

Applied Minerals, Inc.  
Form 10-Q  
May 16, 2016  
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**FORM10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

Transition report under section 13 or 15(d) of the Exchange Act

For the transition period from to

Commission File Number 000-31380

APPLIED MINERALS,  
INC.

(Exact name of registrant as  
specified in its charter)

Delaware 82-0096527  
(State or (I. R. S.  
other Employer  
jurisdiction Identification  
of No.)  
incorporation  
or

organization)

110  
Greene  
Street –  
Suite 10012  
1101,  
New  
York,  
NY  
(Address  
of  
principal executive  
offices) (Zip Code)

(212)  
226-4265  
(Issuer's  
Telephone  
Number,  
Including  
Area  
Code)

Former name, former address, and former fiscal year, if changed since last report:

Indicate by check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 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

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

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The number of shares of the registrant's common stock, \$0.001 par value per share, outstanding as of May 13, 2016 was 97,392,709.

DOCUMENTS INCORPORATED BY REFERENCE: None.

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**APPLIED MINERALS, INC.**

**(An Exploration Stage Company)**

FIRST QUARTER 2016 REPORT ON FORM 10-Q

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(An Exploration Stage Mining Company)

## CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2016 (Unaudited)	December 31, 2015
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$900,577	\$1,803,131
Accounts receivable	264,457	176,205
Deposits and prepaid expenses	251,095	322,922
Other current receivables	- 0 -	94,647
<b>Total Current Assets</b>	<b>1,416,129</b>	<b>2,396,905</b>
<b>Property and Equipment, net</b>	<b>4,937,849</b>	<b>5,206,825</b>
<b>Other Assets</b>		
Deposits	269,272	269,202
Assets Held for Sale	380,999	445,180
<b>Total Other Assets</b>	<b>650,271</b>	<b>714,382</b>
<b>TOTAL ASSETS</b>	<b>\$7,004,249</b>	<b>\$8,318,112</b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$1,649,528	\$1,623,152
Current portion of notes payable	128,168	210,429
<b>Total Current Liabilities</b>	<b>1,777,696</b>	<b>1,833,581</b>
<b>Long-Term Liabilities</b>		
Long-term portion of notes payable	28,135	33,688
PIK Notes payable, net of \$17,084,480 and \$17,572,885 debt discount, respectively	18,180,058	17,051,636
PIK Note derivative	3,104,942	5,138,857
<b>Total Long-Term Liabilities</b>	<b>21,313,135</b>	<b>22,224,181</b>
<b>Total Liabilities</b>	<b>23,090,831</b>	<b>24,057,762</b>

**Commitments and Contingencies (Note 10)****Stockholders' (Deficit)**

Preferred stock, \$0.001 par value, 10,000,000 shares authorized, none issued and outstanding		
Common stock, \$0.001 par value, 200,000,000 shares authorized, 97,286,772 and 97,144,736 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	97,287	97,145
Additional paid-in capital	66,296,699	66,106,631
Accumulated deficit prior to the exploration stage	(20,009,496)	(20,009,496)
Accumulated deficit during the exploration stage	(62,471,072)	(61,933,930)
<b>Total Stockholders' (Deficit)</b>	<b>(16,086,582)</b>	<b>(15,739,650)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)</b>	<b>\$7,004,249</b>	<b>\$8,318,112</b>

The accompanying notes are an integral part of these condensed consolidated financial statements

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(An Exploration Stage Mining Company)

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three Months Ended March 31,	
	2016	2015
<b>REVENUES</b>	\$ 1,001,628	\$ 162,747
<b>OPERATING EXPENSES:</b>		
Production costs	4,549	2,235
Exploration costs	778,879	1,327,281
General and administrative	1,173,826	1,182,309
Depreciation expense	336,087	326,222
<b>Total Operating Expenses</b>	<b>2,293,341</b>	<b>2,838,047</b>
Operating Loss	(1,291,713 )	(2,675,300 )
<b>OTHER INCOME (EXPENSE):</b>		
Interest expense, net, including amortization of deferred financing cost and debt discount	(1,372,420 )	(1,028,627 )
Interest Income	585	--
Gain on disposal of property	92,491	--
(Loss) gain on revaluation of PIK Note derivative	2,033,915	(92,741 )
Other expense	--	(397,797 )
<b>Total Other Income (Expense)</b>	<b>754,571</b>	<b>(1,519,165 )</b>
Net loss	\$ (537,142 )	\$ (4,194,465 )
<b>Net Loss Per Share (Basic and Diluted)</b>	<b>\$ (0.01 )</b>	<b>\$ (0.04 )</b>
<b>Weighted Average Shares Outstanding (Basic and Diluted)</b>	<b>97,243,610</b>	<b>95,107,112</b>

The accompanying notes are an integral part of these condensed consolidated financial statements





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(An Exploration Stage Mining Company)

**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT**

(Unaudited)

	Common Stock			Accumulated Deficit Prior to Exploration Stage	Accumulated Deficit During Exploration Stage	Total Stock- holder's Deficit
	Shares	Amount	Additional Paid-In Capital			
Balance, December 31, 2015	97,144,736	\$97,145	\$66,106,631	\$(20,009,496)	\$(61,933,930)	\$(15,739,650)
Shares issued for directors fees and other services	142,036	142	63,087	--	--	63,229
Stock-based compensation expense for consultants and directors	--	--	126,981	--	--	126,981
Net Loss	--	--	--	--	(537,142 )	(537,142 )
Balance, March 31, 2016	97,286,772	\$97,287	\$66,296,699	\$(20,009,496)	\$(62,471,072)	\$(16,086,582)

The accompanying notes are an integral part of these condensed consolidated financial statements

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(An Exploration Stage Mining Company)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

	For the Three Months Ended March 31,	
	2016	2015
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$(537,142 )	\$(4,194,465 )
Adjustments to reconcile net loss to net cash used in operations		
Depreciation	336,087	326,222
Amortization of discount - PIK Notes	488,403	231,404
Amortization of deferred financing costs	1,875	1,875
Issuance of PIK Notes in payment of interest	638,142	578,813
Stock issued for director fees and other services	63,229	117,873
Stock-based compensation expense for consultants and directors	126,981	99,938
(Gain) loss on revaluation of PIK Note derivative	(2,033,915)	92,741
Gain on sale of property	(92,491 )	--
Change in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	(88,251 )	(31,439 )
Other current receivables	94,647	--
Deposits and prepaids	71,758	37,079
Increase (Decrease) in:		
Accounts payable and accrued liabilities	26,376	(116,856 )
<b>Net cash used in operating activities</b>	<b>(904,301 )</b>	<b>(2,856,815)</b>