UNITED STATES ANTIMONY CORP
Form 10-Q
November 14, 2017

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2017

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

For the transition period _____ to _____

Commission file number 001-08675

UNITED STATES ANTIMONY CORPORATION
(Exact name of registrant as specified in its charter)

Montana	81-0305822
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

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

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES No

Indicate by check mark whether the registrant is a shell company as defined by Rule 12b-2 of the Exchange Act. YES No

At November 14, 2017, the registrant had outstanding 67,488,153 shares of par value $0.01 common stock.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company

UNITED STATES ANTIMONY CORPORATION
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD
ENDED SEPTEMBER 30, 2017
(UNAUDITED)

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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements
United States Antimony Corporation and Subsidiaries
Consolidated Balance Sheets

	(Unaudited)	
ASSETS	September 30, 2017	December 31, 2016
Current assets:		
Cash and cash equivalents	$27,576	$10,057
Certificates of deposit	252,298	251,641
Accounts receivable, net	496,397	552,119
Inventories	939,880	855,637
Other current assets	23,890	23,101
Total current assets	1,740,041	1,692,555
Properties, plants and equipment, net	15,338,206	15,695,966
Restricted cash for reclamation bonds	63,275	63,274
Foreign value added tax refund receivable	365,120	276,500
Other assets	32,520	37,703
Total assets	$17,539,162	$17,765,998
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Checks issued and payable	$48,408	$35,682
Accounts payable	2,199,458	1,797,251
Due to factor	163,737	150,399
Accrued payroll, taxes and interest	162,833	213,695
Other accrued liabilities	153,273	122,968
Payables to related parties	16,322	14,525
Deferred revenue	78,730	78,730
Notes payable to bank	103,026	167,317
Income taxes payable (Note 11)	459,510	410,510
Long-term debt, current portion, net of discount	495,134	391,046
Total current liabilities	3,880,431	3,382,123
Long-term debt, net of discount and current portion	1,282,981	1,472,869
Hillgrove advances payable (Note 8)	1,134,196	1,134,221
Common stock payable to directors for services	131,250	168,750
Asset retirement obligations and accrued reclamation costs	270,124	265,782
Total liabilities	6,698,982	6,423,745
Commitments and contingencies (Note 5 and 11)		

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 $909,375 and $907,500 respectively)	7,500	7,500
Series C: 177,904 shares issued and outstanding (liquidation preference $97,847)	1,779	1,779
Series D: 1,751,005 shares issued and outstanding (liquidation preference $5,014,692 and $4,920,178 respectively)	17,509	17,509
Common stock, $0.01 par value, 90,000,000 shares authorized; 67,488,153 and 67,066,278 shares issued and outstanding, respectively	674,881	670,662
Additional paid-in capital	36,239,264	36,074,733
Accumulated deficit	(26,100,753)	(25,429,930)
Total stockholders' equity	10,840,180	11,342,253
Total liabilities and stockholders' equity	$17,539,162	$17,765,998

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

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

	For the three months ended		For the nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
REVENUES	$2,369,714	$2,846,699	$7,827,525	$9,166,628
COST OF REVENUES	2,315,646	2,888,660	7,381,020	8,811,663
GROSS PROFIT (LOSS)	54,068	(41,961)	446,505	354,965
OPERATING EXPENSES:				
General and administrative	228,185	309,832	762,745	850,255
Professional fees	53,045	29,004	190,965	252,469
Hillgrove advance - earned credit (Note 8)	-	(32,813)	-	(109,392)
TOTAL OPERATING EXPENSES	281,230	306,023	953,710	993,332
INCOME (LOSS) FROM OPERATIONS	(227,162)	(347,984)	(507,205)	(638,367)
OTHER INCOME (EXPENSE):				
Interest income	19	19	857	1,421
Interest expense	(25,960)	(28,343)	(80,764)	(57,203)
Foreign exchange gain (loss)	2,642	-	(49,000)	-
Factoring expense	(12,104)	(9,259)	(34,711)	(24,694)
TOTAL OTHER INCOME (EXPENSE)	(35,403)	(37,583)	(163,618)	(80,476)
INCOME (LOSS) BEFORE INCOME TAXES	(262,565)	(385,567)	(670,823)	(718,843)
Provision for income tax (Note 12)	-	(411,490)	-	(423,490)
NET INCOME (LOSS)	(262,565)	(797,057)	(670,823)	(1,142,333)
Preferred dividends	(12,162)	(12,162)	(36,487)	(36,487)
Net income (loss) available to common stockholders	$(274,727)	$(809,219)	$(707,310)	$(1,178,820)
Net income (loss) per share of common stock:				
Basic	NIL	$(0.01)	$(0.01)	$(0.02)
Diluted	NIL	$(0.01)	$(0.01)	$(0.02)

Weighted average shares outstanding:				
Basic	67,488,153	66,866,278	67,387,337	66,687,981
Diluted	67,488,153	66,866,278	67,387,337	66,687,981

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

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

	For the nine months ended	
	September 30, 2017	September 30, 2016
Cash Flows From Operating Activities:		
Net income (loss)	$(670,823)	$(1,142,333)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	637,225	652,375
Hillgrove deferred revenue	-	(109,392)
Amortization of loan discount	70,242	73,058
Accretion of asset retirement obligation	4,342	4,091
Common stock payable for director fees	131,250	112,500
Foreign exchange loss	49,000	-
Other non-cash items	(682)	
Change in:		
Accounts receivable, net	55,722	(97,444)
Inventories	(84,243)	356,120
Other current assets	(790)	70,774
Other assets	(83,437)	(14,990)
Accounts payable	402,207	26,728
Accrued payroll, taxes and interest	(50,862)	4,016
Other accrued liabilities	30,305	42,889
Foreign income tax payable	-	423,490
Payables to related parties	1,797	10,280
Net cash provided by operating activities	491,253	412,162
Cash Flows From Investing Activities:		
Purchase of properties, plants and equipment	(279,465)	(459,969)
Net cash used by investing activities	(279,465)	(459,969)
Cash Flows From Financing Activities:		
Net proceeds from (payments to) factor	13,338	119,111
Checks issued and payable	12,726	-
Principal payments on notes payable to bank (see Note 7)	(64,291)	(30,672)
Principal payments on long-term debt	(156,042)	(130,857)
Net cash provided (used) by financing activities	(194,269)	(42,418)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,519	(90,225)
Cash and cash equivalents at beginning of period	10,057	133,543
Cash and cash equivalents at end of period	$27,576	$43,318

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Noncash investing and financing activities:		
Properties, plants and equipment acquired with long-term debt		$41,648
Common stock payable issued to directors	$168,750	$137,500

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

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PART I - FINANCIAL INFORMATION, CONTINUED:

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

1. Basis of Presentation:

The unaudited consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the three and nine month periods ended September 30, 2017 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2017.

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

Certain consolidated financial statement amounts for the three and nine month periods ended September 30, 2016, have been reclassified to conform to the 2017 presentation. These reclassifications had no effect on the net income (loss) or cash flows or accumulated deficit as previously reported.

Going Concern Consideration

At September 30, 2017, our financial statements show that we have a negative working capital of approximately $2.14 million and an accumulated deficit of approximately $26.1 million. In addition, we have incurred losses for the prior three years. These factors indicate that there may be doubt regarding our ability to continue as a going concern for the next twelve months.

During the past twelve months, the price of antimony has increased from a low of $3.07 per pound for the third quarter of 2016 to an average price of $4.25 for the third quarter of 2017. We have gross profit and a positive cash flow from our U.S. operations at this price. Our operations in Mexico are still in a transitional phase since the loss of our raw material supply from Hillgrove of Australia. We are focusing our production at our Wadley mine to increase grade and output, and we have recently seen ore from there assaying 50% antimony. We are also trying new production techniques, and have found that we can process direct shipping ore successfully at our Madero smelter which will result in a reduction in our operating costs in Mexico going forward.

We have reduced costs at our Mexico locations, most notably a reduced monthly lease payment of $11,600 for the Wadley mine from $23,200 for June 2016, and we have also reduced the cost for labor at the same mine. We have reduced administrative costs by approximately $81,000 from the prior year third quarter at the corporate level. Our capital outlay should be minimal in the near future; and we completed paying for the Los Juarez mining concessions in 2016 which were a major outlay in prior years.

Our zeolite operations continue to operate profitably and provide cash to our operations. We are aggressively seeking new markets for our zeolite products, and we now have an outside sales staff that is working to obtain new customers and have had some success.

We believe that the combination of the above will enable us to stay in operation and meet our financial obligations for the next twelve months and further.

PART I - FINANCIAL INFORMATION, CONTINUED:

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

2.
Income (Loss) Per Common Share:

Basic earnings per share is calculated by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated based on the weighted average number of common shares outstanding during the period plus the effect of potentially dilutive common stock equivalents, including warrants to purchase the Company's common stock and convertible preferred stock. Management has determined that the calculation of diluted earnings per share for the three and nine month periods ended September 30, 2017 and June 30, 2016, is not applicable since any additions to outstanding shares related to common stock equivalents would be anti-dilutive.

As of September 30, 2017 and 2016, the potentially dilutive common stock equivalents not included in the calculation of diluted earnings per share as their effect would have been anti-dilutive are as follows:

	September 30, 2017	September 30, 2016
Warrants	250,000	250,000
Convertible preferred stock	1,751,005	1,751,005
Total possible dilution	2,001,005	2,001,005

3.
Inventories:

Inventories at September 30, 2017 and December 31, 2016 consisted primarily of finished antimony products, antimony metal, antimony ore, and finished zeolite products that are stated at the lower of first-in, first-out cost or estimated net realizable value. Finished antimony products, antimony metal and finished zeolite products costs include raw materials, direct labor and processing facility overhead costs and freight. Inventory at September 30, 2017 and December 31, 2016, is as follows:

	September 30, 2017	December 31, 2016
Antimony Metal	$-	$112,300
Antimony Oxide	452,871	326,126
Antimony Concentrates	19,017	30,815
Antimony Ore	151,841	181,815
Total antimony	623,729	651,056
Zeolite	316,151	204,581
	$939,880	$855,637

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PART I - FINANCIAL INFORMATION, CONTINUED:

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

4.
Accounts Receivable and Due to Factor:

The Company factors designated trade receivables pursuant to a factoring agreement with LSQ Funding Group L.C., an unrelated factor (the "Factor"). The agreement specifies that eligible trade receivables are factored with recourse. We submit selected trade receivables to the factor, and receive 83% of the face value of the receivable by wire transfer. The Factor withholds 15% as retainage and 2% as a servicing fee. Upon payment by the customer, we receive the remainder of the amount due from the factor. The 2% servicing fee is recorded on the consolidated statement of operations in the period of sale to the factor. John Lawrence, CEO, is a personal guarantor of the amount due to Factor.

Trade receivables assigned to the Factor are carried at the original invoice amount less an estimate made for doubtful accounts. Under the terms of the recourse provision, the Company is required to reimburse the Factor, upon demand, for factored receivables that are not paid on time. Accordingly, these receivables are accounted for as a secured financing arrangement and not as a sale of financial assets. The allowance for doubtful accounts is based on management's regular evaluation of individual customer's receivables and consideration of a customer's financial condition and credit history. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. Interest is not charged on past due accounts.

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

Accounts Receivble	September 30, 2017	December 31, 2016
Accounts receivable - non factored	$332,660	$401,720
Accounts receivable - factored with recourse	163,737	150,399
Accounts receivable - net	$496,397	$552,119

5.
Commitments and Contingencies:

In June of 2013, the Company entered into a lease to mine antimony ore from concessions located in the Wadley Mining district in Mexico. The lease calls for a mandatory term of one year and, as of September 30, 2017, requires payments of $10,000 plus a tax of $1,600 per month. The lease is renewable each year with a 15 day notice to the lessor, and agreement of terms. The lease is scheduled for renewal in June 2018.

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PART I - FINANCIAL INFORMATION, CONTINUED:

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

6.
Notes Payable to Bank:

At September 30, 2017 and December 31, 2016, the Company had the following notes payable to bank:

	September 30, 2017	December 31, 2016
Promissory note payable to First Security Bank of Missoula, bearing interest at 3.150%, payable on demand, collateralized by a lien on Certificate of Deposit	$3,027	$76,350
Promissory note payable to First Security Bank of Missoula, bearing interest at 3.150%, payable on demand, collateralized by a lien on Certificate of Deposit	99,999	90,967
Total notes payable to the bank	$103,026	$167,317

These notes are personally guaranteed by John C. Lawrence the Company's President and Chairman of the Board of Directors. The maximum amount available for borrowing under each note is $99,999.

7.
Long – Term Debt:

Long-Term debt at September 30, 2017 and December 31, 2016, is as follows:	September 30, 2017	December 31, 2016
Note payable to First Security Bank, bearing interest at 6%; payable in monthly installments of $917; maturing September 2018; collateralized by equipment.	$10,660	$18,246

Note payable to Cat Financial Services, bearing interest at 6%; payable in monthly installments of $1,300; maturing August 2019; collateralized by equipment.	30,545	40,556
Note payable to Wells Fargo Bank, bearing interest at 4%; payable in monthly installments of $477; maturing December 2016; collateralized by equipment.	-	473
Note payable to De Lage Landen Financial Services, bearing interest at 3.51%; payable in monthly installments of $655; maturing September 2019; collateralized by equipment.	14,567	20,581
Note payable to De Lage Landen Financial Services, bearing interest at 3.51%; payable in monthly installments of $655; maturing December 2019; collateralized by equipment.	16,985	22,944
Note payable to Phyllis Rice, bearing interest at 1%; payable in monthly installments of $2,000; maturing March 2015; collateralized by equipment.	14,146	14,146
Obligation payable for Soyatal Mine, non-interest bearing, annual payments of $100,000 or $200,000 through 2019, net of discount.	731,862	776,319
Obligation payable for Guadalupe Mine, non-interest bearing, annual payments from $60,000 to $149,078 through 2026, net of discount.	959,350	970,651
	1,778,115	1,863,916
Less current portion	(495,134)	(391,046)
Long-term portion	$1,282,981	$1,472,870

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PART I - FINANCIAL INFORMATION, CONTINUED:

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

7.
Long – Term Debt, Continued:

Year Ending September 30,

2018	495,134
2019	307,810
2020	215,795
2021	128,742
2022	111,467
Thereafter	519,167
	$1,778,115

8.
Hillgrove Advances Payable

On November 7, 2014, the Company entered into a loan and processing agreement with Hillgrove Mines Pty Ltd of Australia (Hillgrove) by which Hillgrove will advance the Company funds to be used to expand their smelter in Madero, Mexico, and in Thompson Falls, Montana, so that they may process antimony and gold concentrates produced by Hillgrove's mine in Australia. The agreement requires that the Company construct equipment so that it can process approximately 200 metric tons of concentrate initially shipped by Hillgrove, with a provision so that the Company may expand to process more than that. The parties agreed that the equipment will be owned by USAC and USAMSA. The final terms of when the repayment takes place have not yet been agreed on. The agreement called for the Company to sell the final product for Hillgrove, and Hillgrove to have approval rights of the customers for their products. The agreement allows the Company to recover its operating costs as approved by Hillgrove, and to charge a 7.5% processing fee and a 2.0% sales commission. The initial term of the agreement is five years; however, Hillgrove may suspend or terminate the agreement at its discretion. The Company may terminate the agreement and begin using the furnaces for their own production if Hillgrove fails to recommence shipments within 365 days of a suspension notice. At September 30, 2017, the net amount due to Hillgrove for advances was $1,134,196. As of September 30, 2107, repayment of the advances is not expected to occur within the next twelve months so the balance is classified as a long term liability.

PART I - FINANCIAL INFORMATION, CONTINUED:

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

9. Concentrations of Risk:

	For the Three Months Ended		For the Nine Months Ended	
Sales to Three	September 30,	September 30,	September 30,	September 30,
Largest Customers	2017	2016	2017	2016
Ampacet Corporation	$150,234	$-	$-	$-
Mexichem Specialty Compounds Inc.	909,965	414,157	2,466,388	1,524,253
Kohler Corporation	512,451	362,770	1,458,949	972,083
East Penn Corporation	-	245,514	512,641	965,564
	$1,572,650	$1,022,441	$4,437,978	$3,461,900
% of Total Revenues	66%	36%	57%	38%

Three Largest Accounts Receivable	September 30, 2017	September 30, 2016
Kohler Corporation	$169,991	$133,705
Earth Innovations Inc.	31,522	33,150
Axens North America, Inc.	31,237	-
East Penn Corporation	-	135,828
	$232,750	$302,683
% of Total Receivables	47.00%	58.20%

10.
Related Party Transactions:

During the three and nine months ended September 30, 2017 and 2016, the Chairman of the audit committee and compensation committee received $4,500 and $9,000, and $4,500 and $18,000, respectively, for services performed. See Note 12 for shares of common stock issued to directors.

During the three and nine months ended September 30, 2017 and 2016, the Company paid $2,715 and $8,989, and $2,480 and $11,310, respectively, to John Lawrence, President and Chief Executive Officer, as reimbursement for equipment used by the Company.

11.
Income Taxes:

During the nine months ended September 30, 2017 and the year ended December 31, 2016, the Company determined that a valuation allowance equal to 100% of any deferred tax asset was appropriate, as management of the Company cannot determine that it is more likely than not the Company will realize the benefit of a net deferred tax asset. The net effect is that the deferred tax asset as of December 31, 2016, and any deferred tax assets that may have been incurred since then, are fully reserved for at September 30, 2017.

Management estimates the effective tax rate at 0% for the current year.

In 2015, the Mexican tax authority (“SAT”) initiated an audit of the USAMSA’s 2013 income tax return. In October 2016, as a result of its audit, SAT assessed the Company $13.8 million pesos, which was approximately $666,400 in U.S. Dollars (“USD”) as of December 31, 2016. Approximately $285,000 USD of the total assessment is interest and penalties. SAT’s assessment is based on the disallowance of specific costs that the Company deducted on the 2013 USAMSA income tax return. These disallowed costs were incurred by the Company for USAMSA’s business operations. SAT claims that the costs were not deductible or were not supported by appropriate documentation. At September 30, 2017, the assessed amount is $746,000 in U.S dollars.

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PART I - FINANCIAL INFORMATION, CONTINUED:

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

11.
Income Taxes, Continued:

Management has reviewed the assessment notice from SAT and believes numerous findings have no merit. The Company has engaged accountants and tax attorneys in Mexico to defend its position. An appeal has been filed.

At December 31, 2016, management estimated possible outcomes for this assessment and believes it will ultimately pay an amount ranging from 30% of the total assessment to the total assessed amount. The Company's agreement with the tax professionals is that the professionals will receive 30% of the amount of tax relief they are able to achieve.

At December 31, 2016, the Company accrued a potential liability of $410,510 USD of which $285,048 was for unpaid income taxes, $75,510 was for interest expense, and $49,952 was for penalties. The amount accrued represents management's best estimate of the amount that will ultimately be paid. The outcome could vary from this estimate. At September 30, 2017, the Company recognized a $49,000 increase due to the change in exchange rate. Fluctuation in exchange rates has an ongoing impact on the amount the Company will pay in U.S. dollars.

If an issue addressed during the SAT audit is resolved in a manner inconsistent with management expectations, the Company will adjust its net operating loss carryforward, or accrue any additional penalties, interest, and tax associated with the audit. The Company's tax professionals in Mexico have reviewed and filed tax returns with the SAT for 2014, 2015, and 2016, and have advised the Company that they do not expect the Company to have a tax liability for those years relating to similar issues.

12.
Stockholder's Equity:

Issuance of Common Stock for Payable to Board of Directors

During the nine months ended September 30, 2017, the Board of Directors was issued a total of 421,875 shares of common stock for $168,750 in directors' fees that were payable at December 31, 2016. In addition, the Company accrued $131,250 in directors' fees payable as of September 30, 2017, that will be paid in common stock.

During the nine months ended September 30, 2016, the Board of Directors was issued a total of 550,000 shares of common stock for $137,500 in directors' fees that were payable at December 31, 2015. In addition, the Company accrued $112,500 in directors' fees payable as of September 30, 2016, that will be paid in common stock.

13.
Business Segments:

The Company is currently organized and managed by four segments, which represent our operating units: United States antimony operations, Mexican antimony operations, precious metals recovery and United States zeolite operations.

The Madero smelter and Puerto Blanco mill at the Company's Mexico operation brings antimony up to an intermediate stage, which is typically sold directly or shipped to the United States operation for finishing and sales at the

Thompson Falls, Montana plant. The precious metals recovery plant is operated in conjunction with the antimony processing plant at Thompson Falls, Montana. The Zeolite operation produces Zeolite near Preston, Idaho. Almost all of the sales of products from the United States antimony and Zeolite operations are to customers in the United States.

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PART I - FINANCIAL INFORMATION, CONTINUED:

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

13.
Business Segments, Continued:

Disclosure of the activity relating to our precious metals recovery requires that it be reported as a separate business segment. The prior period comparative information has been reclassified to reflect this change.

Segment disclosure regarding sales to major customers is located in Note 9.

	For the three months ended		For the nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Capital expenditures:				
Antimony				
United States	$22,241	$-	$22,241	$1,040
Mexico	45,326	26,130	121,042	201,882
Subtotal Antimony	67,567	26,130	143,283	202,922
Precious Metals	24,798	85,804	84,379	247,500
Zeolite	35,856	61,284	51,803	123,075
Total	$128,221	$173,218	$279,465	$573,497

Properties, plants and equipment, net:	September 30, 2017	December 31, 2016
Antimony		
United States	$1,697,360	$1,694,331
Mexico	11,677,840	11,984,467
Subtotal Antimony	13,375,200	13,678,798
Precious metals	588,650	544,615
Zeolite	1,374,356	1,472,553
Total	$15,338,206	$15,695,966

Total Assets:	September 30, 2017	December 31, 2016
Antimony		
United States	$2,543,350	$2,495,842
Mexico	12,338,179	12,681,109
Subtotal Antimony	14,881,529	15,176,951
Precious metals	588,650	544,615
Zeolite	2,020,575	2,044,432
Total	$17,490,754	$17,765,998

PART I - FINANCIAL INFORMATION, CONTINUED:

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

13.
Business Segments, Continued:

Segment Operations for the three months ended September 30, 2017	Antimony USA	Antimony Mexico	Precious Metals	Zeolite	Totals
Total revenues	$1,796,775	$-	$78,245	$494,694	$2,369,714
Depreciation and amortization	14,200	127,675	15,100	50,200	207,175
Income (loss) from operations	435,497	(861,683)	63,145	135,879	(227,162)
Other income (expense):	(11,611)	(20,772)	-	(3,020)	(35,403)
NET INCOME (LOSS)	$423,886	$(882,455)	$63,145	$132,859	$(262,565)

Segment Operations for the three months ended September 30, 2016	Antimony USA	Antimony Mexico	Precious Metals	Zeolite	Totals
Total revenues	$2,025,755	$3,557	$240,238	$577,149	$2,846,699
Depreciation and amortization	20,000	136,875	-	53,400	210,275
Income (loss) from operations	723,628	(1,421,013)	240,238	109,163	(347,984)
Income tax expense	-	(411,490)	-	-	(411,490)
Other income (expense):	(9,406)	(24,617)	-	(3,560)	(37,583)
NET INCOME (LOSS)	$714,222	$(1,857,120)	$240,238	$105,604	$(797,057)

Segment Operations for the nine months ended September 30, 2017	Antimony USA	Antimony Mexico	Precious Metals	Zeolite	Totals
Total revenues	$5,842,801	$17,782	$243,822	$1,723,120	$7,827,525
Depreciation and amortization	42,900	397,325	47,000	150,000	637,225
Income (loss) from operations	1,618,156	(2,680,293)	196,821	358,110	(507,206)
Other income (expense):	(34,654)	(119,341)	-	(9,622)	(163,617)
NET INCOME (LOSS)	$1,583,502	$(2,799,634)	$196,821	$348,488	$(670,823)

Segment Operations for the nine months ended September 30, 2016	Antimony USA	Antimony Mexico	Precious Metals	Zeolite	Totals
Total revenues	$6,621,732	$3,557	$564,581	$1,976,758	$9,166,628
Depreciation and amortization	60,400	431,975		160,000	652,375
Income (loss) from operations	2,582,390	(4,028,767)	564,581	243,429	(638,367)
Income tax expense	-	(423,490)	-	-	(423,490)
Other income (expense):	(23,837)	(49,122)	-	(7,517)	