

Applied Minerals, Inc.  
Form 4  
October 29, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
IBS CAPITAL LLC

(Last) (First) (Middle)

ONE INTERNATIONAL PLACE, SUITE 2401

(Street)

BOSTON, MA 02110

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Applied Minerals, Inc. [AMNL]

3. Date of Earliest Transaction  
(Month/Day/Year)  
06/15/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D) Code V Amount (D) Price	16,584,837 <sup>(1)</sup> <u>(2)</u>	I	See Notes 1 and 2. <sup>(1)</sup> <u>(2)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8.	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
10% PIK-Election Convertible Notes <u>(1)</u> <u>(3)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	\$ 1 <u>(1)</u> <u>(3)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>					<u>(3)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	<u>(3)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	Common Stock	500,000 <u>(1)</u> <u>(3)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>
10% PIK-Election Convertible Notes <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	\$ 1 <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	06/15/2010		J <u>(5)</u>	2 <u>(4)</u>	<u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	<u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	Common Stock	4,027 <u>(1)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
IBS CAPITAL LLC ONE INTERNATIONAL PLACE SUITE 2401 BOSTON, MA 02110	X	X		
IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP) ONE INTERNATIONAL PLACE STE 2410 BOSTON, MA 02110		X		

## Signatures

IBS Capital LLC, by David A. Taft, Manager	10/29/2010
__Signature of Reporting Person	Date
IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP) By IBS Capital LLC, Its General Partner, David A. Taft, Manager	10/29/2010
__Signature of Reporting Person	Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) IBS Capital LLC ("IBS Capital") is the general partner of The IBS Turnaround (QP) Fund (A Limited Partnership) ("QP Fund") and The IBS Turnaround Fund (A Limited Partnership) ("LP Fund"). IBS Capital is the investment adviser of The IBS Opportunity Fund (BVI), Ltd. ("Opportunity Fund").

(2) As of June 15, 2010, IBS Capital beneficially owned 16,584,837 shares, which consisted of: (i) 9,240,082 shares directly held by the QP fund; (ii) 4,267,480 shares directly held by the LP Fund; and (iii) 3,077,275 shares directly held by the Opportunity Fund. The transactions reported in Table II do not affect the number of shares beneficially owned by the reporting person.

(3) Pursuant to a series of note issuances, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (collectively, the "May 2010 \$1.00 Primary Notes," each a "May 2010 \$1.00 Primary Note") on substantially the same terms and conditions. The 500,000 shares of Common Stock into which outstanding amounts are convertible under the May 2010 \$1.00 Primary Notes include: (i) 260,000 shares into which amounts payable under the May 2010 \$1.00 Primary Note by the issuer to the QP Fund are convertible and (ii) 240,000 shares into which amounts payable under the May 2010 \$1.00 Primary Note by the issuer to the LP Fund are convertible. The principal amount of the May 2010 \$1.00 Primary Note issued to the QP Fund was \$260,000 and the principal amount of the May 2010 \$1.00 Primary Note issued to LP Fund was \$240,000.

(4) On June 15, 2010, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the "June \$1.00 Interest Notes") in respect of interest due on the May 2010 \$1.00 Primary Notes on substantially the same terms and conditions. The 4,027 shares of Common Stock into which outstanding amounts are convertible under the June 2010 \$1.00 Interest Notes include: (i) 2,094 shares into which amounts payable under the June 2010 \$1.00 Interest Note by the issuer to the QP Fund are convertible and (ii) 1,933 shares into which amounts payable under the June 2010 \$1.00 Interest Note by the issuer to the LP Fund are convertible. The principal amount of the June \$1.00 Interest Note issued to the QP Fund was \$2,094 and the principal amount of the June \$1.00 Interest Note issued to the LP Fund was \$1,933.

(5) The May 2010 \$1.00 Primary Notes and the June \$1.00 Interest Notes shall be referred to herein as the "Notes."

(6) The Notes have a maturity date of December 15, 2018. At the noteholder's option, amounts outstanding under a Note may be converted into Common Stock at any time after the issuer has authorized sufficient shares to convert such amounts outstanding into Common Stock at the conversion price of \$1.00 per share (the "Conversion Price").

(7) The amount outstanding under a Note shall be mandatorily converted into Common Stock of the issuer at the Conversion Price on the earliest date that is one year after the Note's date of issuance when each of the following conditions have been satisfied: (i) the issuer's authorization of a sufficient number of shares to convert amounts outstanding under all of the notes in the series into Common Stock; (ii) the average closing bid or market price of Common Stock for the preceding five days being in excess of the Conversion Price; and (iii) either (a) the issuer has filed a registration statement for the resale the number of shares of Common Stock into which the outstanding amount under a Note is convertible or (b) the shares are resalable under Rule 144.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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