	176,879	(18,433)	308,085	126,238
Total	\$ 116,494	\$ 137,626	\$ 52,448	\$ 547,275

PART I - FINANCIAL INFORMATION, CONTINUED:

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

12. Business Segments, continued:

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Capital expenditures:				
Antimony				
United States	\$4,883	\$96,206	\$79,630	\$158,644
Mexico	411,089	786,086	1,834,194	2,220,913
Subtotal Antimony	415,972	882,292	1,913,824	2,379,557
Zeolite	50,551	107,467	156,563	264,839
Total	\$466,523	\$989,759	\$2,070,387	\$2,644,396

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Depreciation and amortization:				
Antimony	\$80,600	\$75,574	\$339,250	\$192,020
Zeolite	55,082	55,077	163,767	157,355
Total	\$135,682	\$130,651	\$503,017	\$349,375

13. Soyatal Purchase Option

At December 31, 2012, the Company recorded a note payable liability based upon the present value of the non-interest bearing payments due Soyatal in connection with an option the Company had to purchase the Soyatal property for \$1.5 million. In connection with finalizing the Company's exercise of its option to purchase the Soyatal property and the pending definitive Purchase and Sale Agreement, management determined that no recourse note payable would be executed and the payments to Soyatal will be recognized as they become due in accordance with the final agreement, and are paid. As a result, the Company's interest in the Soyatal mineral property reflects only the payments made to date in accordance with the terms of the option agreement. This change in the terms of the agreement resulted in a reversal of the note payable and a corresponding reduction of mineral property assets for \$1,067,431 at December 31, 2012. The December 31, 2012 balance sheet has been revised to reflect such. The option agreement calls for a definitive Purchase and Sale Agreement which is expected to be executed during the fourth quarter 2013.

PART I - FINANCIAL INFORMATION, CONTINUED:

ITEM 2. Management's Discussion and Analysis of Results of Operations and Financial Condition, continued:

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.

Table of Precious Metals Sales

Precious Metals Sales	Nine Months				
Silver/Gold	2009	2010	2011	2012	2013
Montana					
Ounces Gold Shipped (Au)	31.797	101.127	161.711	102.319	46.405
Ounces Silver Shipped (Ag)	6,870.100	31,545.220	17,472.990	20,237.700	16,476.160
Revenues	\$39,494	\$483,307	\$667,813	\$647,554	\$281,362
Mexico					
Ounces Gold Shipped (Au)					1.780
Ounces Silver Shipped (Ag)					1,053.240
Revenues					\$22,690
Total Revenues	\$39,494	\$483,307	\$667,813	\$647,554	\$304,052

PART I - FINANCIAL INFORMATION, CONTINUED:

ITEM 2. Management's Discussion and Analysis of Results of Operations and Financial Condition, continued:

Results of Operations by Division:

For the three and nine month periods ended September 30, 2013 compared to the three and nine month periods ended September 30, 2012.

Antimony - Combined USA and Mexico	3rd Qtr 2013	3rd Qtr 2012	Nine Months 2013	Nine Months 2012
Lbs of Antimony Metal USA	248,268	314,053	740,495	1,020,085
Lbs of Antimony Metal Mexico:	133,586	57,545	482,980	233,163
Total Lbs of Antimony Metal Sold	381,854	371,598	1,223,475	1,253,248
Sales Price/Lb Metal	\$5.17	\$5.31	\$5.38	\$5.33
Net income (loss)/Lb Metal	\$(0.86)	\$(0.42)	\$(1.11)	\$(0.39)
Gross antimony revenue - net of discount	\$1,973,620	\$1,974,535	\$6,581,861	\$6,678,725
Precious metals revenue	83,232	144,082	304,052	525,707
Production costs - USA	(1,083,957)	(1,173,827)	(3,636,369)	(4,200,298)
Product cost - Mexico	(602,473)	(268,735)	(2,178,240)	(1,088,871)
Direct sales and freight	(67,517)	(63,225)	(214,957)	(277,204)
General and administrative - operating	(104,108)	(246,148)	(363,650)	(702,626)
Mexico non-production costs	(178,082)	(135,049)	(409,083)	(322,376)
General and administrative - non-operating	(266,809)	(313,378)	(876,643)	(913,350)
Net interest	(70)	627	(5)	4,175
EBITDA	(246,164)	(81,118)	(793,034)	(296,118)
Depreciation & amortization	(80,600)	(75,574)	(339,250)	(192,020)
Provision for income taxes			(229,451)	
Net income (Loss) - antimony	\$(326,764)	\$(156,692)	\$(1,361,735)	\$(488,138)
Zeolite				
Tons sold	2,516	2,260	7,808	8,960
Sales Price/Ton	\$199.33	\$237.39	\$204.14	\$223.50
Net income (Loss)/Ton	\$66.75	\$(8.16)	\$35.37	\$14.09
Gross zeolite revenue	\$501,504	\$536,506	\$1,593,896	\$2,002,546
Production costs	(183,960)	(402,165)	(846,649)	(1,380,675)
Direct sales and freight	(40,102)	(39,659)	(123,798)	(129,378)
Royalties	(45,481)	(47,945)	(151,597)	(176,992)
General and administrative	(8,250)	(10,093)	(32,168)	(31,908)
Net interest	(678)		232	
EBITDA	223,033	36,644	439,916	283,593
Depreciation	(55,082)	(55,077)	(163,767)	(157,355)
Net income (Loss) - zeolite	\$167,951	\$(18,433)	\$276,149	\$126,238
Company-wide				
Gross revenue	\$2,558,356	\$2,655,123	\$8,479,809	\$9,206,978

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Production costs	(1,870,390)	(1,844,727)	(6,661,258)	(6,669,844)
Other operating costs	(435,290)	(542,119)	(1,263,085)	(1,640,484)
General and administrative - non-operating	(275,059)	(313,378)	(908,811)	(913,350)
Net interest	(748)	627	227	4,175
EBITDA	(23,131)	(44,474)	(353,118)	(12,525)
Income tax benefit (expense)			(229,451)	74,311
Depreciation & amortization	(135,682)	(130,651)	(503,017)	(349,375)
Net income (Loss)	\$(158,813)	\$(175,125)	\$(1,085,586)	\$(287,589)

PART I - FINANCIAL INFORMATION, CONTINUED:

ITEM 2. Management's Discussion and Analysis of Results of Operations and Financial Condition, continued:

The amount of metal produced in Mexico was approximately 154,000 lbs for the third quarter of 2013 (approximately 133,500 lbs sold) compared to approximately 57,500 pounds produced for the third quarter of 2012, an increase of 168%. The production from Mexico would have been greater except for additional permits needed to operate new equipment and to use explosives at the Soyatal, and Gaudalupe mining properties. The operator of the Guadelupe property received an explosives permit subsequent to September 30, 2013, and expects to significantly increase their output of feed to our mill at Puerto Blanco. Overall, the pounds of antimony produced and sold was up approximately 10,000 lbs (\$45,000) from the same quarter in the prior year, but the sales price per pound was down approximately \$.14 (\$54,000) from the prior year quarter. Antimony prices have now fallen from a high of \$8.11 per lb in 2011, to \$4.22 per lb at September 30, 2013. The cost of production in the USA was down by approximately \$90,000 and \$470,000 for the quarter and nine months due to the decrease in the price and amount of raw material purchased, but the cost of product from Mexico was up approximately \$335,000 and \$1,090,000 for the quarter and nine months, respectively, due to the increase in the amount of product made in Mexico. The non-production costs in Mexico for the three and nine months ended September 30, 2013, were down from the same periods a year ago due to the increase in production. The increase in production in Mexico was made despite permit restrictions at the mining properties. Our efforts in Mexico are resulting in increased product that will be shipped to our Montana plant. A temporary decrease in the delivery of raw materials to the Montana smelter from a major supplier that occurred again in the third quarter of 2013 resulted in decreased results for the third quarter, in addition to the second quarter, but the deliveries have resumed and are on schedule. As previously noted, once we are fully permitted, we will have more antimony products from Mexico, and the cost of raw material per pound of antimony produced in Mexico will decrease as we are able to increase production there. In addition, we expect to have increased revenue from precious metals from our Mexico division. We presently have unprocessed concentrates in our Mexico inventory that contain an estimated 8,500 ounces of silver and 25 ounces of gold that we cannot process until we have the proper permits.

We contracted in July, 2012, to install a natural gas pipeline for our Mexico smelter operation that we now expect to cost \$1.5MM in total. Our fuel costs are our largest expense in Mexico, and we are expecting the switch from propane to natural gas to decrease our Mexico fuel costs by 75% when the pipeline is complete. The pipeline is substantially completed, and hookup by PEMEX should be finalized by December 31, 2013. We spent approximately \$125,000 on mining and milling of Los Juarez minerals in anticipation of receiving a permit, but have halted expenditures until the permit is granted. We made the final payment of approximately \$90,000 for the mill site at Puerto Blanco during the nine months ended September 30, 2013.

Our zeolite sales decreased by approximately \$35,000 and \$408,000 for the quarter and nine months ended September 30, 2013, over the comparable periods for 2012, and the sales price per ton also decreased from the prior year. There was an increase in the tons of zeolite sold of approximately 250 tons for the quarter ended September 30, 2013, over the comparable period for 2012, and a decrease in the sales price due to the mix of products sold.

Our general and administrative costs were lower for the three and nine months ended September 30, 2013, than the same periods for prior year, but management is still seeking ways to bring these costs down. At this time, due to the prices of commodities and the need for additional permits in Mexico, we could not determine when we would use the tax benefits being carried forward, and were required to write them down, which resulted in an income tax expense of \$229,451. The net loss for the nine months ended September 30, 2013, includes depreciation and amortization of \$503,016.

PART I - FINANCIAL INFORMATION, CONTINUED:

ITEM 2. Management's Discussion and Analysis of Results of Operations and Financial Condition, continued:

Financial Condition and Liquidity	September 30, 2013	December 31, 2012
Current Assets	\$1,923,128	\$2,951,128
Current liabilities	(2,517,823)	(1,622,639)
Net Working Capital	\$(594,695)	\$1,328,489
Cash provided (used) by operations	\$48,659	\$526,419
Cash (used) by investing	(1,742,783)	(3,513,901)
Cash provided (used) by financing:		
Principal paid on long-term debt	(232,931)	(464,936)
Sale of Stock	653,604	4,624,763
Proceeds from long term debt	200,000	
Proceeds from borrowing factor	157,482	(176,961)
Net change in cash	\$(915,969)	\$995,384

Our net working capital decreased by approximately \$1,851,000 from December 31, 2012. Our cash decreased by approximately \$915,000 during the same period. The decrease in cash was primarily due to approximately \$1,743,000 of capital expenditures, a \$316,000 EBITDA loss, and \$233,000 paid on long-term debt. Approximately \$653,000 cash from the sale of stock, \$313,000 from a decrease in inventory, \$200,000 borrowing, and the net decrease of approximately \$211,000 in current assets and liabilities other than inventory provided cash. We have estimated commitments for construction and improvements, including \$250M for the natural gas pipeline, of approximately \$500M over the next twelve months. We made the final annual payment of approximately \$90,000 for the land at Puerto Blanco in the nine months ended September 30, 2013. We believe that with our current cash balance, along with the future cash flow from operations, we have adequate liquid assets to meet these commitments and service our debt. We have lines of credit of \$202,000 which have not been drawn on at September 30, 2013.

ITEM 3. Quantitative and Qualitative Disclosure about Market Risk

We sell our antimony products based on a world market price, and we buy a majority of our raw material based on the same market prices. Analysis of our costs indicate that, for the quarter and six months ended June 30, 2013, raw materials were approximately 50% of our cost of goods sold. Most of our production costs are fixed in nature, and could not be decreased readily without decreasing our production. During the quarter and nine months ending September 30, 2013, a \$2 per pound decrease in our sales price would have likely caused our gross profit to decrease \$1 per pound.

PART I - FINANCIAL INFORMATION, CONTINUED:

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 chief financial 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 September 30, 2013. It was determined that there were material weaknesses affecting our disclosure controls and procedures and, as a result of those weaknesses, our disclosure controls and procedures were not effective as of September 30, 2013. These material weaknesses are as follows:

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

During our 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 have procedures to ensure that independent review of material transactions is performed. We have internal control measures to mitigate the lack of segregation of duties as follows:

The CFO reviews all bank reconciliations

The CFO reviews all material transactions for capital expenditures

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

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

The Company has a formal capitalization policy

In addition, we consult with independent experts when complex transactions are entered into.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no significant changes made to internal controls for the quarter ended September 30, 2013.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

None

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

During the second quarter of 2013 the Company sold an aggregate of 725,000 of its unregistered common stock to existing stockholders and other parties for \$680,192, net of offering costs. In connection with the sale 362,500 warrants to purchase shares of the Company's common stock for \$1.20 were issued. The warrants expire in one year and contained a provision that require the Company to make a cash payment to holders of the warrants equal to the Black-Scholes value of the remaining unexercised portion of the warrant in the event of a Fundamental Transaction.

During the three month period ended March 31, 2012, the Company sold shares of its restricted common stock directly and through the exercise of outstanding stock purchase warrants as follows: 1,102,500 shares for \$2.00 per share (\$2,205,000), and 200,000 shares for \$.30 per share (\$60,000).

During the three month period ended June 30, 2012, the Company sold shares of its restricted common stock directly and through the exercise of outstanding stock purchase warrants as follows: 953,834 shares for \$3.00 per share (\$2,851,964), and 25,265 shares were issued as a cashless exercise of warrants.

During the first six months of 2012, \$414,661 was paid for fees in connection with the issuance of the above shares, and was recorded as a reduction of additional paid in capital.

Common stock sold is restricted as defined under Rule 144. In management's opinion, the offer and sale of the securities were made in reliance on exemptions from registration provided by Section 4(2) and Rule 506 of Regulation D of the Securities Act of 1933, as amended and other applicable Federal and state securities laws. Proceeds received on sales of common stock were used for general corporate purposes.

Item 3. DEFAULTS UPON SENIOR SECURITIES

The registrant has no outstanding senior securities.

Item 4. MINE SAFETY DISCLOSURES

The information concerning mine safety violations or other regulatory matters required by Section 1503 (a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Annual Report.

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

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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)

Date: November 12, 2013

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

Date: November 12, 2013

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

Date: November 12, 2013

By: /s/ Alicia Hill
Alicia Hill, Controller