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UNITED STATES ANTIMONY CORP
Form 10-K
March 30, 2009

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2008

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

For the transition period _____ to _____

Commission file number 33-00215
UNITED STATES ANTIMONY CORPORATION
(Exact name of registrant as specified in its charter)

Montana
(State or other jurisdiction
of incorporation or organization)

81-0305822
(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 No

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.

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 Filer Accelerated Filer
Non-Accelerated Filer Smaller reporting company

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

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 \$10,979,100 as of March 20, 2009.

At March 20, 2009, the registrant had 46,719,576 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:

- o discuss our future expectations;
- o contain projections of our future results of operations or of our financial condition; and
- o state other "forward-looking" information.

HISTORY

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

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OVERVIEW-2008

ANTIMONY SALES

During 2008, sales of our antimony products decreased approximately 10% from that of 2007. The profitability of the Antimony Division decreased from \$681,137 in 2007 to \$447,961 in 2008.

ZEOLITE SALES

During 2008, sales of zeolite increased 38% in 2008 from 2007 and the Zeolite Division operating loss decreased from \$709,440 in 2007 to \$185,981 in 2008.

ANTIMONY DIVISION

Our antimony mill and metallurgical plant are located in the Burns Mining District of Sanders County, Montana, approximately 15 miles west of Thompson Falls. We hold 3 patented mill sites which are contiguous, and 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 ore 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 ore 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. ("USAMSA"), which was formed in April 1998. During 2007, USAC spent approximately

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\$344,000 in the form of cash to purchase the equipment, a lease on the real property, and other exploration costs. An additional \$115,470 was spent to upgrade the plant which includes furnaces, dust collectors, a furnace building, warehouse, scrubber, office and laboratory, and slag repository. It is ready to put into operation.

The San Miguel mine is located in the State of Queretaro, Mexico. The mine is currently permitted. A mill site with water has been located and a permit for the mill is expected shortly. The mill equipment has been assembled in Montana to ship to the mill site. Production from the mine and mill should begin during 2009. We currently own 100% of the stock in Antimonia de Mexico SA de CV (AM) which owns the San Miguel Mine.

In our existing operations in Montana, from antimony raw materials we produce antimony oxide products of different particle size using proprietary furnace technology, several grades of sodium antimonate using hydro metallurgical techniques, and antimony metal. 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

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glass in cathode ray tubes used in television bulbs 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 2.5-3%. We are the only significant U.S. producer of antimony products. The balance of domestic sales is foreign imports (primarily from China).

For the year ended December 31, 2008, we sold 1,362,598 pounds of antimony products generating \$3,705,240 in revenues which is a decrease of 10%. During 2007, we sold 1,634,670 pounds of antimony products generating \$4,116,863. During 2008 and 2007, approximately 65% and 49%, respectively, of our antimony sales were made to one customer.

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	AVERAGE PRICE
----	-----
2008	\$2.88
2007	2.52
2006	2.28
2005	1.73
2004	1.32
2003	1.21
2002	0.88
2001	0.58
2000	0.67

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

YEAR	HIGH	LOW	AVERAGE PRICE
----	----	---	-----
2008	7.50	2.35	\$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
2001	5.99	0.66	0.93
2000	5.88	0.65	0.99

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

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obtain antimony raw material from sources in Canada, the U.S and Europe.

ZEOLITE DIVISION

We own 100% of Bear River Zeolite Company (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. The royalty is a percentage of the zeolite sales price (FOB mine). The current minimum annual royalty is \$5,000. In addition, BRZ has located more zeolite on U.S. Bureau of Land Management land. During 2002, we sold additional royalty interests in BRZ to a company controlled by Al Dugan, a significant shareholder and, as such, an affiliate. The royalties granted Mr. Dugan's company a payment equal to 3% of all gross sales (FOB mine) on zeolite products. On a combined basis, royalties vary from 8%-13%. BRZ has constructed a processing plant on the property and has improved its productive capacity. Through December 31, 2008, we had spent approximately \$3,400,000 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 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:

- o 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.
- o Water Filtration. Zeolite is used for particulate, heavy metal and ammonium removal in swimming pools, municipal water systems, fisheries, fish farms, and aquariums.
- o Sewage Treatment. Zeolite is used in sewage treatment plants to remove nitrogen and as a carrier for microorganisms.
- o 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.
- o 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.
- o 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

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animal waste treatment facilities.

- o Animal Nutrition. Feeding up to 2% zeolite increases growth rates, decreases conversion rates, prevents worms, and increases longevity.
- o 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 to the authorities data 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 management revises its estimate of costs required to comply with existing requirements. As remediation activity has physically commenced, management has been able to refine and revise its 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.

YANKEE FORK MILL SITE.

During 2006, USAC finished the bulk of the reclamation work at the Yankee Fork mill site. On December 18, 2006, the Idaho Department of Environmental Quality terminated the voluntary Consent Order. On January 22, 2007, the Department dropped the requirement for any additional groundwater quality monitoring.

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ANTIMONY PROCESSING SITE.

We have environmental remediation obligations at our antimony processing site near Thompson Falls, Montana ("the Stibnite Hill Mine Site"). Under the regulatory jurisdiction of the U.S. Forest Service and subject to the operating permit requirements of the Montana Department of Environmental Quality require that we line a storm water pond and construct a water treatment facility and thus fulfill the majority of our environmental responsibilities at the Stibnite Hill Mine site. At December 31, 2008, we have accrued \$100,000.

YELLOW JACKET MINE.

During 2006, USAC received a reclamation award for the Yellow Jacket Mine from the U. S. Forest Service, Idaho Department of Lands, U. S. Department of the Interior Bureau of Land Management, Idaho Department of Water Resources, and Idaho Fish and Game.

BRZ.

During 2001, we recorded a reclamation accrual for our Bear River Zeolite subsidiary, based on an analysis performed by management and reviewed and approved by regulatory authorities for environmental bonding purposes. The accrual of \$7,500 represents the Company's estimated costs of reclaiming, in accordance with regulatory requirements; the acreage disturbed by our zeolite operations and remains unchanged at December 31, 2008.

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, 2008. 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, 2008, we employed 39 full-time employees. 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

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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 SHAREHOLDERS COULD LOSE PART OR ALL OF THEIR INVESTMENT.

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In the event of our dissolution, the proceeds (if any) realized from the liquidation of our assets will be distributed to our shareholders only after satisfaction of claims of our creditors and preferred shareholders. 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 HAVE AN ACCUMULATED DEFICIT, HAVE INCURRED SIGNIFICANT LOSSES IN THE PAST, AND MAY INCUR LOSSES IN THE FUTURE.

Prior to 2008 we have not generated an operating profit for several years. We have been able to continue operations from gross profit from our antimony operations, sales of common stock and borrowings from banks and others. As of December 31, 2008, we had a stockholders' equity of \$1,783,498. We may incur net losses for the foreseeable future unless and until we are able to establish profitable business operations and reduce cash outflows from general and administrative expenses. As of December 31, 2008, we had total current assets of \$229,826 and total current liabilities of \$1,325,575, or negative working capital of approximately \$1,095,000.

OUR AUDITORS' REPORT AS OF MARCH 20, 2009 RAISED DOUBT ABOUT OUR ABILITY TO CONTINUE AS A GOING CONCERN.

Our audited financial statements for the year ended December 31, 2008, which are included in this report, indicate that there was doubt about our ability to continue as a going concern due to our need to generate cash from operations and obtain additional financing.

WE ARE DELINQUENT OR IN ARREARS ON SIGNIFICANT CURRENT LIABILITIES; AND COLLECTION EFFORTS BY CREDITORS COULD JEOPARDIZE OUR VIABILITY AS A GOING CONCERN AND CLOSE DOWN OUR OPERATIONS.

As of December 31, 2008, we are delinquent on the payment of several current liabilities including accounts payable of approximately \$400,000 and accrued interest payable of approximately \$60,000. In the absence of payment arrangements, creditors could individually or collectively demand immediate payment and jeopardize our ability to fund operations and correspondingly damage our business.

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

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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 us. 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 ENVIRONMENTAL OBLIGATIONS.

We have accruals totaling \$107,500 on our balance sheet at December 31, 2008, for our environmental reclamation responsibilities. If we are not able to adequately perform our reclamation activities on a timely basis, we could be subject to fines and penalties from regulatory agencies.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. DESCRIPTION OF PROPERTIES

ANTIMONY DIVISION

Our principal plant and mine are located in the Burns Mining District, Sanders County, Montana, approximately 15 miles west of Thompson Falls, Montana. We hold 5 patented mill sites claims covering approximately 25 acres.

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Antimony mining and milling operations 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.

ZEOLITE DIVISION

We own 100% of Bear River Zeolite Company ("BRZ"), an Idaho corporation incorporated on June 1, 2000. BRZ has entered into a mining 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 royalty payments. The royalty is a percentage of the processed ore sale price (FOB mine). The current minimum annual royalty is \$5,000. The royalty is also payable on zeolite mined on adjacent Bureau of Land Management ("BLM") ground on which BRZ has located five additional BLM claims, if BRZ accesses those claims across the leased property. We are also subject to a 3% royalty on all gross zeolite sales (FOB mine), payable to a company controlled by Al Dugan, a major shareholder and an affiliate. On a combined basis, royalties vary from 8%-13%. BRZ has constructed a processing plant on the property.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any pending legal proceeding.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 2008.

PART II

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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, markdown or commission, and may not necessarily represent actual transactions.

2008 ----	HIGH ----	LOW ---
First Quarter	\$0.70	\$0.42
Second Quarter	0.67	0.45
Third Quarter	0.55	0.30
Fourth Quarter	0.35	0.15

2007 ----	HIGH ----	LOW ---
First Quarter	\$0.72	\$0.39
Second Quarter	0.91	0.54
Third Quarter	0.81	0.47
Fourth Quarter	0.71	0.42

The approximate number of record holders of our common stock at March 20, 2009 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, if any, for the operation and expansion of our business.

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ITEM 6. SELECTED FINANCIAL DATA

A smaller reporting company is not required to provide the information required by this item.

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 the Company's judgment as of the date of this filing. The Company disclaims, however, any intent or obligation to update these forward-looking statements.

RESULTS OF OPERATIONS

The Company reported net income of \$332,364 in 2008 compared to a net loss of \$623,692 in 2007.

In the Antimony Division, sales decreased from \$4,116,863 in 2007 to \$3,705,240 in 2008, a decrease of 10%. Gross profit from antimony operations fell from \$681,137 in 2007 to \$447,961 in 2008. The decreases in revenues and gross profit

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were due to the decreased supply of raw materials. Sales of antimony products during the year ended December 31, 2008 consisted of 1,362,598 pounds at an average sale price of \$2.72 per pound. During the year ended December 31, 2007, sales of antimony products consisted of 1,634,670 pounds at an average sale price of \$2.52 per pound. Combined costs of antimony sales were \$3,257,279 or \$2.39 per pound sold for the year ended December 31, 2008, as compared to \$3,435,726 or \$2.10 per pound sold for the year ended December 31, 2007. Depreciation expense in the Antimony division was \$23,075 during 2008 compared to \$20,502 during 2007. Direct sales expenses were \$45,000 for 2008 compared to \$44,328 for 2007.

Total sales of zeolite products were \$1,570,747 for 2008, compared with \$1,142,264 for 2007, an increase of 38%. Combined costs of zeolite sales were \$1,756,728 for 2008, compared with \$1,851,704 for 2007. The tons shipped in 2008 were 11,919 tons at an average price of \$131.79 per ton compared to 9,147 tons at an average price of \$124.88 in 2007, a 30% increase in tonnage. Depreciation expense was \$192,653 for BRZ during 2008, compared to \$144,912 during 2007. Direct sales expenses for 2008 were \$72,287 compared to \$64,395 for 2007. The loss from operations in 2008 was \$185,981, which decreased from \$709,440 in 2007. This decrease in the loss from operations was due to decreased fuel costs for diesel electric generators, equipment, and drying; a large decrease in MSHA fines and elimination of an unprofitable bagging line.

The Company sold certain sales rights for the sale of zeolite for \$300,000 and \$500,000 during 2007 and 2006, respectively. The agreement called for shipping zeolite product under this agreement beginning in 2008. In 2008, the \$800,000 was recorded as other income and was recognized in its entirety because the agreement expired without any performance required by the Company. Improvements at the BRZ plant this year included more silos, conveyors and other equipment.

During 2008, the Company incurred corporate general and administrative expenses totaling \$299,588, compared with \$434,088 during 2007. The Company incurred \$342,161 of exploration expense during 2008 compared to \$256,611 in 2007. The exploration was on property located in Mexico.

The Company sold surface rights of idle mining claims in 2008. In 2008, the Company sold claims worth \$66,268 compared to \$145,420 of sales in 2007.

Net interest expense was \$40,938 for 2008, compared with \$45,444 for 2007.

Accounts receivable factoring expense was \$113,197 for 2008, compared with \$94,989 for 2007.

SUBSIDIARIES

The Company has a 100% investment in two subsidiaries in Mexico, USAMSA and AM, whose carrying value was assessed at December 31, 2008 for impairment. Based on management's assessment of the subsidiaries' future benefit to

the Company no impairment charges were deemed necessary at year-end. During the first quarter of 2009 the Company's subsidiaries in Mexico commenced operations.

FINANCIAL CONDITION AND LIQUIDITY

At December 31, 2008, Company assets totaled \$3,271,114, and stockholders' equity was \$1,783,498. At December 31, 2008, the Company's total current liabilities exceeded its total current assets by \$1,095,749. Due to the Company's prior operating losses and other liquidity concerns, the Company's independent accountants included a paragraph in its report on our 2008 financial

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statements relating to a going concern uncertainty. To continue as a going concern, the Company must generate profits from its antimony and zeolite sales and acquire additional capital resources through exercise of warrants to purchase shares of common stock or short and long-term debt financing. Without financing and profitable operations, the Company may not be able to meet its obligations, fund operations and continue existence. While management is optimistic, there can be no assurance that the Company will be able to sustain profitable operations and meet its financial obligations.

Other significant financial commitments for future periods will include:

- o Servicing notes payable to bank.
- o Paying delinquent property and payroll tax liabilities and accounts payable.
- o Fulfilling responsibilities with environmental, labor safety and securities regulatory agencies.

Cash used by operating activities during 2008 was \$378,576

Cash used by investing activities during 2008 was \$259,592, which was primarily related to the construction and purchases of capital assets used at the Bear River Zeolite facility and for construction of a plant and mill in Mexico.

The Company was able to offset cash outflows from operations and its acquisition of plant and equipment during 2008 from net cash provided by financing activities of \$610,269 including \$687,496 generated from sales of unregistered common stock and warrants.

The Company sold certain sales rights for the sale of zeolite for \$300,000 and \$500,000 during 2007 and 2006, respectively. The agreement called for shipping zeolite product under this agreement beginning in 2008. In 2008, the \$800,000 was recorded as other income and was recognized in its entirety because the agreement expired without any performance required by the Company. The funds were used for the installation of a small packaging plant: the installation of a semi-automatic packaging line for large bags; the completion of the Raymond Mill and the installation of line electricity.

The Company hopes that it will have additional financial resources from increasing gross profits from its antimony business and sales of zeolite from BRZ.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A smaller reporting company is not required to provide the information required by this item.

ITEM 8. FINANCIAL STATEMENTS

The consolidated financial statements of the registrant are included herein on pages F1-F22.

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

None.

ITEM 9-A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

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We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosure. Our president, who serves as the chief accounting officer, conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) as of December 31, 2008. 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 not effective as of December 31, 2008.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management's annual report on internal control over financial reporting

The management of United States Antimony Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. This internal control system has been designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of the Company's 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 United States Antimony Corporation has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. 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.

As a result of our assessment, we concluded that we have material weaknesses in our internal control over financial reporting as of December 31, 2008. These weaknesses are as follows:

- o The Company does not have either internally or on its Board of Directors the expertise to produce financial statements to be filed with the SEC.
- o The Company lacks proper segregation of duties. As with any company the size of this Company, this lack of segregation of duties is due to limited resources. The president authorizes the majority of the expenditures and signs checks.
- o The Company lacks accounting personnel with sufficient skills and experience to ensure proper accounting for complex, non-routine transactions.
- o During its year end audit, our independent registered accountants discovered material misstatements in our financial statements that required audit adjustments.

We are aware of these material weaknesses and will develop procedures to ensure that independent review of material transactions is performed. In addition, we plan to consult with independent experts when complex transactions are entered

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into.

Because these material weaknesses exist, management has concluded that the Company's internal control over financial reporting as of December 31, 2008 is not effective.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

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Changes in internal control over financial reporting

There have been no changes, during the quarter ended December 31, 2008, in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

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, 2008, is as follows:

Name	Age	Affiliation	Expiration of Term
----	---	-----	-----
John C. Lawrence	70	Chairman, President, Secretary, and Treasurer; Director	Annual meeting
Leo Jackson	65	Director	Annual meeting
Gary A. Babbitt	63	Director	Annual meeting
Patrick W. Dugan, Esq.	56	Director	Annual meeting
Russell C. Lawrence	40	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 Uno 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.

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LEO JACKSON. Mr. Jackson is a resident of El Paso, Texas. For the past 16 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 25 years. Mr. Jackson speaks fluent Spanish and has a BBA degree from the Sul Ross State University in Texas.

GARY A. BABBITT. Mr. Babbitt has experience in mining industry with 30 years dealing with joint ventures, financing, contracting and employment. He has a working knowledge of Spanish and has negotiated contracts in Latin America. 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 18 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 with a degree in physics in

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1994 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.

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 three (3) regular meetings and one (1) special shareholder meeting during the 2008 calendar year. Each incumbent director attended at least 75% of the meetings held during the 2008 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 has established an Audit Committee consisting of one member (Gary Babbitt) of the Board of Directors not involved in our day-to-day financial management. Mr. Babbitt is not considered a financial expert; the Company does not have the necessary capital resources to attract and retain an independent financial expert to serve on its Audit Committee.

BOARD MEMBER COMPENSATION. We paid directors' fees in the form of 26,000 shares of our common stock per director during 2008.

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.

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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 2008.

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 for fiscal years ending December 31, 2008 and 2007; the compensation paid by USAC to its principal executive officer.

Name and Principal Position	Year	ANNUAL COMPENSATION			LONG-TERM COM	
		Salary	Bonus	Other Annual Compensation(1)	Restricted Options/Awards(2)	Securities Underlying LTIP SARs
John C. Lawrence, President	2008	\$96,000	N/A	\$5,538	\$6,760	None
John C. Lawrence, President	2007	\$96,000	N/A	\$5,538	\$5,270	None

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- (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 20, 2009, 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	2,793,335	6

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Common stock	The Dugan Family c/o A. W. Dugan 1415 Louisiana Street, Suite 3100 Houston, TX 77002	6,362,927 (3)	14
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 69 Ponfret Landing Road 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	5,525,653 (2)	12
Common stock	Pat Dugan	78,000	Nil
Common stock	Russ Lawrence	78,000	Nil
Common stock	Leo Jackson	214,000	Nil
Common stock	Gary Babbitt	56,167	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)	1,751,005	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 20, 2009 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 46,719,576 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 20, 2009.

(2) Includes 3,775,653 shares of common stock and 1,250,000 stock purchase warrants, plus 500,000 shares issuable through the conversion of a convertible note payable. Excludes 158,324 shares owned by Mr. Lawrence's sister, as to which Mr. Lawrence disclaims beneficial ownership.

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(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.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Described below are transactions during the last two years to which we are a party and in which any director, executive officer or beneficial owner of five

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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, 2008.

- o 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 2008 and 2007 totaled \$67,467 and \$52,062, respectively. In addition, we accrued interest expense of \$10,328 and \$19,130 on net cash advances due Mr. Lawrence, for the years ended December 31, 2008 and 2007, respectively.
- o During 2008, the Company issued 26,000 of its common stock to its Board of Directors as compensation for their services as directors. In connection with the issuances, the Company recorded \$35,100 in director compensation expense.
- o During 2007, the Company issued 45,500 of its common stock to its Board of Directors as compensation for their services as directors. In connection with the issuances, the Company recorded \$96,655 in director compensation expense.
- o During 2007, the Board of Directors resolved that 6,667 shares of the Company's Series D preferred stock held by Gary Babbitt, the Company's former attorney and director, be cancelled and then reissued in an equal number of shares of the Company's common stock.

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 2008 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-QSB for 2008 and 2007 were \$67,432 and \$57,390, respectively, net of expenses.

AUDIT-RELATED FEES

There were no other fees billed by DeCoria, Maichel & Teague P.S. during the last two 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 2008 and 2007 were \$3,415 and \$3,850 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

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- 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

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- 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

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

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- 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.

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- 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*

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- 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

Item 5. Other Events - October 10, 2003.

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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)

By: /s/ John C. Lawrence Date: March 30, 2009

John C. Lawrence, President, Director
and Principal Executive Officer

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: /s/ John C. Lawrence Date: March 30, 2009

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

By: /s/ Leo Jackson Date: March 30, 2009

Leo Jackson, Director

By: /s/ Gary D. Babbitt Date: March 30, 2009

Gary D. Babbitt, Director

By: /s/ Patrick Dugan Date: March 30, 2009

Patrick Dugan, Director

By: /s/ Russell Lawrence Date: March 30, 2009

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Russell Lawrence, Director

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
United States Antimony Corporation

We have audited the accompanying consolidated balance sheets of United States Antimony Corporation and its subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 and its subsidiaries as of December 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has negative working capital and an accumulated deficit which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Decoria, Maichel & Teague, P.S.

DeCoria, Maichel & Teague P.S.
Spokane, Washington

March 20, 2009

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UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2008 and 2007

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	ASSETS	
	2008	2007
	-----	-----
Current assets:		
Cash and cash equivalents	\$ 53,848	\$ 81,74
Accounts receivable, less allowance for doubtful accounts of \$10,000 and \$30,000, respectively	66,761	168,67
Inventories	109,217	252,61
	-----	-----
Total current assets	229,826	503,03
Properties, plants and equipment, net	2,960,624	2,777,11
Restricted cash for reclamation bonds	80,664	65,73
	-----	-----
Total assets	\$ 3,271,114	\$ 3,345,88
	=====	=====
	LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:		
Checks issued and payable	\$ 20,282	\$ 69,48
Accounts payable	655,381	808,74
Accrued payroll and payroll taxes	53,080	113,61
Other accrued liabilities	57,695	99,85
Deferred revenue, current	65,441	287,23
Accrued interest payable	26,348	25,23
Payable to related parties	232,752	254,08
Convertible note payable	100,000	100,00
Long-term debt, current	114,596	91,89
	-----	-----
Total current liabilities	1,325,575	1,850,13
Deferred revenue, noncurrent	--	640,00
Long-term debt, noncurrent	54,541	19,71
Accrued reclamation costs, noncurrent	107,500	107,50
	-----	-----
Total liabilities	1,487,616	2,617,35
	-----	-----
Commitments and contingencies (Note 1 and 16)		
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 \$855,000 at December 31, 2008 and 2007)	7,500	7,50
Series C: 177,904 shares issued and outstanding (liquidation preference \$97,847 at December 31, 2008 and 2007)	1,779	1,77
Series D: 1,751,005 shares issued and outstanding (liquidation preference and cumulative dividends \$4,590,987 and \$4,549,838, respectively)	17,509	17,50
Common stock, \$0.01 par value, 60,000,000 and 50,000,000 shares authorized; 45,868,535 and 42,519,243 shares issued and outstanding, respectively	458,688	425,19
Stock subscriptions receivable	(83,333)	--
Additional paid-in capital	22,015,681	21,243,24
Accumulated deficit	(20,634,326)	(20,966,69
	-----	-----
Total stockholders' equity	1,783,498	728,53
	-----	-----
Total liabilities and stockholders' equity	\$ 3,271,114	\$ 3,345,88

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UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS
 For the years ended December 31, 2008 and 2007

	2008	2007
	-----	-----
Antimony Division		
Revenues	\$ 3,705,240	\$ 4,116,86
	-----	-----
Cost of sales:		
Production costs	2,934,552	3,142,67
Depreciation	23,075	20,50
Freight and delivery	192,820	203,10
General and administrative	61,832	25,11
Direct sales expense	45,000	44,32
	-----	-----
Total cost of sales	3,257,279	3,435,72
	-----	-----
Gross profit - antimony	447,961	681,13
	-----	-----
Zeolite Division		
Revenues	1,570,747	1,142,26
	-----	-----
Cost of sales:		
Production costs	1,021,023	1,146,16
Depreciation	192,653	144,91
Freight and delivery	128,240	91,14
General and administrative	138,069	267,81
Royalties	204,456	137,27
Direct sales expense	72,287	64,39
	-----	-----
Total cost of sales	1,756,728	1,851,70
	-----	-----
Gross profit (loss) - zeolite	(185,981)	(709,44)
	-----	-----
Total revenues - combined	5,275,987	5,259,12
Total cost of sales - combined	5,014,007	5,287,43
	-----	-----
Gross profit (loss) - combined	261,980	(28,30)
	-----	-----
Other operating (income) expenses:		
Corporate general and administrative	299,588	434,08
Exploration expense	342,161	256,61
Gain on sale of properties, plants and equipment	(66,268)	(145,42)
Expired exclusivity contract	(800,000)	--
	-----	-----
Other operating (income) expenses	(224,519)	545,27
	-----	-----
Income (loss) from operations	486,499	(573,58)
	-----	-----
Other (income) expenses:		
Interest expense, net	40,938	45,44
Factoring expense	113,197	94,98

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Extinguishment of payables	--	(90,32)
Other (income) expenses	154,135	50,11
Net income (loss)	\$ 332,364	\$ (623,69)
Net income (loss) per share of common stock:		
Basic	\$ 0.01	\$ (0.0)
Diluted	\$ 0.01	\$ (0.0)
Weighted average shares outstanding:		
Basic	43,049,076	41,375,28
Diluted	43,549,076	41,375,28

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UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the years ended December 31, 2008 and 2007

	TOTAL PREFERRED STOCK		COMMON STOCK		STOCK SUBSCRIPTIONS RECEIVABLE	ADDI P IN C
	SHARES	AMOUNT	SHARES	AMOUNT		
Balances, December 31, 2006	2,685,576	\$ 26,855	39,761,309	\$397,613	\$ --	\$20,
Issuance of common stock and warrants for cash			2,705,767	27,057		
Issuance of common stock to Directors for services			45,500	455		
Series D preferred stock converted into common stock	(6,667)	(67)	6,667	67		
Net loss						
Balances, December 31, 2007	2,678,909	26,788	42,519,243	425,192	--	21,
Issuance of common stock and warrants			3,219,292	32,196	(83,333)	
Issuance of common stock to Directors for services			130,000	1,300		
Net income						
Balances, December 31, 2008	2,678,909	\$ 26,788	45,868,535	\$458,688	\$ (83,333)	\$22,

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UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2008 and 2007

	2008	2007
	-----	-----
Cash Flows From Operating Activities:		
Net income (loss)	\$ 332,364	\$ (623,69
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation expense	215,728	165,41
Allowance for doubtful accounts	(20,000)	--
Common stock issued to Directors for services	35,100	36,85
Deferred financing costs as interest expense	--	3,75
Gain on sale of properties, plants and equipment	(66,268)	(145,42
Gain on expiration of exclusivity agreement	(800,000)	--
Extinguishment of payables	--	(90,32
Change in:		
Accounts receivable	121,915	(75,08
Inventories	143,397	33,19
Accounts payable	(156,111)	(65,39
Accrued payroll and payroll taxes	(60,532)	45,34
Other accrued liabilities	(42,156)	58,14
Deferred revenue	(61,797)	314,23
Accrued interest payable	1,117	(3,82
Payable to related parties	(21,333)	(50
	-----	-----
Net cash used by operating activities	(378,576)	(347,29
	-----	-----
Cash Flows From Investing Activities:		
Purchase of properties, plants and equipment	(310,932)	(563,41
Proceeds from sale of properties, plants and equipment	66,268	145,42
Change in restricted cash for reclamation bonds	(14,928)	17,36
	-----	-----
Net cash used by investing activities	(259,592)	(400,63
	-----	-----
Cash Flows From Financing Activities:		
Proceeds from sale of common stock and warrants, net of commissions	687,496	834,57
Principal payments of long-term debt	(28,025)	(240,45
Change in checks issued and payable	(49,202)	17,19
	-----	-----
Net cash provided by financing activities	610,269	611,31
	-----	-----
Net decrease in cash and cash equivalents	(27,899)	(136,61
Cash and cash equivalents at beginning of year	81,747	218,36
	-----	-----
Cash and cash equivalents at end of year	\$ 53,848	\$ 81,74
	=====	=====

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UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED:
 For the years ended December 31, 2008 and 2007

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	2008	2007
Cash paid during year for interest	\$ 47,038	\$ 76,400
	=====	=====
	=====	=====
Non-cash investing and financing activities:		
Properties, plants & equipment acquired with accounts payable	\$ --	\$ 270,619
Properties, plants & equipment purchased with long-term debt	85,560	43,153
Common stock issued for conversion of preferred stock	--	67

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UNITED STATES ANTIMONY CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2008 AND 2007

1. BACKGROUND OF COMPANY AND BASIS OF PRESENTATION

AGAU Mines, Inc., predecessor of United States Antimony Corporation ("USAC" or "the Company"), was incorporated in June 1968 as a Delaware corporation to mine gold and silver. USAC was incorporated in Montana in January 1970 to mine and produce antimony products. In June 1973, AGAU Mines, Inc. was merged into USAC. In December 1983, the Company suspended its antimony mining operations when it became possible to purchase antimony raw materials more economically from foreign sources. The principal business of the Company has been the production and sale of antimony products.

During 2000, the Company formed a 75% owned subsidiary, Bear River Zeolite Company ("BRZ"), to mine and market zeolite and zeolite products from a mineral deposit in southeastern Idaho. In 2001, an operating plant was constructed at the zeolite site and zeolite production and sales commenced. During 2002, the Company acquired the remaining 25% of BRZ and continued to produce and sell zeolite products.

During 2005, the Company formed a currently 100% owned subsidiary, Antimonio de Mexico S.A. de C.V. ("AM"), to explore and develop potential antimony properties in Mexico (see note 7).

During 2006, the Company acquired the remaining 50% ownership in United

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States Antimony, Mexico S.A. de C.V. ("USAMSA"). USAMSA is now a wholly-owned subsidiary of the Company.

The financial statements have been prepared on a going concern basis, which assumes realization of assets and liquidation of liabilities in the normal course of business. At December 31, 2008, the Company had negative working capital of \$1,095,749, an accumulated deficit of approximately \$20.6 million. These factors, among others, indicate that there is substantial doubt that the Company will be able to meet its obligations and continue in existence as a going concern. The financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern.

To improve the Company's financial condition, the following actions have been initiated or taken by management:

- o During 2008, the Company received stockholder authorization to issue an additional 10 million shares of common stock, enabling the Company to raise capital through sales of common stock, if desired.
- o The anticipated completion of the flotation mill and crusher in Mexico, including permitting and land acquisition should allow USAC to bring antimony, silver and gold operation on stream in 2009.

2. CONCENTRATIONS OF RISK

The Company purchases most of the raw antimony used in the production of its finished antimony products from foreign sources. During the years ended December 31, 2008 and 2007, approximately 65% and 49%, respectively, of the Company's antimony revenues were generated by sales to one customer. During 2008 and 2007, 31% and 24%, respectively, of the Company's revenues generated from zeolite product sales were to two customers. The loss of the Company's "key" customers could adversely affect its business.

The Company's revenues from antimony sales are strongly influenced by world prices for such commodities, which fluctuate and are affected by numerous factors beyond the Company's control, including inflation and worldwide forces of supply and demand. The aggregate effect of these factors is not possible to predict accurately.

Many of the Company's competitors in the antimony industry have substantially more capital resources and market share than the Company. Therefore, the Company's ability to maintain its market share can be significantly affected by factors outside of the Company's control.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Company's consolidated financial statements include the accounts of BRZ, USAMSA and AM, all wholly-owned subsidiaries. Intercompany balances and transactions are eliminated in consolidation.

Use of Estimates

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The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2007 financial statements in order to conform to the 2008 presentation. These reclassifications have no effect on net loss, total assets or stockholders' equity as previously reported.

Cash and Cash Equivalents

The Company considers cash in banks and investments with original maturities of three months or less when purchased to be cash equivalents.

Restricted Cash

Restricted cash at December 31, 2008 and 2007 consists of cash held for reclamation performance bonds, and is held as certificates of deposit with reputable financial institutions.

Accounts Receivable

Accounts receivable are stated at the amount that management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an allowance for doubtful accounts. Changes to the allowance for doubtful accounts are based on management's judgment, considering historical write-offs, collections and current credit conditions. Balances which remain outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to the applicable accounts receivable. Payments received on receivables subsequent to being written off are considered a bad debt recovery.

Inventories

Inventories at December 31, 2008 and 2007 consisted primarily of finished antimony products, antimony metal and finished zeolite products that are stated at the lower of first-in, first-out cost or estimated net realizable value. Since the Company's antimony inventory is a commodity with a sales value that is subject to world prices for antimony that are beyond the Company's control, a significant change in the world market price of antimony could have a significant effect on the net realizable value of inventories.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Properties, Plants and Equipment

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Production facilities and equipment are stated at the lower of cost or estimated net realizable value and are depreciated using the straight-line method over estimated useful lives of five to fifteen years. Vehicles and office equipment are stated at cost and are depreciated using the straight-line method over estimated useful lives of three to seven years. Maintenance and repairs are charged to operations as incurred. Betterments of a major nature are capitalized. When assets are retired or sold, the costs and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in operations.

Management of the Company periodically reviews the net carrying value of all of its properties on a property-by-property basis. These reviews consider the net realizable value of each property to determine whether a permanent impairment in value has occurred and the need for any asset write-down. An impairment loss is recognized when the estimated future cash flows (undiscounted and without interest) expected to result from the use of an asset are less than the carrying amount of the asset. Measurement of an impairment loss is based on the estimated fair value of the asset if the asset is expected to be held and used.

Although management has made its best estimate of the factors that affect net realizable value based on current conditions, it is reasonably possible that changes could occur in the near term which could adversely affect management's estimate of net cash flows expected to be generated from its assets, and necessitate asset impairment write-downs.

Mineral Rights

The cost to obtain the legal right to explore, extract and retain at least a portion of the benefits from mineral deposits are capitalized as mineral rights in the year of acquisition.

Exploration and Development

The Company records exploration costs as operating expenses in the period they occur, and capitalizes development costs on discrete mineralized bodies that have proven reserves and are in development or production.

Deferred Financing Costs

Deferred financing costs are amortized as interest expense over the terms of the notes payable and expensed if the debt is retired early.

Asset Retirement Obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the associated long-lived assets and depreciated over the lives of the assets on a units of production basis. Reclamation costs are allocated to accretion expense over the life of the related assets and are adjusted for changes resulting from the passage of time and changes to either the timing or amount of the original present value estimate underlying the obligation.

Reclamation and Remediation

All of the Company's mining operations are subject to reclamation and remediation requirements. Minimum standards for mine reclamation have been established by various governmental agencies. Costs are estimated based primarily upon environmental and regulatory requirements and are accrued. The liability for reclamation is classified as current or noncurrent based on the expected timing of expenditures.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Company accrues costs associated with environmental remediation obligations when it is probable that such costs will be incurred, and they are reasonably estimable. Costs of future expenditures for environmental remediation are not discounted to their present value. Such costs are based on management's current estimate of amounts that are expected to be incurred when the remediation work is performed within current laws and regulations. The Company has restricted cash balances that have been provided to ensure performance of its reclamation obligations.

It is reasonably possible that because of uncertainties associated with defining the nature and extent of environmental contamination, application of laws and regulations by regulatory authorities, and changes in remediation technology, the ultimate cost of remediation and reclamation could change in the future. The Company continually reviews its accrued liabilities for such remediation and reclamation costs as evidence becomes available indicating that its remediation and reclamation liability has changed.

Revenue Recognition

Sales of antimony and zeolite products are recorded upon shipment and when title passes to the customer. Prepayments received from customers prior to the time that products are shipped are recorded as deferred revenue. When the related products are shipped, the amount recorded as deferred revenue is recognized as revenue. The Company's sales agreements provide for no product returns or allowances.

Revenue from exclusive sales agreement with multiple elements is recognized prorata over the duration of the contract.

Common Stock Issued for Consideration Other than Cash

All transactions in which goods or services are received for the issuance of shares of the Company's common stock are accounted for based on the fair value of the consideration received or the fair value of the common stock issued, whichever is more readily determinable.

Income Taxes

Income taxes are accounted for under the liability method. Under this method, deferred income tax liabilities or assets are determined at the end of each period using the tax rate expected to be in effect when the taxes are actually paid or recovered. A valuation allowance is recognized on deferred tax assets when it is more likely than not that some or all of these deferred tax assets will not be realized.

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On January 1, 2007, the Company adopted FASB Interpretation No. 48 ("FIN No. 48") "Accounting for Uncertainty in Income Taxes." FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in accordance with SFAS No. 109 "Accounting for Income Taxes," prescribing a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken or expected to be taken in a tax return. In the course of its assessment, the Company has determined that it is subject to examination of our income tax filings in the United States and state jurisdictions for the 2004 through 2007 tax years. In the event that the Company is assessed penalties and or interest, penalties will be charged to other operating expense and interest will be charged to interest expense.

The Company adopted FIN No. 48 using the modified prospective transition method, which required the application of the accounting standard as of January 1, 2007. There was no impact on the financial statements as of and for the year ended December 31, 2007 as a result of the adoption of FIN No. 48. In accordance with the modified prospective transition method, the financial statements for prior periods have not been restated to reflect, and do not include, the impact of FIN No. 48.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 (see note 12) and common stock issuable upon the conversion of notes payable (see note 11).

New Accounting Pronouncements

Effective January 1, 2008, we adopted the provisions of SFAS No. 157, "Fair Value Measurements", for our financial assets and financial liabilities without a material effect on our results of operations and financial position. The effective date of SFAS No. 157 for non-financial assets and non-financial liabilities has been deferred by FSP 157-2 to fiscal years beginning after November 15, 2008, and we do not anticipate the impact of adopting SFAS 157 for non-financial and non-financial liabilities to have a material impact on our results of operations and financial position.

SFAS No. 157 expands disclosure requirements to include the following information for each major category of assets and liabilities that are measured at fair value on a recurring basis: The fair value measurement;

- a. The level within the fair value hierarchy in which the fair value measurements in their entirety fall, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3);
- b. For fair value measurements using significant unobservable inputs (Level 3), a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the

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following:

- 1) Total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings (or changes in net assets), and a description of where those gains or losses included in earnings (or changes in net assets) are reported in the statement of income (or activities);
- 2) The amount of these gains or losses attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting period date and a description of where those unrealized gains or losses are reported;
- 3) Purchases, sales, issuances, and settlements (net); and
- 4) Transfers in and/or out of Level 3.

At December 31, 2008, the company has no financial assets or liabilities that are measured at fair value on a recurring basis other than restricted cash in certificates of deposit, which are measured using Level 1 inputs.

We also adopted the provisions of SFAS No. 159, "The Fair Value Option for Financial Liabilities", effective January 1, 2008. SFAS No. 159 permits entities to choose to measure many financial assets and financial liabilities at fair value. The adoption of SFAS No. 159 has not had a material effect on our financial position or results of operations as of and for the year ended December 31, 2008.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. It was effective November 15, 2008, following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles". The adoption of this statement did not have a material effect on the Company's financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS No. 161"). SFAS No. 161 amends and expands the disclosure requirements of FASB Statement 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133") to require qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit risk related contingent features in derivative agreements. The Statement is effective for consolidated financial statements issued for fiscal years and periods beginning after November 15, 2008. Early application is encouraged. The Company is currently evaluating the impact of the adoption of SFAS No. 161.

In December 2007, the FASB revised SFAS No. 141 "Business Combinations". The revised standard is effective for transactions where the acquisition

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date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 141(R) will change the accounting for the assets acquired and liabilities assumed in a business combination, as follows:

- o Acquisition costs will be generally expensed as incurred;
- o Noncontrolling interests (formally known as "minority interests") will be valued at fair value at the acquisition date;
- o Acquired contingent liabilities will be recorded at fair value at the acquisition date and subsequently measured at either the higher of such amount or the amount determined under existing guidance for non-acquired contingencies;
- o In-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date;
- o Restructuring costs associated with a business combination will be generally expensed subsequent to the acquisition date; and
- o Changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense.

The adoption of SFAS No. 141(R) does not currently have a material effect on our consolidated financial statements. However, any future business acquisitions occurring on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 will be accounted for in accordance with this statement.

In December 2007, FASB issued SFAS No. 160 "Non Controlling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51," ("SFAS 160") which is effective for fiscal years and interim periods within those years beginning on or after December 15, 2008. SFAS 160 amends ARB 51 to establish accounting and reporting standards for the non controlling ownership interest in a subsidiary and for the deconsolidation of a subsidiary. The Company is currently evaluating the potential impact of this statement on our consolidated financial statements.

4. SALES OF ACCOUNTS RECEIVABLE

The Company sells its accounts receivable to a financing company pursuant to the terms of a factoring agreement. According to the terms of the agreement, the receivables are sold with full recourse and the Company assumes all risks of collectability. Accordingly, the Company's allowance for doubtful accounts is based upon the expected collectability of all trade receivables. The performance of all obligations and payments to the factoring company is personally guaranteed by John C. Lawrence, the Company's president and a director. As consideration for Mr. Lawrence's guarantee, the Company granted a mortgaged security interest to Mr. Lawrence collateralized by the Company's real and personal property.

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4. SALES OF ACCOUNTS RECEIVABLE, CONTINUED

The factoring agreement requires the Company to pay a financing fee equal to 2% of the face amount of receivables sold. Financing fees paid by the Company during the years ended December 31, 2008 and 2007 totaled \$113,197

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and \$94,989, respectively. For the years ended December 31, 2008 and 2007, net accounts receivable of approximately \$4.93 million and \$4.48 million, respectively, were sold under the agreement.

Proceeds from the sales were used to fund inventory purchases and operating expenses. The agreement is for a term of one year with automatic renewal for additional one-year terms.

5. INVENTORIES

The major components of the Company's inventories at December 31, 2008 and 2007 were as follows:

	2008	2007
	-----	-----
Antimony Metal	\$ 40,907	\$ 17,393
Antimony Oxide	15,525	181,587
Zeolite	52,785	53,634
	-----	-----
	\$ 109,217	\$ 252,614
	=====	=====

At December 31, 2008 and 2007, antimony metal consisted principally of recast metal from antimony-based compounds and metal purchased from foreign suppliers. Antimony oxide inventory consisted of finished product oxide held at the Company's plant. Sodium antimonite inventory consisted of dry finished product and wet raw materials, the majority of which were stored at the Company's antimony plant near Thompson Falls, Montana. The Company's zeolite inventory consists of salable zeolite material held at BRZ's Idaho mining and production facility.

6. PROPERTIES, PLANTS AND EQUIPMENT

The major components of the Company's properties, plants and equipment at December 31, 2008 and 2007 are shown below. Approximately \$1.1 million of capitalized costs at December 31, 2008 have not yet been placed in service and, therefore, have not been subject to depreciation.

	2008	2007
	-----	-----
Antimony:		
Equipment	\$ 1,395,293	\$ 1,358,639
Buildings	547,401	528,730
Mineral rights	193,549	193,549
Land	315,354	190,106
	-----	-----
	2,451,597	2,271,024
Accumulated depreciation	(1,226,407)	(1,203,332)
	-----	-----
Total Antimony, net	1,225,190	1,067,692
	-----	-----
Zeolite:		
Equipment	2,038,748	1,976,275
Buildings	1,373,420	1,217,230
	-----	-----
	3,412,168	3,193,505
Accumulated depreciation	(1,676,734)	(1,484,081)
	-----	-----
Total Zeolite, net	1,735,434	1,709,424
	-----	-----
Properties, plants and equipment, net	\$ 2,960,624	\$ 2,777,116
	=====	=====

7. INVESTMENT IN AM

On December 16, 2005, AM signed a contract and option agreement that gives AM the exclusive right to explore and exploit 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. All installment payments must be paid when and if AM exercises the option to purchase. During the year ended December 31, 2007 payments totaled \$86,956 and were capitalized as mineral rights in accordance with the Company's accounting policies. No payments were made under the agreement during 2008. AM does not have any obligation to pay any amount under this contract.

8. DEFERRED REVENUE

On October 25, 2006, the Company entered into an agreement to exclusively sell pozzolan zeolite (PZ) to one individual, who is a shareholder of the Company, over the next five years. The agreement calls for the individual to purchase a minimum of 3,000 tons of PZ per month. If the minimum sales are not purchased for a 90-day period of time, the exclusivity of sales to this individual is forfeited. The agreement called for a sales price between \$30 and \$40 per ton until June 1, 2007, at which time the Company can adjust its price as necessary based on its production costs.

The agreement commenced upon receipt of \$500,000 from the shareholder (buyer), which occurred in 2006, and upon completion of permitting and construction of the new mill with operational milling equipment (completed as of December 31, 2007).

During the year ended December 31, 2007, the Company received an additional \$300,000 to extend the life of the agreement and provide exclusivity for certain other sales areas. The extension agreement was with a company, Zeolite Company of America (ZCA), of which the shareholder is part owner. The extension agreement lowered the monthly sales requirement to 350 tons per month and set the sale price at \$40 per ton beginning December 31, 2007. Should ZCA not purchase or pay for the 350 tons per month for any three month period, ZCA would lose its exclusivity and price commitment.

During the second quarter of 2008 the exclusivity agreement became void due to ZCA's failure to perform. As a result, the Company recognized the entire \$800,000 of deferred revenue related to the contract in the second quarter of 2008.

9. DUE TO RELATED PARTIES

Amounts due to related parties at December 31, 2008 and 2007 were as follows (see Note 15 and 19):

	2008	2007
	-----	-----
Entity owned by John C. Lawrence, president and director	\$ 8,595	\$ 9,758
John C. Lawrence, president and director(1)	224,158	244,327
	-----	-----
	\$ 232,753	\$ 254,085
	=====	=====

(1) Includes accrued interest at 10% per annum of \$146,219 and \$108,082 at December 31, 2008 and 2007, respectively.

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9. DUE TO RELATED PARTIES, CONTINUED

Transactions affecting the payable to Mr. Lawrence during 2008 and 2007 were as follows:

	2008	2007
	-----	-----
Balance, beginning of year	\$ 244,327	\$ 225,587
Equipment rental charges	70,767	52,062
Interest expense	38,137	19,130
Payments and advances, net	(129,073)	(52,452)
	-----	-----
Balance, end of year	\$ 224,158	\$ 244,327
	=====	=====

10. LONG-TERM DEBT

Long-term debt at December 31, 2008 and 2007 is as follows:

	2008	2007
	-----	-----
Note payable to an individual. The balance will be paid by a transfer of certain equipment owned by the company.	\$ 55,000	\$ 55,000
Note payable to CNH Capital America, LLC, bearing interest at 4.5%; payable in monthly installments of \$505; maturing June 2013; collateralized by equipment.	24,854	24,854
Note payable to GE Capital, bearing interest at 6.32%; payable in monthly installments of \$908; maturing May 2011; collateralized by equipment.	23,592	23,592
Note payable, bearing interest at 10%; payable in four annual installments of \$10,000 each beginning December 2005; not collateralized.	20,000	20,000
Note payable to CNH Capital America, LLC, bearing interest at 2.5%; payable in monthly installments of \$1,115; maturing May 2010; collateralized by equipment.	19,745	19,745
Note payable to GE Capital, bearing interest at 2.25%; payable in monthly installments of \$359; maturing July 2013; collateralized by equipment.	18,745	18,745
Note payable to CNH Capital America, LLC, bearing interest at 15%; payable in monthly installments of \$135; maturing April 2014; collateralized by equipment.	7,201	7,201
Note payable to First State Bank of Thompson Falls, bearing interest at 10.5%; payable in monthly installments of \$1,073; maturing June 2008.	--	--
	-----	-----
Less current portion	169,137 (114,596)	114,596 (9,000)

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Noncurrent portion

\$ 54,541
=====

\$ 1
=====

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10. LONG-TERM DEBT, CONTINUED

At December 31, 2008, principal payments on debt are due as follows:

Year Ending December 31, -----	
2009	\$ 114,596
2010	24,137
2011	14,957
2012	9,966
Thereafter	5,481

	\$ 169,137
	=====

11. SECURED CONVERTIBLE AND CONVERTIBLE NOTES PAYABLE

Unsecured Convertible Note Payable

On December 22, 2003, John C. Lawrence, the Company's president and a director, agreed to convert \$100,000 of related party debt due to him into a Convertible Note Payable ("the Convertible Note"). The Convertible Note accrues interest at 10% per annum and is convertible into shares of the Company's common stock at an initial conversion price of \$0.20 per share. At December 31, 2008 and 2007, \$100,000 of principal was outstanding, and accrued interest on the note, which is included in Payable to related parties, of \$67,890 and \$40,081, respectively, was due (see note 19).

Stock Purchase Warrants and Deferred Financing Charges

In connection with the issuance of the secured convertible and unsecured convertible notes payable, Mr. Dugan, a former Director of the Company and Mr. Lawrence were issued 2,000,000 and 1,000,000 stock purchase warrants, respectively. The warrants expired in December of 2008 and were exercisable for shares of the Company's unregistered common stock at \$0.20 per share. During 2008, 1.0 million of the warrants were exercised by Mr. Dugan. Also see note 19.

The Company accounted for the detachable warrants issued in connection with the notes in accordance with Accounting Principles Board Opinion No. 14, and estimated a fair value of \$0.01 per warrant, or \$30,000 attributable to the detachable warrants. The resulting value was recorded as a deferred financing cost and was amortized as interest expense over the terms of the respective convertible notes payable. During the years ended December 31, 2008 and 2007, \$0 and \$3,750, respectively of interest expense was recognized as a result of amortizing the deferred offering costs.

12. STOCKHOLDERS' EQUITY

Issuance of Common Stock for Cash

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During 2008 and 2007, the Company sold an aggregate of 3,219,292 and 2,705,767 shares, respectively, of its unregistered common stock to existing shareholders and other parties for \$687,492 and \$834,578, respectively. In connection with sales of the Company's common stock, warrants to purchase shares of the Company's common stock were granted in 2008 as follows: 158,400 at \$0.75 and 31,250 at \$0.60. In 2007, warrants to purchase 15,000 shares at \$0.60 and 648,334 shares at \$0.50 were granted.

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12. STOCKHOLDERS' EQUITY, CONTINUED

Issuance of Common Stock for Services and Property

During 2008 and 2007, the Company issued 130,000 and 45,500 shares, respectively, of common stock to its directors for services.

Series D Preferred Stock Cancelled and Reissued as Common Stock

During 2007, the Board of Directors resolved that 6,667 shares of the Company's Series D preferred stock be converted in an equal number of shares of the company's common stock. The shares were held by the Company's director Gary Babbitt's Pension and Profit Sharing Plan.

Common Stock Warrants

The Company's Board of Directors has the authority to issue stock warrants for the purchase of preferred or common stock to directors and employees of the Company. The Company has also issued warrants in exchange for services rendered the Company and in connection with sales of its unregistered common stock.

During 2008, the Company's Board of Directors authorized a reduction in the exercise price of all outstanding warrants that become due prior to June 30, 2009 to \$0.20 per share.

Transactions in common stock warrants are as follows:

	Number of Warrants	Exercise Prices
	-----	-----
Balance, December 31, 2006	8,021,726	\$0.20-\$0.75
Warrants granted in connection with 2007 stock sales	663,334	\$0.50-\$0.60
Warrants exercised	(1,532,333)	\$0.25-\$0.60
Warrants expired and cancelled	(285,000)	\$0.20-\$0.25

Balance, December 31, 2007	6,867,727	\$0.20-\$0.75
Warrants granted in connection with 2008 stock sales	189,650	\$0.60-\$0.75
Warrants exercised	(2,662,293)	\$0.20-\$0.60
Warrants expired and cancelled	(833,334)	\$ 0.60

Balance, December 31, 2008	3,561,750	\$0.20-\$0.75
	=====	

The above common stock warrants expire as follows:

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Year Ended December 31:	
2009	2,724,391
2010	413,334
2011	174,025
Thereafter	250,000

	3,561,750
	=====

Preferred Stock

The Company's Articles of Incorporation authorize 10,000,000 shares of \$0.01 par value preferred stock available for issuance with such rights and preferences, including liquidation, dividend, conversion and voting rights, as the Board of Directors may determine.

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12. STOCKHOLDERS' EQUITY, CONTINUED

Series B

During 1993, the Board established a Series B preferred stock, consisting of 1,666,667 shares. All 1,666,667 shares authorized were issued in connection with the final settlement of litigation. The Series B preferred stock has preference over the Company's common stock and Series A preferred stock; has no voting rights (absent default in payment of declared dividends); and is entitled to cumulative dividends of \$0.01 per share per year, payable if and when declared by the Board of Directors. In the event of dissolution or liquidation of the Company, the preferential amount payable to Series B preferred stockholders is \$1.00 per share plus dividends in arrears. No dividends have been declared or paid with respect to the Series B preferred stock. In 1995, 916,667 shares of Series B preferred stock were surrendered to the Company and cancelled in connection with the settlement of litigation against Bobby C. Hamilton. At December 31, 2008, cumulative dividends in arrears on the 750,000 outstanding Series B shares were \$105,000 or \$0.14 per share. At December 31, 2007, cumulative dividends in arrears on the 750,000 outstanding Series B shares were \$97,500, or \$0.13 per share. Total dividends in arrears and liquidation preference were \$855,000 and \$847,500 at December 31, 2008 and 2007, respectively.

Series C

During 1997, the Company issued 2,560,762 shares of Series C preferred stock in connection with the conversion of certain debt owed by the Company. During 1999, holders of 2,382,858 shares of Series C stock converted their shares into common stock of the Company. The Series C shares have voting rights, are non-redeemable and have a \$0.55 per share liquidation preference. At December 31, 2008 and 2007, 177,904 shares of Series C preferred stock remained outstanding and the liquidation preference amounted to \$97,847.

Series D

During 2002, the Company established its Series D preferred stock. Holders

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of the Series D preferred stock have the right, subject to the availability of authorized but unissued common stock, to convert their shares into shares of the Company's common stock without payment of additional consideration. The Series D shares are initially convertible into the Company's common stock as determined by dividing \$0.20 by the conversion price in effect at the time of the conversion. The initial conversion price of the Series D preferred stock is \$0.20, and subject to adjustment based upon anti-dilution provisions, which include but are not limited to, the affects of the subsequent sale of common stock at prices less than the initial conversion price.

DESIGNATION. The class of convertible Series D preferred stock, \$0.01 par value, consists of up to 2.5 million shares. VOTING RIGHTS. The holders of Series D preferred shares shall have the right to that number of votes equal to the number of shares of common stock issuable upon conversion of such Series D preferred shares.

REDEMPTION. The Series D preferred shares are not redeemable by the Company.

LIQUIDATION PREFERENCE. The Series D holders are entitled to a liquidation preference equal to the greater of \$2.50 per share or the equivalent market value of the number of shares of common stock into which each share of Series D is convertible. At December 31, 2008 and 2007, the liquidation preference for Series D preferred stock was \$4,377,513 and \$4,377,513, respectively.

REGISTRATION RIGHTS. All of the underlying common stock issued upon conversion of the Series D preferred shares shall be entitled to "piggyback" registration rights when, and if, the Company files a registration statement for its securities or the securities of any other stockholder.

DIVIDENDS. The Series D holders are entitled to an annual dividend of \$0.0235 per share. The dividends are cumulative and payable after payment and satisfaction of the Series A, B and C preferred stock dividends. At December 31, 2008 and 2007, cumulative dividends in arrears on the 1,751,005 outstanding Series D shares were \$213,474 and \$172,326, respectively.

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12. STOCKHOLDERS' EQUITY, CONTINUED

During 2007, Series D holders converted 6,667 shares to common stock, as discussed previously.

During 2008 and 2007, no warrants were exercised to purchase shares of Series D preferred stock.

At December 31, 2008 and 2007, the Company had 1,751,005 shares of Series D preferred stock outstanding. The combined liquidation preference and dividends in arrears totaled \$4,590,987 and \$4,549,838 at December 31, 2008 and 2007, respectively.

Preferred Stock Warrants

During 2005, the Company issued 1,000,000 warrants to purchase shares of Series D preferred stock to John C. Lawrence, the Company's president and a director, for incentive to improve the Company's financial position. These warrants are exercisable at \$0.25 and expired in October 2007. No preferred stock warrants were issued in 2008 or 2007.

Transactions in Series D preferred stock warrants are as follows:

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	Number of Warrants	Exercise Prices
	-----	-----
Balance, December 31, 2006	1,861,185	\$0.25-\$0.30
Warrants granted	--	
Warrants exercised	--	
Warrants expired and cancelled	(1,750,000)	\$0.20-\$0.25

Balance, December 31, 2007	111,185	\$0.20-\$0.30
Warrants granted	--	
Warrants exercised	--	
Warrants expired and cancelled	(111,185)	\$ 0.30

Balance, December 31, 2008	--	
	=====	

13. 2000 STOCK PLAN

In January 2000, the Company's Board of Directors resolved to create the United States Antimony Corporation 2000 Stock Plan ("the Plan"). The purpose of the Plan is to attract and retain the best available personnel for positions of substantial responsibility and to provide additional incentive to employees, directors and consultants of the Company to promote the success of the Company's business. The maximum number of shares of common stock or options to purchase common stock that may be issued pursuant to the Plan is 500,000. At December 31, 2008 and 2007, 300,000 shares of the Company's common stock had been issued under the Plan. There were no issuances under the Plan during 2008 and 2007.

14. INCOME TAXES

The Company had no income tax provision or benefit for the years ended December 31, 2008 and 2007.

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14. INCOME TAXES, CONTINUED

At December 31, 2008 and 2007, the Company had net deferred tax assets composed as follows:

	2008	2007
	-----	-----
Arising from differences in the book and tax basis of certain property assets	\$ 316,000	\$ 315,000
Arising from limitation in deduction of foreign exploration costs	354,000	238,000
Arising from net tax operating loss carryforwards	844,000	1,071,000
	-----	-----
Total deferred tax assets	1,514,000	1,624,000
Valuation allowance	(1,514,000)	(1,624,000)
	-----	-----
Net deferred tax assets	\$ --	\$ --
	=====	=====

The deferred tax assets were calculated based on an estimated 34% income tax rate. As management of the Company cannot determine if it is more likely than not that the Company will realize the benefit of its deferred

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tax assets, a valuation allowance equal to the net deferred tax assets at both December 31, 2008 and 2007 has been established.

At December 31, 2008, the Company had unexpired federal regular tax net operating loss carryforwards of approximately \$2,500,000 which expire between 2012 and 2028. In addition, the Company had unexpired Montana and Idaho state regular tax net operating loss carryforwards of approximately \$670,000 and \$130,000, respectively, which expire between 2011 and 2027.

The income tax provision (benefit) differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income (loss) for the years ended December 31, 2008 and 2007 due to the following:

	2008	2007
	-----	-----
Computed "expected" tax provision (benefit)	\$ 113,000	\$ (212,000)
Effect of permanent differences	(3,000)	44,000
Increase in valuation allowance	--	168,000
Release of valuation allowance	(110,000)	--
	-----	-----
	\$ --	\$ --
	=====	=====

On January 1, 2007, the Company adopted Financial Accounting Standards Board Interpretation No. 48 ("FIN No. 48") "Accounting for Uncertainty in Income Taxes." FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in accordance with SFAS No. 109 "Accounting for Income Taxes," prescribing a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken or expected to be taken in a tax return. In the course of our assessment, we have determined that we are subject to examination of our federal income tax filings in the United States for the 2005 through 2008 tax years. State of Montana income tax filings are subject to examination for the 2003 through 2008 tax years and State of Idaho income tax filings are subject to examination for the 2005 through 2008 tax years. There were no uncertain tax positions taken by the Company. In the event that the Company is assessed penalties and or interest, penalties will be charged to other operating expense and interest will be charged to interest expense. There was no impact on the financial statements as of and for the years ended December 31, 2008 and 2007 as a result of adoption of FIN No. 48.

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15. RELATED-PARTY TRANSACTIONS

In addition to transactions described in Notes 4, 8, 9, 11 and 12, during 2008 and 2007, the Company had the following transactions with related parties:

During 2008, the Company issued 130,000 shares of its common stock to members of its Board of Directors as compensation for their services as directors. In connection with the issuances, the Company recorded \$35,100 in director compensation. In addition, the Company has directors compensation of \$23,400 accrued as a liability of December 31, 2008.

During 2007, the Company issued 45,500 of its common stock to members of its Board of Directors as compensation for their services as directors. In connection with the issuances, the Company recorded \$35,490 in director compensation.

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During 2008, the Company paid \$33,201 to a director of the Company for development of Mexican mill sites.

A director of the Company acts as legal counsel to the Company. During the years ended December 31, 2008 and 2007, the Company paid legal fees and expenses to this director in the amount of \$36,500 and \$41,900, respectively. During 2007 \$11,900 of legal fees were capitalized as properties, plant and equipment.

Royalty expense of \$47,491 and \$29,943 was incurred for the years ended December 31, 2008 and 2007, respectively, to a company controlled by Al Dugan, a significant shareholder and affiliate, based on gross sales (FOB mine) of zeolite.

16. COMMITMENTS AND CONTINGENCIES

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

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data and to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The carrying amounts for cash, restricted cash, accounts receivable, accounts payable and other current liabilities are reasonable estimates of their fair values. The fair value of amounts due to related parties approximates their carrying values based upon the contractual cash flow requirements.

The carrying amount of long-term debt is a reasonable estimate of its fair value. The carrying amount of the convertible note payable is a reasonable estimate of its fair value.

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18. BUSINESS SEGMENTS

The Company has two operating segments, antimony and zeolite. Management reviews and evaluates the operating segments exclusive of interest and factoring expenses. Therefore, interest expense is not allocated to the segments. Selected information with respect to segments for the years ended December 31, 2008 and 2007 is as follows:

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	2008	2007
	-----	-----
Capital expenditures:		
Antimony		
United States	\$ --	\$ --
Mexico	180,573	202,741
	-----	-----
Subtotal Antimony	180,573	202,741
Zeolite	218,662	674,448
	-----	-----
	\$ 399,235	\$ 877,189
	=====	=====
Properties, plants and equipment, net:		
Antimony		
United States	\$ 94,137	\$ 117,212
Mexico	1,131,053	950,480
	-----	-----
Subtotal Antimony	1,225,190	1,067,692
Zeolite	1,735,434	1,709,424
	-----	-----
	\$2,960,624	\$2,777,116
	=====	=====
Total Assets:		
Antimony		
United States	\$ 266,746	\$ 504,215
Mexico	1,131,053	950,481
	-----	-----
Subtotal Antimony	1,397,799	1,454,696
Zeolite	1,818,867	1,758,830
Corporate	54,448	132,363
	-----	-----
	\$3,271,114	\$3,345,889
	=====	=====

See Note 2 regarding sales to major customers.

19. SUBSEQUENT EVENT

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

